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**Governance model and statutes for the platform**

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## Summary

This report details a draft governance scheme for the joint programming platform on circular economy R&I in Europe, the "EU Circular Cooperation Hub" (EU CCH), under two scenarios, considering the results of the CICERONE project on strategic design, business modelling and financial planning. The methodology used to collect data and expression of needs and insights from stakeholders (namely programme owners) included preliminary surveys with targeted stakeholders, interviews, benchmarking existing initiatives and platforms relevant to the project, organising external consultative workshops and internal project design meetings (internal co-creation meeting, internal workshops and sense-making sessions), complemented by desk research. The EU Circular Cooperation Hub could develop under both scenarios analyzed as an evolving platform, expecting to adapt to meet the needs of its stakeholders. However, the most feasible start of the operation of the future joint-programming platform for circular economy R&I leans towards the first scenario, which also has the potential to be suitable for the later development and maturity its services, activities and operations without the need to become a legal entity. This will remain for the programme owner and founding members to consider and shape the structure of the EU Circular Cooperation Hub to better meet their interests.

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## EXECUTIVE SUMMARY

This report details a draft governance scheme for the joint programming platform on circular economy R&I in Europe, the “EU Circular Cooperation Hub” (EU CCH), under two scenarios, considering the results of the CICERONE project on strategic design, business modelling and financial planning. The methodology used to collect data and expression of needs and insights from stakeholders (namely programme owners) included preliminary surveys with targeted stakeholders, interviews, benchmarking existing initiatives and platforms relevant to the project, organising external consultative workshops and internal project design meetings (internal co-creation meeting, internal workshops and sense-making sessions), complemented by desk research.

The **first scenario** envisions the EU Circular Cooperation Hub operating as a consortium-supported initiative, sustained by external funding and in-kind contribution, with decentralised operational management and no legal status. Being driven by a consortium, the EU CCH could then function as an initiative or a collaborative partnership (network) of national programme owners from EU member states in circular economy. The governance structure under this scenario has been designed to ensure a collective responsibility for the overall governance of EU CCH and a clear division of work between the involved stakeholders. The governance model for this scenario includes a three-layered structure composed of a decision-making level (Governing Board and Working Groups) an operational level (a decentralised Management Board), and a collaborative level (Advisory Board and Knowledge Partners). A new governance element is proposed as the SRIA Review Forum (acting as a structure that facilitates part of the co-creation and co-management of the EU CCH activities). This first scenario allows both for quick implementation in the short-term and flexibility for advancing the services in the long-term without the need to become a legal entity.

The **second scenario** presents an alternative that could have operational feasibility dependent on reaching a critical mass of members, financial sustainability from membership fees and in-kind contributions, and could become appealing at a more mature stage of the development of EU CCH. This second scenario sees the future EU Circular Cooperation Hub as a self-funded platform via membership fees, operating as a legal entity with a centralised secretariat. The most suitable form of non-profit legal entity under Belgian law is for the EU CCH to become an international non-profit association (association internationale sans but lucratif AISBL) with a registered office in Brussels. The AISBL is less burdensome to establish and manage than other types of non-profit entities, presents the distinct advantage of allowing an international purpose for the association, functions under more accommodating legislation and allows for greater flexibility in its governance structure. The future joint programming platform would then operate under a similar governance structure as identified under the first scenario, with the added elements of a centralised secretariat (as a legal obligation) and a Board of Directors (as an operational necessity if the membership funding is from private sources).

The EU Circular Cooperation Hub could develop under both scenarios as an evolving platform, expecting to adapt to meet the needs of its stakeholders. However, the most feasible start of the operation of the future joint-programming platform for circular economy R&I leans towards the first scenario, which also has the potential to be suitable for the later development and maturity its services, activities and operations without the need to become a legal entity. This will remain for the programme owner and founding members to consider and shape the structure of the EU Circular Cooperation Hub to better meet their interests.

**KEYWORDS:** Governance model, circular economy, legal status, international non-profit association, sustainability, SRIA, programme owners, public funding.

**Disclaimer**

The content of this document is the sole responsibility of the authors and any opinions expressed therein do not necessarily represent the official position of the European Commission. For the purpose of the report, only the names of the organisations, platforms, initiatives and networks are mentioned, without being associated with the name of the interviewees.

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## 1 Introduction

The H2020 CICERONE project brings together programme owners, research organisations and other stakeholders to create a platform for efficient Circular Economy programming in the European Union. The priority setting and the organisation of the future platform is driven by Programme Owners (POs), involved either as project partners, or via a stakeholder network.

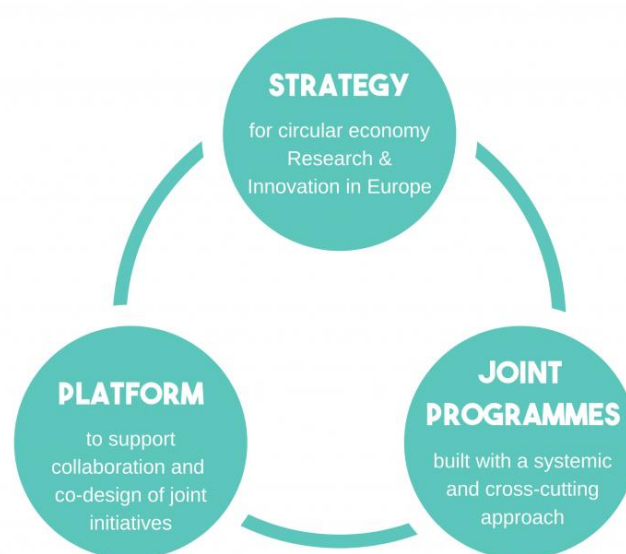
The mission of CICERONE is to increase collaboration and alignment between funders of circular economy Research and Innovation (R&I) programmes in Europe, which will be achieved by building a common European strategy and platform for circular economy Research & Innovation – the “**EU Circular Cooperation Hub**”.

Achieving impact and scale of circular economy programming is slowed down in the European Union due to the current fragmentation of circular economy priorities and initiatives that remain uncoordinated between member states. The future platform for circular economy Research & Innovation (the EU Circular Cooperation Hub) will address this challenge through a systemic and collaborative approach to build up the sustainability of circular economy transition at EU level while reinforcing the existing knowledge and resources.

The CICERONE project is committed to bringing national, regional and local governments together to jointly tackle the circular economy transition needed to reach net-zero carbon emissions and meet the targets set in the Paris Agreement and EU Green Deal.

This will be achieved through three main outputs:

- **Strategy:** Strategic Research & Innovation Agenda (SRIA) for Europe, to support owners and funders of circular economy programmes in aligning priorities and approaching the circular economy transition in a systemic way.
- **Joint programmes:** joint and systemic programmes to tackle the circular economy transition across four key challenges areas: urban areas (joint programme *Circular Cities*), industrial systems (*Circular Industries*), value chains (*Closing the Loop*) and territory & sea (*Resource Efficiency in Territory and Sea*).
- **Platform:** a platform for circular economy programme owners at national, regional and local level to share best practices, co-create and collaborate on joint programmes for circular economy research & innovation



**Figure 1. Strategic framework for the CICERONE H2020 project**

The objective of this report is to analyse the potential governance scheme for the future EU Circular Cooperation Hub, taking into account the results of the project on strategic design, business modelling and financial planning. This report presents the results of consultations with stakeholder during external meetings, interviews, questionnaires, internal project design meetings and desk research



The key questions this report addresses are:

- What governance model scenarios are most appropriate for the platform?
- How will decisions be taken for co-programming?
- What are the legal forms of the platform might take, if any?

This deliverable is structured as follows:

Section 2 introduces the methodology used within the CICERONE project to identify the platform governance model elements is presented. The activities undertaken to achieve this task have spanned over 19 months, and ranged from preliminary surveys with targeted stakeholders, to interviews, benchmarking existing initiatives, external workshops and internal project design meetings, substantiated by desk research.

Section 3 highlights the results and insights from stakeholder consultations, project research and internal co-design meetings and constitute the foundation for the development of the governance model.

Section 4 looks at two scenarios for the future governance model of the EU Circular Cooperation Hub and presents details of the essential elements for each option.

Finally, Section 5 derives key lessons and conclusions towards building and testing the setup of the governance model to reach the desired impact of the future joint programming platform on circular economy research and innovation in the EU.

## 2 Methodology

In this section, the methodology that has been used with CICERONE to identify the platform governance model elements is presented. The activities undertaken to achieve this have spanned over 19 months, and ranged from preliminary surveys with targeted stakeholders, to interviews, benchmarking existing initiatives, external workshops and internal project design meetings, substantiated by desk research.

### 2.1 Initial survey and interviews with Programme Owners

#### Initial EU-wide survey of Programme Owners

Between January - March 2019, CICERONE deployed an initial survey among policy makers, programme owners and mandated organisations who decide on programming Circular Economy research and innovation in the EU. These stakeholders constituted the national entities that decide on policy objectives and funding of circular economy programmes at the European, national, regional and local level. The survey aimed at collecting preliminary insights on priorities, issues, and international orientation, as well as identifying potential front runners for CICERONE's joint programming platform for circular economy. The data gathering consisted of an online questionnaire and a series of interviews, either personal or by phone. The structure of the online questionnaire used for this task is presented in *Appendix I: Initial EU-wide survey of Programme Owners (January - March 2019)*.

#### Interviews with Programme Owners

During the October - December 2019 period, project partners undertook an activity that aimed at testing some of the preliminary results emerging on the topic of governance model. This was done by running a small-scale set of focused interviews with POs to collect first impressions and insights into the preliminary research and project workshop results that assess governance model options. The objective of the task was to hold between 8 to 10 direct interviews with Programme Owners from

different European regions, following a semi-structured questionnaire outline. . The structure of the online questionnaire used for this task is presented in *Appendix II: Questionnaire to Programme Owners (October - December 2019)*.

## 2.2 Benchmarking governance models of existing European clusters, platforms and initiatives

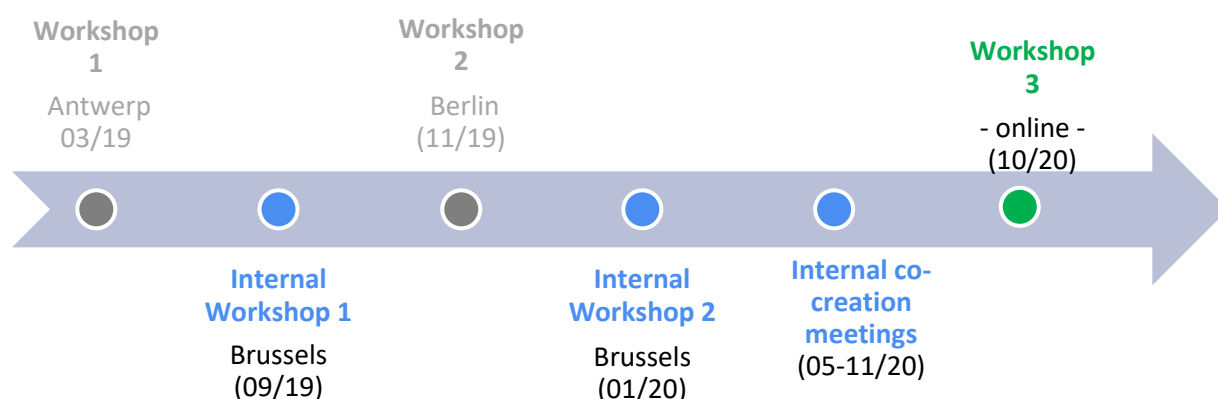
In early 2019, CEPS began the process of preparing the governance, financial model options and post-project sustainability for what would be the future EU Circular Cooperation Hub. This first step was represented by a surveying and benchmarking exercise of governance and financing models of relevant European clusters, platform and initiatives. This activity resulted in the drafting of a report part of Work Package 3 Implementation Pathways, that addresses the high-level objective “to build and test a lasting organisation and pathways to reach the desired impact”.

The report *D3.2 Benchmark of governance and financing models of European clusters and platforms* was developed by the means of a mixed qualitative-quantitative research method to collect data and information via interviews and surveys, supplemented by desk research to fill information gaps. The first step in this process was a preliminary screening activity, which covered 94 initiatives considered for analysis and aided in the selection of a number of 8 indicators to be assessed via a questionnaire. The second step was the selection of four essential elements (multi-level representation and diversity of geographical footprint; sustainability as the preeminent topical focus; diverse financing models; strategic focus) for the sampling process, which lead to a sample of 35 initiatives being singled out. This sample of initiatives was approached by CEPS and invited for interviewing and surveying by the means of a short open-ended questionnaire. Eventually, 16 initiatives responded with information, results which are presented and analysed in the report. For a full list of the initiatives pre-screened and analysed, please consult Annexes 2 and 3 of the report (CICERONE D3.2, 2019).

## 2.3 Co-design meetings

To identify the appropriate business model for CICERONE, we used two complementary co-design approaches: internal and external<sup>1</sup> workshops and co-creation meetings covering a period of 19 months, as illustrated in Figure 2 below.

**Figure 2. Overview of CICERONE’s internal and external workshops that included platform governance discussions**



Source: Author’s own elaboration

<sup>1</sup> Only the third external workshop directly addressed governance model discussions with stakeholders

## Internal Workshops

The internal workshop 1 and 2 were one-day meetings that facilitated the preliminary reflection of CICERONE project partners on the value proposition, potential services, and governance model of the EU Circular Cooperation Hub. Participants were split in two different tables, with one dedicated to brainstorming on governance modelling and the other dedicated to business modelling.

