# State of play:

# Enabler Smart investments – October 2015

Flanders State of the Art



WWW.OVAM.BE

## **1 SMART INVESTMENTS**

### LEADER: EWI/AO/OVAM

#### AMBITION

We would like to use this lever to stimulate the government and businesses to invest in a circular economy. Investing in sustainable management of materials and in sustainable technologies leads to new markets and new jobs.

### REALISATIONS

The government should lead by example, by upgrading the importance of materials criteria in its purchasing and procurement. (See 'smart cooperation' lever for the state of play in this regard)

We inventoried the range of existing subsidies from the Flemish government with respect to sustainable material management

(http://www.vlaamsmaterialenprogramma.be/aanbod/subsidiekanalen). Support was offered by the FMP in relation to sourcing (financial) resources for materials projects, creating partnerships within the value chain and forming consortia around interesting projects.

Partners from the FMP network thus submitted various projects to encourage sustainable material management in the context of the AO Factory of the Future call, MIP, test projects for cluster policy, etc.

To encourage SMEs to make the transition to a materials-efficient production process, a material scan was developed on behalf of OVAM and with the support of Enterprise Flanders. Flemish SMEs with a production department can have a free materials scan conducted. The evaluation of the first group of companies that used the materials scan showed that costs for raw materials could equate to over 40% of total operational costs. This is much higher than costs for areas such as energy or personnel costs.

An average of 18% of the purchased raw materials ultimately do not end up in a saleable product. This represents a significant savings potential. The loss of raw materials that corresponds to a 10% reduction would represent a huge saving. Among the group of SMEs studied, the savings potential lies at 2% of total production costs or an average of 32,000 EUR per company. The material scans already conducted confirm the importance and primarily the potential of sustainable material usage. Until the end of 2016, the Agency of Innovation and Enterprise (AIO) and OVAM will offer production companies a free, individual materials scan via the appointed advisers. The material scan provides an insight into the current material usage and corresponding costs. Simple simulations show how you can reduce your environmental impact and production costs.

On a European level, a review has been conducted of how projects can flow through into the Horizon 2020 programme or could be submitted within Interreg or the LIFE programme. From OVAM's Flemish Materials Programme, a team is working on the submission of various project proposals for Interreg and Horizon2020, in relation to change-focussed construction, optimised waste and material management in cities, circular economy and entrepreneurship. The H2020 projects REPAIR and Urbanrec have been approved; we are awaiting further news on the others.