For the internal workshop 1 and 2 hosted in Brussels by CEPS, the concept of Governance Model Canvas was developed to reflect on how the platform will be sustainable financially and in relation to the added value it provides. The Governance Model Canvas (see Figure 3) is an adaption to the well-established concept Business Model Canvas<sup>2</sup> developed by Osterwalder & Pigneur and it provides a useful tool to categorize, design and identify elements for a governance model. The adaptation of to business model canvas to a governance model canvas included the following nine dimensions, as illustrated in Figure 3: governance, decision-making, membership, stakeholders, relationship with the EU, risks and challenges.

**Figure 3. The Governance Model Canvas**

Membership		Governance		Decisionmaking	
Members (Who)	Level of Membership	Levels of Governance	Rotation	Who	How
		Representation	Advisory Board (Yes/No/Who)	Voting rights	Elements to be voted on
Stakeholder Who – and their role		Risks and Challenges		Relationship with the EU	

Source: C-KIC & LGI

## Internal co-creation meetings

Advancing the development of the future join-programming platform was further reinforced by the organisation of multi-lateral meetings with CICERONE project partners to conceptualize different elements of the business and governance model. This was achieved through multi-lateral Sense-Making Sessions with project partners aimed at refining the conceptual design of the governance model, establishing the inter-linkages between the different platform components and deliverables, and integrating the strategic design of the platform. Between May – November 2020, there were a total of four online Sense-Making Sessions with CICERONE project partners discussing the governance model. The Sense-Making Sessions were facilitated by Climate KIC on the online visual collaboration platform “Miro”, which enabled partners to refine the conceptual approach, seek linkages between tasks and activities, and co-create the basic design elements of the governance model of the future joint programming platform.

<sup>2</sup> The most prominent Business Model Canvas frameworks are those designed by Osterwalder & Pigneur, Maurya and Johnson, Christensen and Kagermann

## External Workshops

Workshop 3 “Policy Workshop”, October 2020, Online

The online stakeholder workshop entitled “Cooperation for Circular Economy Research & Innovation” took place on the 22<sup>nd</sup> and 29<sup>th</sup> of October. The event took an interactive and hands-on approach to give participants insights into the future EU Circular Cooperation Hub while providing them with the opportunity to shape its services in line with their needs and expectations. The workshop was primarily targeted for programme owners and policy makers in EU Member States and to representatives from academia, industrial sectors, SMEs and non-governmental organisations. The supporting background materials were supplied via EIT Climate-KIC’s learning platform “Brightspace” and the workshop was delivered via the Zoom teleconferencing software. The first session of the workshop focused on introducing the future joint-programming platform proposal to the participants and discuss its key services and basic elements of its governance model, while the second session explored the capacity-building needs for public funders and policy makers to implement circular economy R&I joint programmes. The online polling software Menti.com was used to survey the participants on the services and governance model elements of the future EU CCH.

## 3 Highlighting the results from stakeholder consultations and project research

The methodology described in the previous section constituted the building blocks to explore and prepare the potential options for the governance of the EU Circular Cooperation Hub (EU CCH). This section presents the outcomes of the work carried out using the steps highlighted in Section 2.

### 3.1 Insights from the initial survey and interviews with Programme Owners

#### 3.1.1 Insights from preliminary surveying

Between January 2019 - March 2019, the CICERONE project partner Netherlands Enterprise Agency (RVO) undertook an initial survey among policy makers and mandated organisations who decide on programming Circular Economy research. The survey aimed at getting their input on priorities, issues, and international orientation, and at identifying potential front runners for CICERONE's joint programming platform for circular economy. This activity resulted in 49 responses from programme owners, of which 35 were surveys and 14 phone interviews (since survey answers were incomplete, the collected information is indicative). Although this activity did not specifically target the collection of suggestions on the governance model of the future joint programming platform, there were some preliminary pointers useful for the outset of the governance analysis, highlighted in Table 1:

**Table 1. Extracting survey pointers relevant to the governance model design**

Pointers emerging from the survey (highlights from interviewees' responses)	Relevance to the design of the governance model (author's inductive assessment)	Governance model component implied
Engaging programme owners in surveys is challenging since they often receive requests for such queries and they might have inadequate resource capacity to adequately address such activities.	Designing a straightforward governance structure to allow for simple decision-making mechanisms when doing joint programming through the future platform.	Governance structure; Decision-making mechanisms

More than 50% of respondents get scientific support from national universities and research institutes when designing their circular economy programme. Around 75% of respondents use international networks and 60% participate in international projects to further their circular economy knowledge base.	The future joint-programming platform membership options could be broadened to include other types of stakeholders (e.g. research institutes), third countries and cooperation with other platform and initiatives	Membership; advisory board; external collaboration
In addition, the survey indicated a clear need for a one-stop shop for circular economy international knowledge and networks relevant for policy makers and programme owners.		
Most programme owners operate at the national level, though some respondents highlighted the consideration that regions are better suited to realise the transition to circular economy	The participation in the future joint-programming platform should allow for a diversification of programme owners (local, regional and national level) and geographical distribution	Membership
Key findings of the survey show a large difference in technology use, organisation and culture between Member States and regions	The governance model should allow for an evolving platform that can adapt to provide efficient joint programming	Governance structure; Membership

The full results of this activity were translated D4.2 “Report on survey of programme owners” (CICERONE D4.2, 2020).

### 3.1.2 Results of interviews with Programme Owners

Between October and December 2019, CICERONE project partners set out to test with programme owners some of the preliminary project research results emerging on governance and business model design. Conceptual elements stemming from the first internal and external co-design meetings, as well as components used in the Governance Model Canvas (see report Section 2.3) needed feedback and suggestions from Programme Owners before advancing with the further development of the governance design. A total of 13 programme owners from different European regions were interviewed by the means of a semi-structured questionnaire. The results covering the governance model, which are indicative but not fully representative at the EU level, are highlighted in Table 2.

**Table 2. Results from interviews with Programme Owners on the governance model design**

Governance model component	Interview results
Platform funding and functioning	The majority of interview respondents (54%) prefer a package of services paid by a membership fee, while the vast majority of respondents (85%) are willing to contribute in-kind to the platform activities with expertise, event organisation, common research activities, etc. Other sources of funded were suggested, such as: PPP, EIT, EU calls, national funding.

Membership	<p>The answers pointed towards openness to a variety of stakeholders (e.g. POs, RTOs, private companies, civil society, academia). There was a preference for a two-level membership: 1) POs; 2) Other (e.g. SMEs, RTOs etc.).</p> <p>The involvement of key stakeholders was seen as evolving: at the incipient stage of the platform, the POs, government ministries and research centers were seen to be primarily engaged, while at a mature stage of the platform SMEs, civil society, academia etc. are to be involved.</p>
Governance structure	<p>On this topic, 45% of respondents preferred a two-level governance structure with a general assembly () and an executive committee (i.e. secretariat). There was full support from interview respondents that the executive (or key representative) of the future joint-programming platform should not rotate but have a fixed and full-time position to ensure ownership, commitment and stability. The interest of the respondents was to keep the governance structure simple.</p>
Decision-making	<p>Key strategic decisions (e.g. budget allocation, high-level services etc.) were perceived to fall under the responsibility of the General Assembly, while the day-to-day operation under an Executive Committee (i.e. secretariat)</p>
Voting	<p>On decision-making, interview respondents agreed that POs will have voting rights (or those that will have full membership), while other stakeholders (non-POs or who are not funders) should be observers and provide suggestions and advice (if they are not participating in a joint call). Voting rights could also be extended to entities members of the General Assembly.</p> <p>The areas of decision-making were mentions as: allocation of funds; Joint programming; Service-delivery; Acceptance of new members (following the compliance with a set of membership acceptance criteria); Appointment of the General Assembly and Executive Committee.</p>
External representation of the platform	<p>Most respondents suggested that programme owners should externally represent the platform, in addition the high-level representation of the director of the Executive Committee/Secretariat.</p>
Advisory Board	<p>The vast majority of interview respondents (70%) agreed on having an advisory board (although not seen as necessary), and its members could be represented by: associations, industry representatives, EU Commission, policymakers, experienced people, academia, SME associations.</p>
Stakeholders	<p>The stakeholders seen by interview respondents as essential for engagement were: RTOs, academia, private organizations, banks, private financing, SMEs and enterprises with a relevant experience in circular economy actions implementation, innovative SMEs, NGOs.</p>
Role of EU in the governance structure	<p>All respondents emphasized the importance to build a relation with the EU and involve them, either very close (owner, funder) or in advisory function. The European Commission was perceived to important in leading the platform in the incipient stage to build credibility and momentum (the respondent perceived as best placed to do this wither DG RTD, DG JRC or even the Committee of the Regions).</p>
Governance risks and challenges	<p>Some of the perceived challenges from the interview respondents' perspective had to do with the operationalization and complexity of the future joint</p>

	programming platform and its potential complicated/bureaucratic or badly managed development. In addition, perceived challenges were also considered the influence of members (membership inequalities), maintaining independence/neutrality, maintaining a European perspective, and the ownership and legal status (if any).
Role of Programme Owners	The respondents considered Programme Owners (POs) to be members of the future platform, supporting the development of the platform in the incipient stages, and also having advisory role, participating in events and inter-institutional capacity-building.

### 3.2 Insights from benchmarking governance models of existing European clusters, platforms and initiatives

The 2019 surveying and benchmarking of governance and financing models of relevant European clusters, platform and initiatives, undertaken by CEPS, led to the development of (CICERONE D3.2, 2019) “Benchmark of governance and financing models of European clusters and platforms”. The results were primarily structured along the following characteristics: governance model, legal status, financing model.

**Governance model** - The report revealed that the analysed initiatives registered a diversity of governance and financing models, but they all appeared to have a generic three-layered governance structure, comprised of an executive, operational and advisory level.

**Legal status** - Most analysed initiatives have no independent legal status, while those that opted for a legal entity preferred not-for-profit organisations, European Economic Interest Grouping or governmental platforms.

**Financing model** - The predominant financing model for the investigated initiatives is public funding. Private funding is rarely found as an option among the examined initiatives, few using private sources and chargeable services. If an initiative wants to be directly financed, it then requires a legal entity. This applies to any initiative that would like to participate in any call for funding on their own.

Furthermore, some forms of legal entities can benefit from funding by a group of national public organisation supporting a specific initiative, since such organisations could improve collaboration and engagement. Being a directly financed initiative by the private sector can undermine the independent nature of an initiative, and can place additional requirements on the supervision, control and management of the governance structure and operations. If the funding is private, then it is necessary for an initiative to have a board of directors (supervising the mandate and ensuring independence) and also an executive board (that oversees the activities and performs strategic planning and high-level decision-making). Based on these characteristics, the selected initiatives presented similarities and differences highlighted in Figure 4 below.



Figure 4. Generic governance structure of selected initiatives – similarities and differences

Governance function	Governance Body	Description	Relevance	Recommended governance bodies	
				If initiative has legal status	If initiative has no legal status
Strategic management	<b>Board of Directors</b>	Representatives of the organisation's stakeholders and/or shareholders	- Supervision of mandate and responsibility for all major decision-making - Ensures independence in case of external financing	+	-
	<b>Executive Board</b>	Senior management professionals who oversee the management of the organisation and its business	- Oversight of activities and strategic planning - Decision-making and management of high-level workplace issues	+	-
Executive	<b>Steering Committee</b>	Consists of people in charge of the initiative at the customer's organisation, or of representatives of all partner organisations	- Provision of advice, securing project output delivery and achievement of project outcomes - Setting of objectives and allocation of resources	+/-	+
	<b>Management Team</b>	Management professionals and supervisors who lead a team/staff	- responsibility of day-to-day operations - support for organisational development and growth of staff performance	+	+
Operational	<b>Secretariat</b>	The department that fulfills the central administrative and secretary duties of an organisation/initiative	- Execution of daily administrative tasks - Handling human resources, personnel issues and finances	+	+
	<b>Advisory Board</b>	External advisers that informally provide non-binding advice to the management of an initiative/organisation	Providing external unbiased counsel on issues raised by the management; acting as a resource and encouraging the exploration of new ideas	+/-	+/-
Advisory	<b>Scientific Advisory Board</b>	External advisors composed of science and technology experts from academia and industry	Assesses the scientific direction and progress of the initiative	+/-	+

**Legend**

- Highly recommended governance body
- Not needed governance body
- Need of governance body is dependant on case-by-case requirements

Source: Authors' elaboration

### 3.3 Insights from developing the strategic design of the future joint-programming platform

The CICERONE project addressed in its report "Strategic design of the platform " (CICERONE D3.1, 2020) the elements of the EU Circular Cooperation Hub taken in account from future users' needs assessment and expected added value, presenting the value proposition and strategic function of the EU CCH. The report firstly identified several relevant gaps in existing platforms, among which the most important was the lack of mechanisms to facilitate the synchronisation of national and regional circular economy related R&I agenda of different EU countries with varying priorities at the European level. Other relevant gaps were the lack of systemic multi-governmental and cross-sectoral network for circular economy, and the absence of coordination of circular economy research agendas arising from the needs and priorities of different EU member states and regions.



To define the guidelines for the functional model of the EU Circular Cooperation Hub, the report on strategic design introduces key success factors of existing sustainability related RDI platform

- *Clear targeting of platform:* among a growing number of existing and emerging circular economy related platforms and initiative, the EU Circular Cooperation Hub should focus on the clearly defined and needs of national and regional Programme Owners (POs). Since many existing initiatives and platforms are established with project funding and the post-project continuity is a critical issue, the EU CCH should aim for clear customer-centric targeting of the platform activities to the needs of Pos.
- *Genuine stakeholder engagement:* Stakeholder networking and knowledge exchange are the key goals of all the studied platforms, this being addressed either through direct and flexible engagement or through predesigned on-line services. The EU CCH should consider the responsiveness of platform agenda and services to better adapt to the stakeholders' evolving needs.
- *Strategic agenda development.* One success factor for some existing platforms that have continued after EU funding with funding from member states was the engagement of actors and stakeholder who developed strategic agendas (such as SRIAs) for implementation. This emphasizes the role of the EU CCH Strategic Research and Innovation Agenda, which forms the substantial basis of the platform activities in engaging stakeholders. To create substantial ownership for POs, it is essential that the EU CCH will continuously validate and further co-develop the SRIA together with the POs as part of platform activities in order to align it with evolving national priorities.

The value proposition of the EU Circular Cooperation Hub resides in facilitating an interface between users' needs and existing resources and knowledge to help national and regional programme owners deliver research and innovation activities for promoting circular economy transition with the support of tailor-made services. To this end, the EU CCH will provide:

- Systemic thinking to tackle circular economy in collaboration across sectors and regions with systems innovation
- Orchestration and supporting collaboration for Joint programming (multi-level, cross regional)
- Policy recommendations and advocacy through the community management
- New tools and competence development, capacity building

The report further highlights that the EU CCH will best function as an actor-driven platform that will deliver the following main services: Joint programming, Policy influence, Training and capacity building and Knowledge sharing. These services are elaborated and presented in the business model report.

### 3.4 Insights from co-design meetings

#### 3.4.1 Results of the external workshops

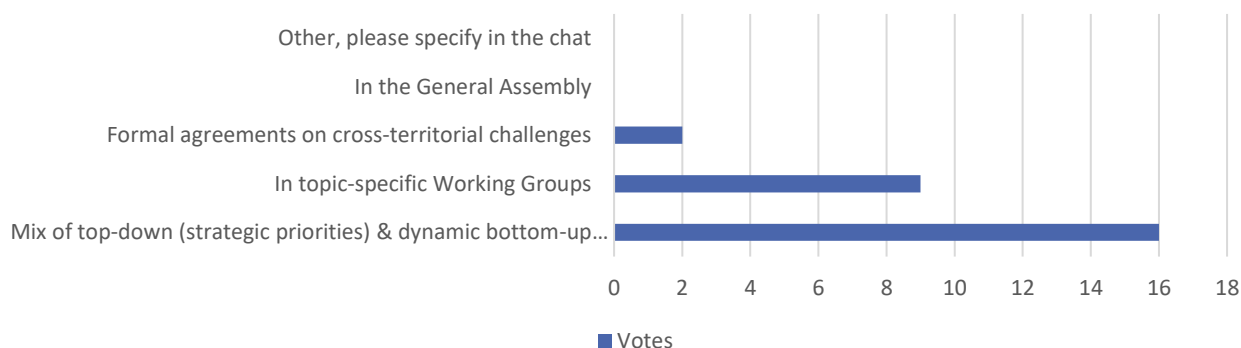
##### **Workshop 3 “Policy Workshop”, October 2020, Online**

The online stakeholder workshop “Cooperation for Circular Economy Research & Innovation” (22<sup>nd</sup> and 29<sup>th</sup> of October 2020) used an interactive and hands-on approach to give stakeholders insights into development of the EU Circular Cooperation Hub while providing them with the opportunity to have a say in the finalisation of its services and governance model.

One of the discussion points of the workshop was the potential governance model of the EU CCH. The format and time constraints of the event allowed for only a brief exchange with participants on two elements of the governance structure: decision-making for joint programming, and role of external stakeholders. The results from the online polling software Menti.com on the first topic are illustrated below in Figure 5.

**Figure 5. Workshop 3 survey on stakeholder preference for decision-making**

If you were a member of the future platform, how would you prefer to make decisions for joint programming?



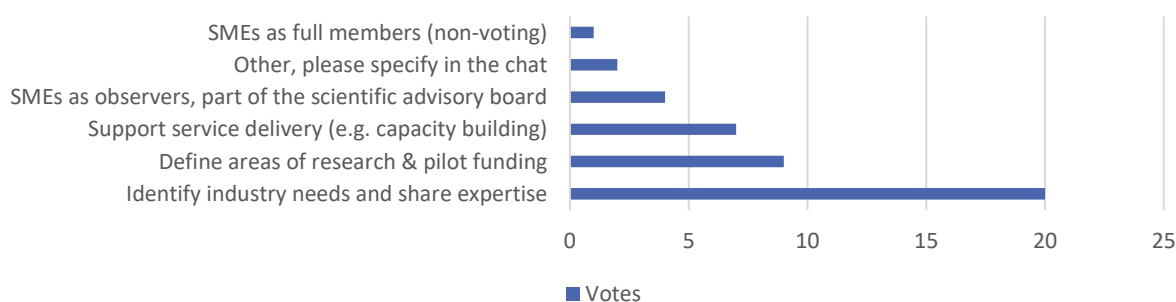
Source: CICERONE Workshop 3

It emerged from surveying participants on the topic of making decisions for joint programming, that the majority indicated a preference for more informal processes achieved through a mix of top-down (e.g. strategic priorities ) and bottom-up approaches (e.g. workshops, discussions), followed by a preference for decisions to be taken in thematic working groups. On the other hand, taking decisions on co-programming was less preferred through formal agreements for cross-territorial challenges, or by general assembly decision. These results seem to corroborate with previous findings from interviews with programme owners or JPIs, which pointed towards the fact that joint programming requires flexibility, co-creation and adaptation, considering that it is done on a voluntary basis. This leave then little interest for rigid or formal decision-making processes for joint programming.

The second governance model element discussed with workshop participants was on the role and involvement of external stakeholders (other than programme owners from Member States) in the governance of the EU CCH. The results from online polling are illustrated below in Figure 6.

**Figure 6. Workshop 3 survey on the involvement of external stakeholders in EU CCH**

What kind of involvement would you want from SMEs and other externals in joint programming?



Source: CICERONE Workshop 3

These results from workshop participants indicate that joint programming is perceived as a multi-stakeholder activity that should integrate a diversity of stakeholders particularly in activities of knowledge sharing, needs identification, research and pilot funding and capacity building. Most respondents leaned towards highlighting that SMEs and other stakeholders are perceived as being

crucial actors that could strengthen the link between national programming of public funds on circular economy and real industrial and research needs. These answers illustrate that sharing private sector and academic expertise with programme owners is highly relevant, along with co-developing pilot funding opportunities and taking part in capacity-development activities on circular economy. The results additionally point towards the need of involving SMEs, academia and other stakeholders in joint programming activities and the development of strategic documents (such as the SRIA) more in advisory/consultative roles as well as in capacity-building activities, which could be reflected in the governance structure of the future EU Circular Cooperation Hub.

### **3.4.2 Results of the internal workshops**

#### **3.4.2.1 Brussels internal workshop #1 with partners**

The first internal workshop with partners took place in September 2019 and it represented a preliminary exercise of collective thinking to identify the main components of the future EU Circular Cooperation Hub: its strategic design and value proposition, the potential governance fundamentals and services. The discussion resulted in a narrowing down of potential strategic design options of the future EU CCH as a joint-programming platform focused and driven by programme owners (national/regional) from EU Member States, which included:

- Facilitation and orchestration of joint initiatives and targeted events
- Knowledge sharing database for local, regional and national authorities and other stakeholders
- Lobbying activities: white papers, comment papers, direct communication
- Support national and regional POs to integrate CE into Interreg programs and strategic alliances
- Joint RDI initiatives: execution and follow-up
- Training and capacity building events

#### **3.4.2.2 Brussels internal workshop #2 with partners**

The second internal workshop with CICERONE project partners took place on 29 January 2020, and it had the objective to reflect on the governance model components of the future joint programming platform.

The coordination meeting resulted in identifying the need for an adaptable governance model that could evolve over time. It was perceived by the internal workshop participants that the governance model should be kept relatively simple in the beginning in order not to create a burden on the Programme Owner. In addition, the specificities of the governance model were seen as needing to be co-developed with the programme owners who are interested in becoming members, and with the European Commission (or other EU body, e.g. EESC) and specifically with the entity which will show interested to finance it.

An important aspect emerging from the internal workshop discussion was the need of programme owners to understand the role which the European Commission (or other EU body) would play in the operation and governance of the future joint programming. This was perceived by internal workshop participants as a catalyser for the participation of programme owners, and it pointed towards the need to engage in close dialogue with POs and the EU Commission to understand their interests, the role which they will want to play and how this will affect the final decisions on the governance model.

A vital point raised by participants was that the future joint programming platform needs to take into consideration the distinction between implementing programme owners (who implement circular economy national programmes) and decision-making programmer owners (who have a say on the

national policy in research and innovation, and budget allocation) and how they can be engaged in the implementation phases.

The results from each discussion table of project partners during the internal workshop are presented in *Appendix III. Results of discussion tables on governance models at the internal workshop 2 meeting on 29 January 2020 in Brussels*, while the consolidated results from the internal workshop discussion on the governance model are presented below in Table 3.

**Table 3. Consolidated feedback on governance model discussion during the 2<sup>nd</sup> internal workshop**

Governance model element	Consolidated feedback
<b>Governance</b>	<p><i>Levels of governance:</i> two levels were preferred (General Assembly and Secretariat/Executive Committee). In case the future platform will be integrated into an already existing initiative, such as the EU CESP, then only one level could be necessary.</p> <p><i>Rotation:</i> the Executive Committee should not rotate, whereas the chair of the general assembly could rotate.</p> <p><i>Representation:</i> could be done by the Chairman of the General Assembly, the Director of the Executive Committee and potentially by future offices for regional representation.</p> <p><i>Advisory Board:</i> was perceived as not needing to be created initially, but if established, it could be external of the governance structure (i.e. not have voting rights), kept small and comprised of experts in various fields (e.g. funding, circular economy, education, business etc.).</p>
<b>Decision-making</b>	<p>The participants in the internal workshop perceive the General Assembly to be suitable for strategic direction, while the Executive Board (i.e. Secretariat) for operational decision. Some suggestions for decision-making procedures were to use simple majority / unanimity / keeping it simple at beginning, then expand.</p> <p>The voting rights were identified as needing to be maintained equally for all programme owners, while the areas of voting could cover: platform strategic planning; open calls (by EU and POs, and calls financed by membership fees); workplan; SRIA updates; budget; position papers.</p>
<b>Membership</b>	<p>Internal workshop participants identified that EU CCH membership should be focused on programme owners, policy makers and funders (ministries, managing authorities) and private funders. The membership could expand from programme owners (at the incipient stage) to including other stakeholders (e.g. industry, academia, RTOs etc.) at more advanced stages of the development of EU CCH.</p>
<b>Stakeholders</b>	<p>The important stakeholder to be engaged were seen to be represented by RTOs, academia, SMEs, banks, foundations, NGOs, other circular economy platforms, circular cities.</p>

<b>Relationship with the EU</b>	<p>When it comes to the relationship of the future joint-programming platform with the EU institutions, the internal workshop participants have identified the following potential roles:</p> <ul style="list-style-type: none"> <li>- Funding: Initial funding for incipient stage, then only top-up funding</li> <li>- Advising: the European Commission might take part in PO platform meetings</li> <li>- Monitoring: on EU Commission-allocated funds</li> <li>- Leading: the EU Commission could lead the future joint-programming platform to strengthen legitimacy and credibility</li> <li>- Coordination: with EU's CESP and relation with DG RTD, ENV, GROW</li> <li>- Implementation: of the circular economy action plan</li> </ul>
<b>Risks and challenges</b>	<p>The participants to the internal workshop respondents identified as main challenges to the EU CCH the need to quickly build up a critical mass for the platform to run, and the need to secure funding for the platform and EU funds for calls (the platform can only influence the coordination of the funds, but not the actual decision-making on funds).</p> <p>Additional challenges were considered the financial involvement of POs from the onset of the platform (e.g. by securing small membership financing), securing adequate representation (considering PO diversity), achieving flexible decision-making, and learning from Era-NETs on success factors and failures.</p> <p>Workshop participants considered that a crucial perceived risk is the potential limitation of EU funding only at the start of the implementation of the EU CCH.</p>

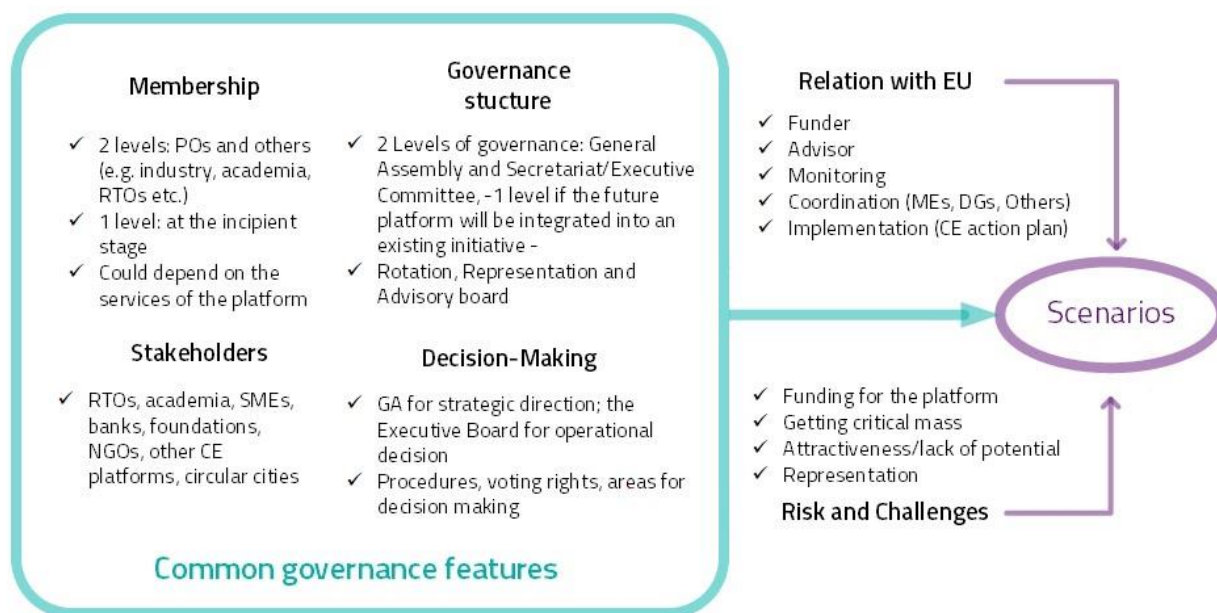
### 3.4.3 Results from internal co-creation meetings

Further developing the governance model features of the future join-programming platform was done through multi-lateral Sense-Making Sessions with project partners. These meetings aimed at refining the conceptual design of the governance model, establishing the inter-linkages between the different platform components and deliverables, and integrating the strategic design of the platform. Between May – November 2020, there were a total of four online Sense-Making Sessions with CICERONE project partners discussing the governance model, facilitated by Climate KIC on the online visual collaboration platform “Miro”.

These meetings sustained the gradual prototyping and build-up of the EU Circular Cooperation Hub's value proposition, business and financial model, governance model and implementation plan. The input on governance model collected from surveys and interviews with programme owners was put together with results from the internal workshops with project partners in order to find common points. The information was then structured along the six categories<sup>3</sup> of the Governance Model Canvas, resulting in a summarized expression of interests from the consulted stakeholders. The results are illustrated in Figure 7 below.

<sup>3</sup> The categories of the Governance Model Canvas: governance structure, membership, stakeholders, decision-making, relation with the EU, risks and challenges

**Figure 7. Governance model prototyping during sense-making sessions**



Source: Climate KIC

When summarizing the common elements from the consultations in this graphical illustration, the project partners have noted the stakeholder's interests in having the EU CCH functioning with a simple initial governance structure to sustain all foreseen activities, which could evolve in time. In addition, the programme owners were perceived to be the future main members, while other stakeholders (e.g. industrial actors, SMEs, academia etc) would play a role in the activities of the platform. The role and relationship with the EU Commission was perceived to be key in catalysing support and interest from programme owners in joining the future EU CCH, and in the successful development and implementation of the joint programming platform. At the same time, funding and financial sustainability were among the key perceived risks to the establishment and functioning of the future platform. Since funding is crucial in determining governance model choices, the following sections highlight first the assessment of the business model and financing options before looking into the potential scenarios for a governance structure.

### 3.5 Insights from developing the business model

The CICERONE project, via its project partner LGI Consulting, undertook the investigation of business model options, financing plan and potential services for the future EU Circular Cooperation Hub. As presented in the project report "D3.3. Business model options and financial plan for the platform" (CICERONE D3.3, 2020), four main types of services were identified: **Joint programming; Policy; Training and capacity building; Knowledge sharing.**

Each main service further included detailed subservices that reflected the expression of needs and interests from consulted programme owners and stakeholders, which were then prioritised in terms of their usefulness. The categorisation, highlighted below in Figure 8, distinguished between necessary services (to be implemented first) and optional sub-services (to be implemented at a later stage of development of the joint programming platform) structured around three funding scenarios: S1 - Minimum funding scenario; S2 - Medium funding scenario; S3 - Maximal funding scenario. The level of service implementation ambition according to each scenario, identified by the "+" symbol, is illustrated in Figure 8.



Figure 8. Coverage in terms of sub-services for the three business model scenarios

Sub-services	S1 Minimum funding scenario	S2 Medium funding scenario	S3 Maximal funding scenario
<b>Must-have services</b>			
Common R&I programming	++	++	+++
Joint funding	++	++	+++
Secretariat Support	+	++	+++
<b>Nice-to-have services</b>			
EU Support Toolkit (Capacity Building)		+	+
Training courses (Capacity Building)		+	+++
Workshops (Capacity Building)		+	+++
Online CE repository (Knowledge Sharing)		+	+
Yearly conference on CE research (Capacity Building)			++
Issuing Position papers (Policy)		+	++
Policy Roadmap (Policy)			++

Source: (CICERONE D3.3, 2020)

The above-mentioned financing scenarios are constructed on several assumptions of financing opportunities for the future EU Circular Cooperation Hub. The first assumption consists of securing external funding for the operations and activities of the EU CCH (e.g. from potential sources such as ERA-NET, various Directorates-General of the European Commission, ERA-MIN2 etc.). When the EU CCH reaches maturity, the option of collecting membership fees may be considered. The second assumption is based on the readiness of Programme Owners allocate their own funding to launch joint calls in the frame of EU CCH. The third assumption consists of the readiness of Programme Owners to provide in-kind contributions to the management of the EU CCH joint-programming platform and for the implementation its services.

The business model ultimately determines the potential options for the governance structure of the EU Circular Cooperation Hub. This translates into the need of having considerations for a scenario for short-term implementation with minimum funding and essential services (which could evolve in time), and a potential scenario of maturity for longer-term implementation under increased funding and with a higher number of services. Such options and what they could entail are further considered in the next section, which covers the two main potential scenarios for the governance structure of EU CCH.

## 4 Scenarios for platform governance model

Having looked in the previous section at the results and insights that derive from surveys, interviews and workshops with Programme Owners, internal project meetings, reports and desk research, this section extracts the processed findings and presents the viable governance model scenarios, along with a summary of their main elements.

A key aspect in developing potential scenarios for the governance structure of the future EU Circular Cooperation Hub is related to the type of funding options available. The report “Business model options and financial plan for the platform” (CICERONE D3.3, 2020), developed by project partner LGI Consulting, concurs that the future joint-programming platform will have distinctive business model options, in terms of service-delivery, depending on the sources and type of funding to be used for the activities, services and management of the platform.

During the research and consultation phase undertaken by the CICERONE project, the preferred scenario for the establishment of the EU Circular Cooperation Hub had been from the onset that there

is no need for a legal entity. Most of the feedback from consulted programme owners leans towards such an option, although there seems to still be room for exploring the feasibility of a dedicated legal entity.

As such, the development of the EU Circular Cooperation Hub falls into two potential governance model options that would align with the financing possibilities, as illustrated in Figure 9:

- a first scenario in which the platform will function as a consortium-supported initiative, sustained by external funding and in-kind contributions.
- a second scenario in which the platform will function as a legal entity sustained by own funding (membership fee).

**Figure 9. Governance scenarios dependent of the type of funding options – key elements**

Scenarios	1 Platform as a consortium-supported initiative	2 Platform as a self-funded legal entity
Development phase	Incipient stage 1 - 2 years	Advanced stage 2 - 5 years
Type of funding	External funding	Own funding
Sources of funding	Potential sources: EU Commission tenders, ERA-NET, ERA-MIN2 etc. and in-kind contribution	Potential source: membership fees & in-kind contributions
Legal entity	not needed	needed (e.g. international non-profit organisation/ non-profit organisation)
Statutes & Bylaws	not needed	needed
Essential governance structure	The EU CCH functioning as a partnership or project under the coordination of a consortium, which could be organised under a structure to include: - a governing board - a management board - advisory board The tasks of the management board will be undertaken by the organisations forming the consortium	The EU CCH functioning as a legal entity (with statutes and bylaws) organised under three main levels: - <b>Decision-making:</b> Board of Directors, Governing Board - <b>Operational:</b> Management Board (Central Secretariat) - <b>Advisory/collaborative:</b> scientific advisory board and other stakeholders
Role of Programme Owners	Programme Owners as voluntary members, with co-management and co-creative responsibilities, supporting the activities of EU CCH with in-kind contributions.	Programme Owners as voluntary members with rights and obligations, with co-management and co-creative responsibilities, supporting the activities of EU CCH with financial and in-kind contributions.



Source: Author's own elaboration

What is relevant to consider is that the EU CCH will most likely develop under both scenarios as an *evolving platform*, expecting to adapt to better meet the needs of its stakeholders. The two potential scenarios and their essential features are further described in the next subsections.

#### 4.1 Scenario 1. The joint-programming platform as a consortium-supported initiative (externally funded, with no legal status)

The first scenario for the governance model of the EU Circular Cooperation Hub envisions the platform as a consortium-driven initiative, with no legal status needed for its operation. This consideration is strictly related to the external type of funding source and operations to be undertaken. As previously indicated our 2019 project report *Benchmark of governance and financing models of European clusters and platforms*, most initiatives assessed had no independent legal status. For instance, EU-funded programmes (such as by the Horizon 2020) tend not to have a legal entity, but are projects undertaken by consortia of legal entities. The programmes turn into legal entities to officially join as an organisation in projects (only legal entities can apply for funding). To better illustrate this point, let us take the Covenant of Mayors (CoM) initiative<sup>4</sup> we mentioned in our 2019 report. The CoM cannot directly receive financing from any other source, nor apply for funding or join projects by itself (it has no legal status); instead, only the entities part of the consortium supporting the work of the Covenant are eligible for funding application. The report additionally indicated that some entities that have been created and funded by EU Horizon 2020 changed their status (from project into a legal entity) to be able to apply for funding for a follow-up period. The operations then become project-funded by a new Horizon 2020 and managed by the new entity as part of a consortium (CICERONE D3.2, 2019).

In the case of the EU Circular Cooperation Hub, after the research, stakeholder consultation and design phase undertaken by CICERONE project partners, the EU CCH is foreseen to begin a two-year implementation phase. Based on current results from stakeholder consultations and from the findings of project report on Business Model (CICERONE D3.3, 2020), the incipient stage of the EU Circular Cooperation Hub will most likely be supported by a consortium of organisations under externally-sourced funding. As such, the EU CCH as a consortium-driven initiative could function as an initiative or a collaborative partnership (network) of national programme owners from EU member states in circular economy.

##### 4.1.1 Governance structure

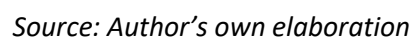
The EU Circular Cooperation Hub governance structure is designed to facilitate its objectives: to enable the interface between users' needs and existing resources and knowledge to help national and regional programme owners deliver research and innovation activities for promoting circular economy transition with the support of tailor-made services. The structures and procedures have been designed to ensure a collective responsibility for the overall governance of EU CCH and a clear division of work between the involved stakeholders.

This governance model supports the views of the majority of stakeholders consulted during the consultation phase (as pointed out in report Section Highlighting the results from stakeholder consultations and project research 3), who indicated their preference for a simple two-layered structure: **a decision-making level** (the Governance Board) and **an operational level** (the Secretariat). Nevertheless, the information collected from the consultation phase also indicated the need for other entities and stakeholders to have a role in the future governance of the joint-programming platform,

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<sup>4</sup> The Covenant of Mayors for Climate and Energy, Europe, <https://www.covenantofmayors.eu/>

**Figure 10. EU CCH governance model proposal under Scenario 1 (consortium-supported initiative)**



The Governing Board (GB) is assigned with strategic responsibilities and will be the ultimate decision-making authority for the EU Circular Cooperation Hub. The Governing Board will provide direction and guidance to the strategic research and innovation agenda in circular economy, to the definition of work plans, and on all internal operations and procedures. The Board will act as a sounding board for the management team of the Secretariat, and members of the GB contribute to the visibility of EU CCH by promoting activities and cooperation, for example in the context of other networks and organisations. The Governing Board will be advised by the Advisory Board and by the Knowledge Partners Group and will receive operational support from the Management Board.

- Electing the Chairman of the Board.
- Updating the EU CCH governance structures and processes for operational activities.
- Deciding on platform membership applications, observer applications, Knowledge Partners applications
- Appointing the Advisory Board members.
- Appointing the Director of the Management Board.

- Revising and updating the SRIA of the EU CCH, adopting the Implementation Plan for the SRIA and monitoring its activities and reviewing progress.
- Establishing the thematic Working Groups with specific mandates to facilitate its work and to implement the SRIA and establishing ad-hoc groups and their mandates when necessary.
- Contributing to the SRIA Review Forum.

**Members:** The partners in the EU CCH consortium hold a seat on the Governing Board and are expected to bring decision-making authority for their country. Membership of EU CCH is open to all EU Member States and Associated States of the EU Framework Programme, represented by national policymakers, national/regional programme owners and funders and different types of funding agencies that cover the circular economy innovation cycle.

**Observers:** interested EU member states and third countries could assess the cooperation opportunities of the EU CCH, participate in all joint actions, and have access to the various working groups, but will not have voting rights in the Governing Board.

**Role of the European Commission:** the EU Commission could hold the status of observer (non-voting member) in the GB and could provide executive support to the Working Groups. The EU Commission could facilitate the creation of opportunities (e.g. within Horizon 2020 work programme) for the implementation of parts of the Strategic Research and Innovation Agenda (SRIA) and could also offer assistance requested by Member States involved in the EU CCH joint programming activities. Lastly, the EU Commission could play a key role in supporting the running of the EU CCH Management Board (i.e. secretariat) activities by, for instance, providing Coordination and Support Action (CSA) funding to the updating of the SRIA.

**Meetings:** the Governing Board ordinary meetings could take place twice a year, with the participation of all members and observers. Extraordinary meetings may be requested by the Chairman or by any member of the Governing Board.

**Decision-making:** making decisions in the Governing Board could be represented by consensus decision-making. This approach would ensure that there is a buy-in from all members after all perspectives are taken into consideration before agreement is reached. In absence of consensus, decisions could be adopted by majority voting from the members present – for this, each Member States represented in the GB will have one vote, regardless of the number of ministry representatives or programme owners from the same country. Such an approach, as successfully used in some European Joint Programming Initiatives (JPIs), could facilitate finding common agreements and reaching joint interest at the level of each country represented in the GB.

#### 4.1.3 Working Groups

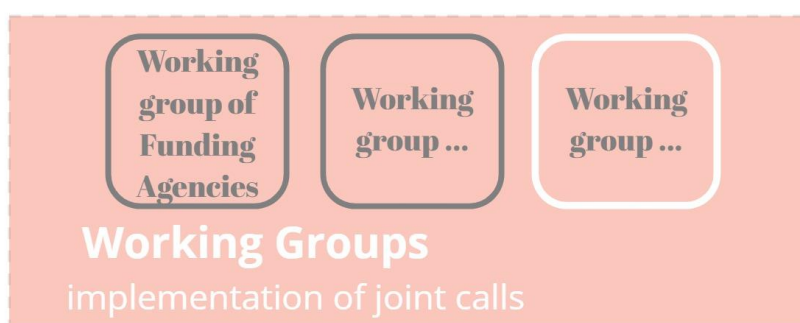
The Governing Board could set up thematic Working Groups (WGs) for a limited time to implement operational and joint-programming activities of EU CCH. Each Working Group could be under the coordination of at least two Governing Board members who commit the necessary resources (financial, in-kind and human) for joint programming, and a minimum of two additional countries that are interested in participating in the thematic Working Group with their respective resources to support joint-programming actions.

Each thematic Working Group could be created with a specific mandate and timeframe of operation to work independently, but to regularly report to the Governing Board on their progress. The central task of a Working Group will be to prepare joint calls (by national funding agencies) and implement the SRIA challenges in terms of national activities and transnational activities, which could cover:

- Assessing and reviewing the implementation plans of national research programmes in circular economy.
- Creating evaluation procedures and facilitating independent assessments of the EU CCH joint calls.
- Supervising consortia to launch transnational (or national) supporting instruments.
- Aligning joint-programming activities with initiatives at the national and transnational level.
- Assessing joint initiatives and joint calls.
- Contributing to the SRIA Review Forum.
- Creating communication strategies and structures for disseminating results of EU CCH joint-programming activities.

An example of a potential Working Group to be set up would be with funding agencies from EU Member States (regional and national) or other Associate Countries, to launch joint calls in circular economy R&I. The EU CCH could ensure funding agencies are represented from the whole circular economy innovation cycle in each Members State or participating countries. Considering that funding agencies are independent public entities (and thus have responsibility only to their own national government), they could be part of the governance structure of EU CCH as a Working Group (WG) of independent entities (and not necessarily as members in the Governing Board) who take decisions through consensus-building and are supported (also chaired) by the Management Board. This functioning is illustrated in Figure 11 below.

**Figure 11. Example of a Working Group for financing authorities.**



Joint programming is done at this level. POs part of a thematic WG could launch Joint calls in circular economy R&I

e.g. Working Group of Funding Agencies

- coordinated by minimum 2 Governing Board members & minimum 2 additional countries
- funding agencies do not necessarily need to be members of the GB
- co-creation and cooperation with the Advisory Board and alignment with Knowledge Partners

miro

*Source: Author's own elaboration*

As such, efficient joint programming in circular economy R&I is done at the working group level, where funding agencies could help co-create programmes of partnerships with stakeholders from the Knowledge Partners Group (supporting synergies and alignment of activities), and cooperate with the Advisory Group stakeholders on strategic scientific and industrial developments in circular economy.

#### **4.1.4 Advisory Board**

To adequately meet the circular economy research and innovation priorities in the EU and the ongoing developments in circular economy research, the needs of organizations, researchers and practitioners must be considered for joint programming to achieve its impact. The Advisory Board (AB) will be

composed of renown academic experts in circular economy, leading thinkers, representatives of SMEs, industries, and civil societal actors. They will provide external unbiased and non-binding counsel on issues raised by the Governing Board and Management Board, acting as a resource, encouraging the exploration of new ideas and new research developemnts, and assessing the scientific direction and progress of the initiative.

Collaboration with these crucial actors is aimed at identifying key challenges and circular economy research and innovation priorities, industry, scientific and research needs, sharing best practices and capacity development. By sustaining such collaboration, the EU CCH will avoid duplicating work and support cross-sectoral activities in circular economy research and innovation joint-programming. Most of these stakeholders (e.g. SMEs, industrial clusters, universities etc.) are also possible beneficiaries of joint-programming calls to be launched by EU CCH programme owners, and therefore it will be essential for such actors to perform their advisory role in an objective and neutral manner, avoiding situations of conflict of interest.

The Advisory Board, part of the collaborative level of governance, will be involved in the SRIA Review Forum, in the joint-programming activities of the Working Groups, in the development of strategic documents and in capacity-building activities delivered by the EU CCH. In addition, the Advisory Board could further contribute to mobilising stakeholders, disseminating the results of the EU CCH, taking part in consultation and stakeholder dialogues.

#### 4.1.5 Knowledge Partners

The EU Circular Cooperation Hub will not be a stand-alone initiative - it is created to be in synergy, relationship and complementarity with other initiatives, networks, platforms and international organisations as a vital part of reaching complementarity with already existing activities. These synergies are open for international participation and this exchange beyond the EU will be important in considering global policies, best practices or potential partnerships on circular economy research and innovation. This level of cooperation will be achieved by having such related initiatives as Knowledge Partners of the EU CCH. Some potential examples may include:

- **Knowledge Partners:** European Circular Economy Stakeholder Platform, Eurocities, Ellen MacArthur Foundation, JPI Urban Europe, ICLEI, Covenant of Mayors etc.
- **Institutional Knowledge Partners:** the European Investment Bank (EIB), the Executive Agency for Small and Medium-Sized Enterprise (EASME) etc.

The EU CCH will aim to cooperate closely and coordinate its efforts with its Knowledge Partners on projects, activities, research and policy coordination to support the work of the Governing Board, Working Groups and Management Board. The aim of having such collaboration with Knowledge Partners is to avoid duplication of work and possible silo activities in circular economy research and innovation joint-programming. The Knowledge Partners are part of the collaborative level of governance of the EU Circular Cooperation Hub, and could contribute to the SRIA Review Forum. The Knowledge Partners are part of the collaborative level of governance of the EU Circular Cooperation Hub, and could contribute to the SRIA Review Forum and to the activities of the Working Groups.

#### 4.1.6 The Management Board

The Management Board (MB) represents the operational level of the EU CCH, functioning as a decentralised secretariat that advises the Governing Board, implements its strategy, coordinates all EU CCH members and partners, and supports the Working Groups in joint programming. Additionally, the MB monitors the implementation of EU CCH activities, has main responsibility in stakeholder engagement and relationship with the Advisory Board and Knowledge Partners,



The Management Team could consist of one staff member from each consortium partner and is the forum for joint consideration of the implementation, management and monitoring of the EU CCH research programmes and activities. The Management Board could be coordinated by a Director appointed by the Governing Board from among the programme owners and national ministries members of the EU CCH joint-programming platform. The Management Board has the responsibility for the overall coordination of the EU Circular Cooperation Hub.

**The Management Board functioning as a decentralised secretariat:** to meet the conditions referred to in the Business Model report (CICERONE D3.2, 2019) for the minimal funding scenarios and essential joint-programming services while maintaining organisational flexibility, the Management Board (MB) could function in a decentralised manner. This would entail the Governing Board delegating essential management functions and responsibilities (e.g. strategy and coordination, communication and dissemination, coordination of working groups and joint calls, stakeholder involvement etc.) to selected members of the EU CCH consortium. For instance, one such member of the Management Board will be Climate KIC, current coordinator of the CICERONE project and owner of the Intellectual Property (IP) rights and of the EU CCH portal, who will play an important role in the short-term implementation phase of the EU Circular Cooperation Hub.

#### **4.1.7 SRIA Review Forum**

The SRIA Review Forum is a governance structure that oversees the implementation of the Strategic Research and Innovation Agenda (SRIA) of the EU Circular Cooperation Hub. The SRIA Review Forum is a structure that facilitates co-creation and co-management of the EU CCH activities, bringing together the members of the Governing Board (national policy-makers, programme owners), members of the Management Board, the Working Group members (programme owners, government representatives), the Advisory Board and the Knowledge Partners.

The SRIA Review Forum should be a mechanism to facilitate the review and assessment of progress of EU CCH in advancing joint programming on circular economy. In addition, the Forum could contribute to the revision of strategic documents of EU CCH, including the update of the SRIA, whenever the need arises.

#### **Updating strategic documents**

The EU Circular Cooperation Hub has at its core the SRIA (Strategic Research and Innovation Agenda) on circular economy, and will continue to develop future strategic documents necessary for aligning policies and joint programming action in research and innovation on circular economy.

The joint programmes of the SRIA focus on cross-cutting and cross-sectoral aspects to bring about systemic changes and represent examples and templates of how systemic programmes can be built. Nevertheless, key priorities, issues, targets and strategies are changing on an ongoing basis, and hence it will be necessary to update/develop new SRIA elements over time in order to ensure its continual relevance and value for programme owners. In a similar manner, future strategic documents on the EU Circular Cooperation Hub will be subject to updating and ongoing developments.

#### **Frequency**

Precise timelines for updating are difficult to set in place since strategic documents will require transformation once new policy priorities, targets or strategies are created, or even when new breakthrough technologies, unexpected research findings or major scientific discoveries are made. However, to keep the EU CCH platform at a simple and agile operational model and beyond the boundaries of the biennial SRIA Review Forum, Working Groups could assess every 6 months whether there is a need to undertake a revision or update of its strategic documents. When the frequency of

reviewing strategic documents or the SRIA is difficult to assess, the Governing Board could decide to create regularity by organising biennial (every two years) meetings of the SRIA Review Forum.

### Methodology for updating the SRIA

Strategic documents are created with a long-term perspective and implementation period, and hence are less likely to require overall revisions, but highly likely to require specific granular updating. Considering this, a methodology for content updating could include the creation of a step-by-step approach that breaks down the areas subject to revision or update into separate elements with specific approaches. By taking the example of the SRIA of the EU Circular Cooperation Hub, there are three main ways that programme owners can use the SRIA as a framework for future joint programming work:

1. **Developing new subprogrammes** and activities within the four existing joint programmes in the SRIA.
2. **Developing new joint programmes** using the pre-identified areas of priority research and innovation fields in Section 4. Research and Innovation Priority Areas (Innovation Fields).
3. **Identifying new themes**, challenges and the respective priority research and innovation areas (i.e. innovation fields) and adding or revising them to the framework of the SRIA. These can then form new joint programmes as well.

This is also illustrated in Figure 12 below.

**Figure 12. Updating mechanism of the Strategic Research and Innovation Agenda (SRIA)**



Source: (CICERONE, 2020)

### Decision-making for updating strategic documents

The EU CCH will support programme owners in this activity of updating strategic documents as one of its core services, including the identification of stakeholders responsible on coordinating the revisions of the SRIA and the frequency of such revisions. This will be primarily done through a consensus-building approach that will entail the organisation of stakeholder discussions, workshops and meetings between the involved parties.

### Potential steps for the SRIA review process

Next to the methodology for updating the SRIA, the EU Circular Cooperation Hub could consider the adoption of several options to enhance the co-creative process of reviewing the SRIA and other strategic documents. A step-by-step process could entail:

- The EU CCH Advisory Board developing a position document on the strategic developments of circular economy R&I

- Programme owners, as members of the EU CCH platform, launching national open consultations on specific topics relevant to circular economy research and innovation, policy development, capacity building in circular economy R&I.
- The insights collected from national consultation could be further complemented by input from the EU CCH Knowledge Partners group, who can provide a transnational and international perspective and alignment of strategies and agendas.
- The European Commission could be consulted based on the insights collected through the previous steps in order to seek alignment of policy priorities and funding (e.g. Horizon Europe).
- the outcomes of the broad consultation process could be presented at the SRIA Review Forum, where the EU CCH members and stakeholders could consolidate the results and produce the updated strategic documents.

Such potential steps will ultimately remain under the decision of the Governing Board, who could create, along with stakeholders and funding agencies, a transparent and inclusive process to address challenge-driven innovation in circular economy that goes beyond some of the options suggested by this report.

#### **4.1.8 Key take-aways**

The first scenario entails that the future EU Circular Cooperation Hub will operate as a consortium-supported initiative, sustained by external funding and in-kind contribution, with decentralised operational management and no legal status. Being driven by a consortium, the EU CCH could then function as an initiative or a collaborative partnership (network) of national programme owners from EU member states in circular economy. The governance structure and procedures under Scenario 1 have been designed to ensure a collective responsibility for the overall governance of EU CCH and a clear division of work between the involved stakeholders.

The first scenario meets the expressed needs of consulted stakeholder to a high degree and proves to be a feasible option in terms of short-term implementation and financing model. This scenario allows for quick implementation in the short-term and flexibility for advancing the services in the long-term, if the concept proves functional. The proposed functioning of the Management Board allows for decentralised operational management with low financial costs (activities will be mainly supported by in-kind contributions). Under this option, the EU CCH as a consortium-driven initiative also has the potential to be suitable for the later development and maturity of its services, activities and operations without the need to become a legal entity.

## **4.2 Scenario 2. The joint-programming platform as a self-funded legal entity**

This scenario envisions the EU Circular Cooperation Hub as a mature entity, with advanced services and secured financial long-term consolidation. An option for such a development could entail the need of a legal entity and centralised secretariat functions. This second scenario challenges the first governance model scenario, which is the preferred option for the short-term implementation of the EU CCH, and presents an alternative that could have operational feasibility dependent on financial sustainability from membership fees and in-kind contributions.

### **4.2.1 Opting for a legal status**

Based on the financing options under the three different scenarios proposed by LGI Consulting in the *Business model options and financial plan* report (CICERONE D3.3, 2020), the EU Circular Cooperation Hub will need transition from a consortium-supported initiative (partnership collaboration) into having



a legal entity, if it is to mature into an entity with advanced joint-programming services, financial sustainability based on membership fees and a centralised secretariat.

As established earlier in the project through the benchmarking exercise, the EU CCH will be required to be a legal entity if it is to be directly financed. This also applies if the future joint-programming platform wishes to independently participate in calls for funding, a central element to the post-project sustainability. Having the status of a legal entity is required when the initiative wants to operate as an autonomous organisation, with its own accounts, its ability to raise funding and the ability to hire its own staff. Initiatives financed by EU grants cannot in principle be themselves legal entities, as grants finance is linked to a specific project, not to the general operational costs of an organisation. Legal status options for the initiatives consulted in the benchmarking report included: Not for Profit Organisation, European Economic Interest Grouping (EEIG) and governmental platforms (CICERONE D3.2, 2019).

Considering the mission, objectives, purpose, and activities envisioned for the EU Circular Cooperation Hub, the most suitable options revolve around not-for-profit legal entities. The following sections will highlight some essential features and the most applicable option.

#### 4.2.2 *Choosing a location for the registered office*

Non-governmental organisations (NGOs) have become crucial actors in policymaking, socio-economic development, stakeholder engagement, direct interaction with citizens, research and data collection, social innovation, and advocacy. The purposes of NGOs are aimed at delivering a public good, and their engagement in dialogue and cooperation with citizens, local and national public authorities and European Union institutions to better implement EU policies and initiatives in Member States. It is therefore imperative that the future registered office of the EU Circular Cooperation Hub is located in an environment that would best allow for its activities, representation, multi-stakeholder engagement, cooperation, policy development to be optimally used.

One of the candidate locations that meets the highest range of these criteria for an EU CCH registered office is Brussels, Belgium. A policy powerhouse and growing international presence, Brussels hosts the European Union institutions and other international organisations and actors that allow it to generate a multitude of activities (from advocacy and lobbying to consultancy and national representation) that yields considerable multiplier effects and synergies.

While there could be other suitable locations in the EU that could host the registered office of EU CCH, this report will further assess the scenario in which Brussels would be chosen. For this reason, the following sections will explore the most suitable option for a non-profit legal entity under Belgian Law, and what essential elements should be considered for its establishment.

#### 4.2.3 *Most suitable type of legal entity*

Belgian law recognizes four different types of non-profit legal entities:

- **non-profit association** (*association sans but lucratif ASBL/ vereniging zonder winstoogmerk VZW*).
- **international non-profit organization** (*association internationale sans but lucratif AISBL/ internationale vereniging zonder winstoogmerk IVZW*).
- **private foundation** (*foundation privée/ private stichting*).
- **foundation of public utility** (*foundation d'utilité publique/ stichting van openbaar nut*).

The recent enactment of the Belgian Companies and Associations Code (CAC) in March 2019 did not modify these legal forms. The CAC states that a non-profit organization is an association that pursues a disinterested purpose through one or more activities which constitutes its object. The proceeds from

these activities cannot be distributed to the members or directors of the association, directly or indirectly. The proceeds must be allocated towards realizing the purpose of the association. From the newly enacted CAC, non-profit associations are free to conduct commercial and industrial operations, which was earlier not possible.

From these four types of non-profit legal entities recognized under Belgian law, the non-profit association (ASBL) and international non-profit association (AISBL) are the options that meet requirements of the mission, objectives, purpose, activities and financial model envisioned for the EU Circular Cooperation Hub. The next section will compare these two options and highlight the most suitable type.

### **Distinction between an international non-profit legal association (AISBL) and a non-profit legal association (ASBL)**

Although the non-profit association (ASBL) is the most often encountered form of non-profit legal organisation in Belgium, it shares with international non-profit associations (AISBL) a few similar mandatory statements for their establishment, among which:

- the purpose of the association
- the formalities of accepting and dismissing of members
- registered office of the association (with name and address)
- the duration of the association (when it is not unlimited in its existence)
- the formalities for appointing directors
- procedures and destination of the organisation's patrimony in case of dissolution
- attributions and ways of convening the general meeting
- simplified accounting if the association is small, and double-entry accounting<sup>5</sup> if the associations are large<sup>6</sup>.

Beyond these broad similarities, the AISBL and ASBL have different structures, functioning and forms of being set up, as summarised in Table 4 below.

**Table 4. Comparative advantages between establishing an AISBL and an ASBL under Belgian law**

Features	AISBL (an international non-profit association)	ASBL (non-profit association)
<b>International character</b>	 The international purpose of the association suggests that its objectives must be potentially useful beyond the Belgian territory	
<b>Recognition by Royal Decree</b>	 The royal recognition could potentially strengthen the image of the association	
<b>Flexible governance structure</b>	 The founding members of an AISBL have greater flexibility in defining the articles of association and in setting up the governance structure	 The ASBL is set up with well-defined bodies (e.g. General Assembly, Board of Directors etc.) and specific attributed powers. The

<sup>5</sup> Double-entry accounting for large non-profit organisations must be kept in accordance with the Belgian Law of 17 July 1975 for companies

<sup>6</sup> Large non-profit organisations in Belgium are considered if they have: 5 full-time staff members (on annual average), EUR250000 total income, and EUR1000000 as total of balance

	and its functioning. The membership rights and obligations are flexible	membership rights and obligations are definite
<b><i>Ease in relocating the registered office</i></b>	<b>+</b> The location of its secretariat can be changed (if mentioned in its statutes) only by a decision of its management body (no general assembly decision is required) and an approval by royal decree	<b>–</b> The location of its secretariat is more difficult to change (provided it is mentioned in its statutes), needing the gathering and decision of the general assembly
<b><i>Ease of establishment procedures</i></b>	<b>–</b> Establishing an AISBL has to be done by notarial deed, after which the request is submitted by the notary to the Ministry of Justice for approval	<b>+</b> The ASBL could choose to be established by private agreement (which lowers the costs)
<b><i>Quickness of approving the legal status</i></b>	<b>–</b> The legal personality is granted on the day of the publication of the Royal Decree, which may take up to three months	<b>+</b> The legal personality is granted on the day of filling the application at the Court of Commerce
<b><i>Flexible of the membership fee</i></b>	<b>+</b> AISBLs have no maximum amounts of membership fees	<b>–</b> ASBLs have to specify in their articles of association the maximum membership fee

What becomes evident from the brief comparison between the two types of non-profit legal entities is that the AISBL has the advantage of allowing an international goal for the association, has more flexible legislation (e.g. there are no requirements for establishing a maximum membership fee), receives royal recognition and allows for greater flexibility in its governance structure. Next to this, the new Belgian Code of Companies and Associations of 2019 offers international associations direct transfer possibilities from abroad to Belgium while continuing their legal nature, and having the possibility of associations merging or demerging (Belgian Federal Parliament, 2019). This new added regulatory development in Belgium presents an appealing option for any type of non-profit association that opts for flexibility of its operations and structure.

Considering the distinct features of the two non-profit forms of association and the stakeholder input and expression of interest highlighted in Section 3 of this report, it becomes emergent that if the EU Circular Cooperation Hub is to have a legal entity at a certain stage in its development, then the status of an international non-profit association (AISBL) under Belgian law seems to be the most suitable one. Being less burdensome to establish and manage, an AISBL would be the appropriate form for the EU CCH to fulfil its purpose and mission of helping EU national and regional programme owners deliver R&I activities and joint programming for promoting circular economy transition.

#### 4.2.4 Statutes and bylaws – role and key elements

The statutes are articles of association that must be drafted in one of the official languages of Belgium (i.e. French or Dutch) and signed by all the founding members of the future EU Circular Cooperation Hub during the constitutive General Assembly.

The statutes of the international non-profit association provide details of the purpose, objectives and aims of the organisation, determining how the organisation functions and setting up its foundational rules of its governance. Such provisions must be in line with the Belgian law on non-profit organisations<sup>7</sup>. Building on the information presented in the previous section, there are several mandatory elements that an international non-profit association must enlist in its statutes, among which:

- Name of the association and address of registered office in Belgium
- The purpose, goals and activities of the association
- Details of membership (e.g. types of membership, formalities of accepting and dismissing of members, rights and obligations of members etc.)
- Attributions of the general assembly (e.g. powers and modalities of convening the general assembly, decision-making procedures, approval of accounts and budgets etc.)
- Attributions of the governing body (e.g. management Committee/management board): the formalities for appointing a director, modalities for selecting the legal representatives of the association etc.)
- The duration of the association (when it is not unlimited in its existence)
- Conditions of dissolution and liquidation (e.g. procedures and disposal of the organisation's assets in case of dissolution)
- Conditions for modifying the articles of association (statutes)
- Procedures for accounting, auditing and budgeting

In addition to these elements, the statutes will also include bylaws, which are the rules of operation for a non-profit organization's board of directors. These operational rules are critical to the way in which the members of the board of directors make decisions and plan out the strategic direction of the association. Bylaws can be amended by the General Assembly, tend to be concise and outline the association's framework for decision-making. It is therefore important that bylaws are created with flexibility and simplicity considerations since these legal and binding documents could restrict the decision-making easiness of the board of directors.

An idea of how the statutes and bylaws of the EU Circular Cooperation Hub could potentially be structured by the future founding members is briefly outlined in *Appendix IV. Potential structure of statutes for the EU Circular Cooperation Hub*. As previously mentioned, a full drafting and signing of such articles of association will remain under the task of the future founders of the EU CCH to undertake at the constitutive general assembly.

#### 4.2.5 Governance structure

The second scenario envisioning the EU CCH as a self-funded legal entity presents the same elements of the governing structure presented under the first scenario, namely:

- Governing Board (or General Assembly)
- Management Board
- Working Groups
- Advisory Board
- Knowledge Partners
- The SRIA Review Forum.

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<sup>7</sup> Code des Sociétés et des Associations – Code of Companies and Associations

This section will not repeat the description of each of these elements (their functioning is similar), but instead, it briefly highlights only the few additional governance elements necessary for a legal entity to function.

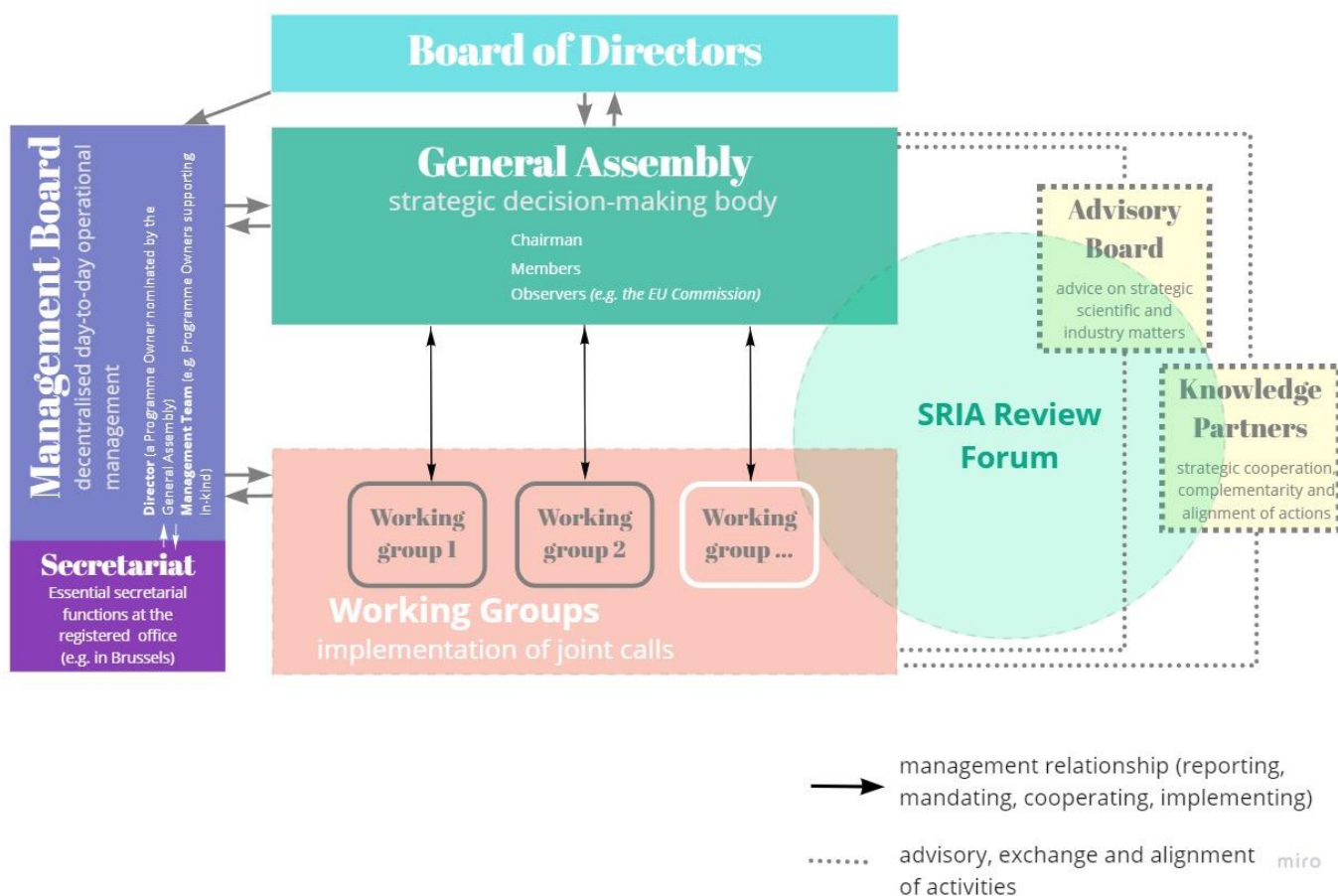
Setting up the EU Circular Cooperation Hub as a legal entity (i.e. international non-profit association AISBL under Belgian law) only requires the minimum legal existence of two governance bodies: the general assembly and an administrative body. Next to this, any additional governance bodies could be defined and described in the statutes (articles of association) of the organisation. As identified in Scenario 1, the future EU CCH needs to have additional governance bodies to fulfil its mission, services, activities and engagement with stakeholders, and the governance elements presented under that scenario constitute an optimal structure for the adequate functioning of the future joint programming platform. What Scenario 2 adds to the governance structure, due to the change of business model and financing option (i.e. membership fee) and the creation of a legal entity, is the legal necessity of establishing a central secretariat and operational necessity of creating a board of directors (if the membership funding is from private sources). These two added elements are highlighted in Table 5.

**Table 5. Additional governance structure elements under Scenario 2**

Additional governance structure elements	Description
<i>Central secretariat</i>	<p>The central secretariat will be the registered office of the EU CCH, located in Brussels. This governance body will fulfil the central administrative and daily secretary duties of the association, handle human resources and growth. Since it will hold a minimal permanent staff for essential activities, the central secretariat is directly sustained by the membership fee of the association.</p> <p>The central secretariat collaborates and directly supports the Management Board members (composed of representatives of Programme Owners who work in-kind to fulfil their responsibilities) and the Director of the MB.</p>
<i>Board of Directors</i>	<p>If the EU CCH secures membership fees from private funding (in addition to public sources), then it must have a Board of Directors (BoD) that supervises the mandate of the association and ensures its independence.</p> <p>The Board of Directors supervises the mandate of the association and has responsibility for all major decision-making. The Chair of the General Assembly (or Governing Board) is represented in the BoD, along with elected representatives (BoD members may or may not be members of the EU CCH, and are appointed and dismissed by the General Assembly).</p> <p>Additionally, the Board of Directors can present proposals for resolutions and work programmes to the General Assembly, and has the power to determine the amount of the membership fee as well as the related mode of payment.</p>

Adding these additional governance structure elements to the already similar components identified in the first scenario will result in a model that makes possible the existence of EU CCH as a legal entity under Scenario 2 – this is illustrated in Figure 13 below.

**Figure 13. EU CCH governance model proposal under Scenario 2 (self-funded legal entity)**



*Source: Author's own elaboration*

#### 4.2.6 Key take-aways

The second scenario sees the EU Circular Cooperation Hub as a self-funded legal entity. This option could be feasible at a more advanced stage of the joint-programming, when its services would be mature, its membership increased, and sustainability secured (through full operational ownership from programme owners, support from knowledge partners and financial predictability). The most suitable form of non-profit legal entity under Belgian law is for the EU CCH to become an international non-profit association (association internationale sans but lucratif AISBL) with a registered office in Brussels. The AISBL is less burdensome to establish and manage than other types of non-profit entities, presents the distinct advantage of allowing an international purpose for the association, functions under more accommodating legislation and allows for greater flexibility in its governance structure. The EU CCH would then operate under a similar governance structure as identified under Scenario 1, with the added elements of a centralised secretariat (as a legal obligation) and a Board of Directors (as an operational necessity if the membership funding is from private sources).



## 5 Lessons and Conclusions

The consultation phase undertaken during the CICERONE project has indicated the preference of stakeholders for a future joint-programming platform with distinctive service-delivery options, capacity-building activities and stakeholder engagement and partnership functionalities. However, the preference of stakeholders to support such an entity has predominantly leaned towards in-kind contributions. Such expression of interest presents challenges to establishing a functioning organisation with complex services and activities. Nonetheless, some options exist to develop the governance structure of the future joint programming platform for circular economy R&I in Europe.

The **first scenario** envisions the EU Circular Cooperation Hub operating as a consortium-supported initiative, sustained by external funding and in-kind contribution, with decentralised operational management and no legal status. Being driven by a consortium, the EU CCH could then function as an initiative or a collaborative partnership (network) of national programme owners from EU member states in circular economy.

This model supports the views of the majority of stakeholders consulted during the CICERONE project, who indicated a preference for a simple two-layered structure (a decision-making level and an operational level), with optional preference for a third collaborative level (this latter one will become relevant when addressing the stakeholders' needs for other entities and stakeholders to have a role in the future governance of the joint-programming platform). The decision-making layer is represented by the Governing Board (which is the strategic decision-making body) and the Working Groups (where decisions and implementation of joint programming launching of joint calls takes place). The operational level is represented by the Management Board, which functions in a decentralised manner, is responsible for day-to-day operational management, and performs essential secretariat functions. The collaborative level is composed by the Advisory Board (providing non-binding advice on strategic scientific and industry matters) and the Knowledge Partners (offering strategic cooperation, complementarity, and alignment of actions). An added governance model element is the SRIA Review Forum acting as a structure that facilitates co-creation and co-management of the EU CCH activities, bringing together the members of the Governing Board (national policy-makers, programme owners), members of the Management Board, the Working Group members (programme owners, government representatives), the Advisory Board and the Knowledge Partners. The SRIA Review Forum facilitates the review and assessment of progress of EU CCH in advancing joint programming on circular economy and contributes to the revision of strategic documents of EU CCH, including the update of the SRIA, whenever the need arises.

With these elements, the governance structure under Scenario 1 has been designed to ensure a collective responsibility for the overall governance of EU CCH and a clear division of work between the involved stakeholders. Operating the future joint programming platform as a consortium-driven initiative with no legal status, as indicated by the first scenario, meets the expressed needs of consulted stakeholder to a high degree and proves to be a feasible option for short-term implementation.. To meet the expressed interest of the consulted programme owners, the proposed functioning of the Management Board allows for decentralised operational management with low financial costs (activities will be mainly supported by in-kind contributions). Additionally, once the implementation is underway and the model proves its sustainable functionality, this first scenario allows both for quick implementation in the short-term and flexibility for advancing the services in the long-term without the need to become a legal entity.

The **second scenario** challenges the first governance model scenario, which is the preferred option for the short-term implementation of the EU CCH, and presents an alternative that could have operational

feasibility dependent on financial sustainability from membership fees and in-kind contributions. This option seems less likely in terms of financing options but could become appealing at a more mature stage of development. Scenario 2 sees the future EU Circular Cooperation Hub as a self-funded platform via membership fees, operating as a legal entity with a centralised secretariat.

As identified during the benchmarking exercise undertaken during the CICERONE project, the EU CCH will be required to be a legal entity if it is to be directly financed. This also applies if the future joint-programming platform wishes to independently participate in calls for funding, a central element to the post-project sustainability. Having the status of a legal entity is required when the initiative wants to operate as an autonomous organisation, with its own accounts, its ability to raise funding and the ability to hire its own staff

Because of the required elements resulting from stakeholder consultations (particularly expected services and preference for in-kind support), establishing a legal entity from the onset of the EU CCH will most likely be challenging. With this in mind, the second scenario (i.e. the EU Circular Cooperation Hub as a self-funded legal entity) could be feasible at a more advanced stage of the joint-programming, when its services would be mature, its membership increased, and sustainability secured (through full operational ownership from programme owners, support from knowledge partners and financial predictability). The most suitable form of non-profit legal entity under Belgian law is for the EU CCH to become an international non-profit association (association internationale sans but lucratif AISBL) with a registered office in Brussels. The AISBL is less burdensome to establish and manage than other types of non-profit entities, presents the distinct advantage of allowing an international purpose for the association, functions under more accommodating legislation and allows for greater flexibility in its governance structure. The EU CCH would then operate under a similar governance structure as identified under Scenario 1, with the added elements of a centralised secretariat (as a legal obligation) and a Board of Directors (as an operational necessity if the membership funding is from private sources). When the EU CCH will enter into its implementation phase, the drafting of articles of association (statutes and bylaws) will then have to be undertaken by the founding members and signed by all the founders at their constitutive general assembly.

The EU Circular Cooperation Hub is currently in its design phase, and several missing elements (e.g. names of founders, address of head office etc.) necessary for the establishment of a legal entity will need to be addressed once the EU CCH enters the implementation phase. When these missing elements are in place, tasks such as drafting of statutes and bylaws will then have to be undertaken by the founding members and signed by all the founders at their constitutive general assembly.

The CICERONE project was initially assigned to kick-start the drafting of such statutes together with programme owners at the third external workshop if such option would have been chosen during the research and stakeholder consultation phase of the project. However, the outcomes from stakeholder's expression of interests, as mentioned in Section 3. Highlighting the results from stakeholder consultations and project research, has leaned towards the preference for a simple and flexible entity primarily supported by in-kind contribution from its future members. This implies an entity with no legal status. For this reason, the kick-starting of statutes (as originally foreseen to be done at the third workshop if that option would have been chosen by stakeholders) was no longer necessary at this phase of the project. Next to this, the changes brought by the covid-19 pandemic to the workshop format and timing has made it impossible to hold further in-depth discussions with stakeholders on the option of a legal entity with statutes and by-laws.

All in all, each scenario presents a similar governance scheme that includes the decision-making mechanisms for co-programming, updating of strategic documents, priorities, as well as a workable organisational model for the future EU Circular Cooperation Hub based on the consultations and

expression of needs from programme owners, policy-makers and engaged stakeholders in the CICERONE project.

What is relevant is that the EU Circular Cooperation Hub could develop under both scenarios as an evolving platform, expecting to adapt to better meet the needs of its stakeholders. The most feasible start of the operation of the future joint-programming platform for circular economy R&I leans towards the first Scenario, which also has the potential to be suitable for the later development and maturity its services, activities and operations without the need to become a legal entity. This will remain for the programme owner and founding members to consider and shape the structure of the EU Circular Cooperation Hub to better meet their needs and fulfil the purpose of helping EU national and regional programme owners deliver R&I activities and joint programming for promoting circular economy transition.

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## 7 Appendices

### Appendix I: Initial EU-wide survey of Programme Owners (January - March 2019)

#### ONLINE QUESTIONNAIRE for PROGRAMME OWNERS

CICERONE H2020 is building a joint programming platform for circular economy projects. To this end, we kindly ask for your input to better understand your priorities for the circular economy transition, to ensure it will support your objectives in the best possible way. The questionnaire will take approx. 10 minutes of your time. If you have any questions, please get in touch with the CICERONE contact person in your country.

Thank you for your cooperation!

	Programme Owners Please indicate your geographic level:	<input type="radio"/> International <input type="radio"/> National <input type="radio"/> Regional <input type="radio"/> Local
1	Please fill in your name, position and organisation circular economy programme (s):	<input type="radio"/> .. <input type="radio"/> .. <input type="radio"/> ..
2	Please fill in the name of your circular economy programme(s)	<input type="radio"/> .. <input type="radio"/> ..
3	What are your top 3 priorities for Circular Economy?	1. Construction & Demolition 2. Plastic 3. Food 4. Raw materials 5. Water 6. Bio-based materials 7. ... 8. .. 9. ..
4	Do you foresee any breakthroughs in any of these areas?	<input type="radio"/> No <input type="radio"/> Yes, namely,  ..... ..... .....
5	Did you make use of scientific insights and evidence-based approaches in the design of your Circular Economy programme?	<input type="radio"/> Yes <input type="radio"/> No  If yes, from which source? <input type="radio"/> research centers <input type="radio"/> universities <input type="radio"/> other, ..
6	Did you use international available knowledge in developing your programme?	<input type="radio"/> Yes <input type="radio"/> No  If not, because (more answers possible):

		<ul style="list-style-type: none"> <li><input type="radio"/> lack of funds</li> <li><input type="radio"/> lack of organisation</li> <li><input type="radio"/> administrative burden</li> <li><input type="radio"/> lack of time</li> <li><input type="radio"/> too complicated</li> <li><input type="radio"/> other ..</li> </ul> <p>If yes, from which source</p> <ul style="list-style-type: none"> <li><input type="radio"/> international projects, such as ...</li> <li><input type="radio"/> international networks, such as....</li> <li><input type="radio"/> Other: ...</li> </ul>
7	Are you making use of European funding opportunities in your programme (multiple answers possible)?	<p><input type="radio"/> Yes <input type="radio"/> No</p> <p>if yes, to which funding programme did you apply?</p> <ul style="list-style-type: none"> <li><input type="radio"/> H2020</li> <li><input type="radio"/> Interreg</li> <li><input type="radio"/> LIFE</li> <li><input type="radio"/> Other, ..</li> <li><input type="radio"/> Other, ..</li> </ul> <p>If not, what are the reasons?</p> <ul style="list-style-type: none"> <li><input type="radio"/> Process is too complicated</li> <li><input type="radio"/> Lack of time</li> <li><input type="radio"/> No knowledge of procedures</li> <li><input type="radio"/> No knowledge of organisations</li> <li><input type="radio"/> Not relevant for our programme</li> <li><input type="radio"/> Other: ...</li> </ul>
8	Are you involved in international Circular Economy projects and/or networks?	<p><input type="radio"/> Yes <input type="radio"/> no</p> <p>if yes, which networks/projects:</p> <ul style="list-style-type: none"> <li><input type="radio"/> EREK</li> <li><input type="radio"/> SCREEN</li> <li><input type="radio"/> Eco Innovera</li> <li><input type="radio"/> Other, ...</li> </ul>
9	Do you see added value in the CICERONE platform to decrease fragmentation and increase the use of research results?	<p><input type="radio"/> Yes, because .... <input type="radio"/> No, because ....</p>
10	Which areas for cooperation would you recommend to the platform? (only for respondents who said yes on previous question)	<p><input type="radio"/> Practical cooperation <input type="radio"/> The complexity of content and process <input type="radio"/> Systemic approaches <input type="radio"/> Other</p>
11	Would you be willing to be involved in the further development of the platform?	<p><input type="radio"/> Yes <input type="radio"/> No</p> <p>If yes, will you express your interest by subscribing to the CICERONE online platform?</p> <ul style="list-style-type: none"> <li><input type="radio"/> Yes</li> <li><input type="radio"/> No</li> </ul>
12	We would like to contact you about the further development of the platform. If you	<p><input type="radio"/> Email address <input type="radio"/> Phone number <input type="radio"/> I don't agree</p>



	agree, please indicate which way is best and fill in your contact information	
14	Would you like to express your interest by subscribing to the CICERONE online platform?	<input type="radio"/> Yes <input type="radio"/> No
	Do you have any additional remarks?	
<p>Thank you and if you have expressed your interest, sign up to our mailing list</p> <p><a href="https://cicerone-h2020.us19.list-manage.com/subscribe?u=d6d1fd02fb8f0d96ad0e8142c&amp;id=4ceb78976b">https://cicerone-h2020.us19.list-manage.com/subscribe?u=d6d1fd02fb8f0d96ad0e8142c&amp;id=4ceb78976b</a></p>		

**Appendix II: Questionnaire to Programme Owners (October - December 2019)****1. Your PO Profile**

- a. What type of actions do you fund as a PO? (research/innovation/implementation...)
- b. This funding takes the form of: full support, co-funding (e.g. 50% supported by the PO, 50% by the consortium own resources), loan, bank guarantee, etc?
- c. What is the geographic scope of your funding?
- d. What are the main themes and types of projects that you fund in circular economy?
- e. Do you follow any strategic agenda/ SRIA for your funding?

**2. Services foreseen on the platform**

We envisage several types of services to be delivered by the platform and targeted to the POs as the main end-users and would like to have your feedback on those

- a. Knowledge sharing database for local, regional and national authorities on programs, activities and outcomes of CE RDI (circular economy research & development innovation):
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service?
  - 3. Could you contribute to this service, and if yes, how?
- b. Facilitation and orchestration of joint initiatives and targeted events
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service?
  - 3. Could you contribute to this service, and if yes, how?
- c. Training and capacity building for CE Programming:
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service?
  - 3. Could you contribute to this service, and if yes, how?
- d. Policy influence: white papers, direct communication:
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service?
  - 3. Could you contribute to this service, and if yes, how?
- e. Joint RDI initiatives: execution and follow -up
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service? In-kind
  - 3. Could you contribute to this service, and if yes, how? Yes, they are already doing it
- f. Support national and regional POs to integrate CE into existing EU programs such as Interreg, LIFE Programme and strategic alliances
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service?
  - 3. Could you contribute to this service, and if yes, how?
- g. Facilitating access to research infrastructures
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service?
  - 3. Could you contribute to this service, and if yes, how?
- h. Networking specifically among POs, e.g. to facilitate and connect R&I initiatives, coordination and facilitation with related platforms
  - 1. Is this service relevant?
  - 2. Would you be willing to pay for this service?
  - 3. Could you contribute to this service, and if yes, how?

Which other services would you consider interesting to receive from such a platform?

### 3. Platform funding & functioning

The platform will be designed in a way that involves POs who become “members” of the platform. In that capacity they can benefit from the services and engage more easily with other members. The goal of the CICERONE project is to enable the platform to be sustainable over time after the project phase, and we are therefore considering possible funding models:

- a. If the platform concept and its related services were relevant to you and POs as a member, would you be open to pay:
  1. To access the services? (Service-oriented model)
  2. As a member with a yearly fee? (Fee-driven model).
- b. If not, would you consider “in-kind” participation to help develop the platform, for example as a member? (Such as investing your time, team, other resources...)
- c. To fund the platform, would you advise to privilege other funding possibilities and if so, which ones? (Public funding, private funding, PPP, foundations...)

### 4. Do you have specific ideas or recommendations at this stage on the platform itself?

### 5. Platform users:

- a. Who would you suggest to be members of the platform? (Only other POs or other stakeholders too such as SMEs, RTOs, academia, private organizations, etc)
- b. Which different **levels of membership** would you suggest to have for the platform? (Direct members, associated members, etc.)
- c. What key stakeholders would you recommend to involve in the platform construction/development?

### 6. Operations and management of the platform

- Governance structure & functioning
  - How would you structure the governance?
    - One level: Governing Board
    - Two levels: General Assembly\* / Executive Committee\*\*
  - \* GA: in charge of setting up the main orientations, decisions on the budget, etc.
  - \*\* EC: in charge of implementing the decisions of the GA.
  - Other options?
- Would it be “rotating”?
- Day-to-day operations
  - Who can take decisions for the platform? (e.g. decisions about contracts, banks, agreements, etc.)
- Platform representation
  - Who would you suggest to represent the Platform? (*indicate a type of organization -PO, RTO, Academia, private, etc. - that could be part of the governance*)
- Elements to be voted on by the Platform members

- What would be the important elements to be voted on? (*Pick one or more elements*)
  - Allocation of funds
  - Joint programming
  - Decisions on the services the platform should offer
  - Acceptance of new members to the platform
  - Other:.....
- Voting rights
  - Who should have **voting rights**? (*pick one or more types of organisations*)
    - Program owners :
    - RTOs
    - Industry
    - Academia
    - NGO
    - Other:.....
    - Comment on preference for voting system:.....

## 7. Advisory Board

- Would you suggest creating an **advisory board** for the platform?
- If yes, how would you suggest to design the advisory board?
  - Who would participate in it?
  - Further comment:.....

## 8. Stakeholders

- Which **further stakeholders** would you suggest to directly or indirectly involve in the platform and how would you suggest to do this?

## 9. Risks & challenges

- What are possible challenges and risks regarding the way the platform is managed /funded/governed?

## 10. Relation with the EU

- What **role should EU institutions** have in the governance of the platform after the end of the CICERONE project?

## 11. Further Elements

- Which other elements do you consider important for the organizational structure of the platform and how would you design them?

## 12. The infrastructure of the Platform

- a. Do you see a need for physical infrastructure? If so, what kinds: e.g. a central office, a hub, a set of regional hubs
- b. Do you see opportunities to link or integrate this into existing institutions?

**13. Your role in the platform**

- c. Would you consider becoming a member of the platform?
- d. Would you envisage getting involved in the platform development on the short run?  
(for example, take part in a presentation workshop at the start of March 2020) YES
- e. Would you envisage getting involved in the platform governance in the long run?
- f. Would you prefer to remain an observer of the platform
- g. In what other role could you get involved?

14. Can you recommend best practice examples of successful platforms? Or any other **idea** or suggestion you may have?

15. Would **you** know of any other PO contact who we could interview? (ask for email contact or to be introduced by email)

# Appendix III. Results of discussion tables on governance models at the internal workshop 2 meeting on 29 January 2020 in Brussels

Figure 14. Discussion table 1 on governance model

Membership		Governance		Decision Making	
Members (Who)	Level of Membership	Levels of Governance	Rotation	Who	How
<p>Two types of POs:</p> <ul style="list-style-type: none"> <li>Policy makers</li> <li>Funders</li> </ul> <p>Policy makers (e.g. in environmental ministries); PO funders in research ministries (e.g. Netherlands); Managing authorities on regional level; manage regional funds</p>	<p>2 Levels of Membership</p> <p>RTOs, Academia, industry associations, etc. would be level 2</p>	<p>2 Levels</p> <p>In case we integrate into ECESP we could have 1 level</p>	<p>The chair of the general assembly could rotate; EC not rotate</p>	<p>to be completed</p>	<p>to be completed</p>
		<p>Representation</p> <p>1 political representation to understand the EU (e.g. chairman from the GA)</p> <p>1 Operational director</p>	<p>Advisory Board (Yes/No/Who)</p> <p>AB not needed; POs in GA, RTOs maybe in Executive Committee, so no need for GA;</p>	<p>Voting rights</p> <p>to be completed</p>	<p>Elements to be voted on</p> <p>to be completed</p>
Stakeholder		Risks and Challenges		Relationship with the EU	
<p>Who – and their role</p> <p>RTO, Academia, business, banks, foundations, SMEs, NGOs;</p> <p>We could make an inventory of frontrunner SMEs priorities to give to POs</p>		<ul style="list-style-type: none"> <li>We can't influence the funds, but the coordination of the funds</li> <li>Find appropriate funding for the platform</li> <li>Commission does not see potential for ERANET on CE</li> </ul>		<ul style="list-style-type: none"> <li>EC might want the POs member states to own the platform (like eranet)</li> <li>EC might fund operations at the beginning and later only top-up funding</li> <li>Discuss relation with ECESP</li> <li>Speak to chair of coordination committee of ECESP</li> <li>We have our mission and we won't negotiate on it, but apart from that we are open to discuss</li> <li>Get into contact with DG RTD/ENV/GROW</li> <li>Get Lots on: Policy alignment, capacity building, joint programming, joint calling</li> <li>Check Lots from proposal</li> <li>CE action plan influences us</li> </ul>	

Figure 15. Discussion table 2 on governance model

Membership		Governance		Decisionmaking	
Members (Who)	Level of Membership	Levels of Governance	Rotation	Who	How
<ul style="list-style-type: none"> <li>POs only</li> <li>International, National, Regional</li> </ul>	<p>1-level: the PO-driven model is what makes the platform unique</p> <p>Rights: 1) decide on platform strategy ; 2) Publish open calls</p> <p>2 types of calls:</p> <ul style="list-style-type: none"> <li>Calls by EU and POs</li> <li>Calls financed by membership fees</li> </ul>	<p>GA/GB</p>	<p>Every two years</p>	<p>GB for executive decision, GA for strategic ones</p>	<p>at GA and GB meetings; simple majority vs unanimity...</p>
		<p>Representation</p>	<p>Advisory Board</p> <p>no discussed in depth but may not be required</p>	<p>Voting rights</p> <p>1 vote / member</p>	<p>Elements to be voted on</p> <p>Platform strategy &amp; calls; SRIA, budget, if important, position papers</p>
Stakeholder		Risks and Challenges		Relationship with the EU	
<p>Who – and their role</p> <ul style="list-style-type: none"> <li>RTOs</li> <li>CS</li> <li>Academia</li> <li>other platforms</li> <li>Circular cities</li> </ul>		<p>Challenges:</p> <ul style="list-style-type: none"> <li>get a critical number of POs quickly</li> <li>get (EU) money to fund calls</li> <li>Representativity is expected to be very challenging, taking into account the diversity of POs ; + the unanimity rule, if chosen, is a a major constraint</li> </ul>		<ol style="list-style-type: none"> <li><b>funder</b>; Get EU funding at the beginning to help the platform becoming more mature</li> <li><b>Adviser</b>; the EU would be invited to participate in meetings</li> <li><b>Monitoring</b> when they fund projects</li> </ol>	



Figure 16. Discussion table 3 on governance model

Membership		Governance		Decisionmaking	
Members (Who)	Level of Membership	Levels of Governance	Rotation	Who	How
<ul style="list-style-type: none"><li>-POs (national, regional, municipal?)</li><li>-Define what PO (clearly) and what categories of PO (funding versus policy...)</li><li>-Private cleantech funds? (do they fund research?)</li><li>-Access criteria to become member (public/private, level of development...)</li></ul>	<ul style="list-style-type: none"><li>-Probably just needs one level at the beginning</li> <li>Depends on what the platform has to offer (nb of services available)</li><li>-Pay per service</li><li>-Freemium?</li><li>-Pay according to level of contribution to the platform</li></ul>	<p>Two Levels</p> <ul style="list-style-type: none"><li>-Secretariat is a MUST (operations, management) to handle platform services</li><li>-General Assemblies if &gt;20POs if EU-lead</li><li>-Later: Executive committee (manages the secretariat) strategic decision making (done by Secr. at first)</li></ul>	N/A	General Assembly	Voting; Keep it simple at the beginning; Then it can evolve
Stakeholder		Representation	Advisory Board	Voting rights	Elements to be voted on
		<ul style="list-style-type: none"><li>-Secretariat</li><li>-In the future: several offices to represent parts of Europe?</li></ul>	<ul style="list-style-type: none"><li>-Should be outside the governance (don't vote) - composed of experts of various fields (funding, CE, policy, business creation, education...)</li><li>-Formal but small</li><li>-free of charge</li></ul>	Equal votes for all POs	Strategic planning, workplan -budget -SRIA updates!
Who – and their role		Risks and Challenges		Relationship with the EU	
<ul style="list-style-type: none"><li>-SMEs as its important to EASME and Commission;</li><li>-Any competitive platform (CE stakeholder platform for example)</li></ul>		<ul style="list-style-type: none"><li>- Needs a critical mass for the platform to run</li><li>-risk if EU funded only at first ; need to involve POs from the start (small amount)</li><li>-Learn from Era-NET (failures, structures...)</li></ul>		<ul style="list-style-type: none"><li>-EC provides seed/ incubation money (3 years?)</li><li>-First core members provide seed funding also</li><li>-EU should be leading the platform from the start otherwise it won't look legitimate for many POs</li></ul>	

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**Appendix IV. Potential structure of statutes for the EU Circular Cooperation Hub**

**The EU Circular Cooperation Hub – International Non-Profit Organisation  
(Association International Sans But Lucratif - AISBL)**

**Article I. Legal Status, Name, Registered Office, and Duration**

Section 1.01 Legal Status

Section 1.02 Name

Section 1.03 Registered Office

Section 1.04 Duration

**Article II. Objectives and Activities****Article III. Membership**

Section 3.01 General provisions

Section 3.02 Governing Board Members

Section 3.03 Working Group Members

Section 3.04 Observers

Section 3.05 Advisory Board Members

Section 3.06 Knowledge Partners

**Article IV. Application for membership****Article V. Termination of membership****Article VI. Fee (financial contribution)****Article VII. Governing Board**

Section 7.01 Organisation of the General Assembly

Section 7.02 Competence

Section 7.03 Quorum and Adoption of Resolutions

Section 7.04 Chairperson

Section 7.05 Decision-making process

Section 7.06 Minutes

**Article VIII. Board of Directors****Article IX. Management Board**

Section 9.01 Competence

Section 9.02 External Representation

**Article X. Working Groups****Article XI. Advisory Board****Article XII. Knowledge Partners****Article XIII. Financial year, annual accounts, budget, audits****Article XIV. Dissolution and Liquidation**