

SUPPORTING & ENABLING CIRCULAR BUSINESS DEVELOPMENT

How local governments can tap into the power of the business community to advance their circular economy goals.

Local governments can achieve a lot on their own in the shift toward a circular economy—in fact, they already have. But for communities to make a more extensive circular transition, they need businesses on board as well.

But how do you get your local businesses participating in this growing economic movement? One solution is to join the Circular Cities & Regions Initiative (CCRI) to access support and mentorship on circular economy ideation and projects. For inspiration, here's how two Canadian municipalities, both CCRI program participants, have fostered circular innovation in their business communities to develop partnerships that are better for the planet—and for local economies, too.

WHY CIRCULARITY IS GOOD FOR BUSINESS

Ask business owners if they're interested in a way to both lower costs and develop new relationships with their peers—all while making their operations more sustainable. You can imagine the positive response. And that's essentially what a circular economy means for business. It's a way of strengthening links between different companies so that they can share, collaborate and innovate with the goal of using resources more efficiently.

A COLLABORATION OF



Industrial symbiosis describes a system in which waste or byproducts from one company or process become useful materials for another. It has environmental benefits due to keeping resources in use for longer and reducing demand for new materials, and can lower costs too.

CASE STUDY: MONTREAL

Montreal has begun integrating circularity upstream into major urban planning exercises such as the Montreal 2030 Strategic Plan, the 2020–2030 Climate Plan, the 2020–2025 Residual Materials Management Master Plan and the 2016–2020 Montreal Sustainable Development Plan. But they knew they needed a systematic transition, and so the city's Service du développement économique (SDÉ)—which wanted to contribute to Montreal's ambitious goals of reaching carbon neutrality by 2050 and zero waste by 2030—began focusing on the circular economy as a means of promoting sustainable economic development.

The SDÉ believes that the ecological transition requires a profound economic transformation and has taken concrete steps such as helping to finance initiatives like Synergie Montréal, which Natacha Beauchesne, Economic Development Commissioner, describes as “an industrial symbiosis project that promotes pooling resources between companies, where in particular one company's waste becomes another's resources.” The city also actively worked with Fondation and RECYC-QUÉBEC to create the Circular Economy Fund, the first such fund in Canada.

But what sets Montreal's approach apart is how strongly it has mobilized the local ecosystem, where hundreds of businesses and organizations of all sizes are actively engaged in the circular economy transition.

A case in point is the Montreal Circular Economy Roadmap, which the city co-created with extensive participation from this dynamic business ecosystem and was adopted in May 2024. As Beauchesne explains, this roadmap marks a significant step forward, setting itself apart from previous plans by adopting an exclusive focus on the circular economy, rather than seeing it as just one component among many. “This roadmap is 100 percent focused on the circular economy,” she says, “which will help accelerate the transition.” This initiative illustrates Montreal's commitment to placing circularity at the heart of its urban and economic development, offering an inspiring model for other cities committed to transitioning to a more sustainable and resilient economy.

CASE STUDY: CHAPAIS

The City of Chapais might be small in size, but when it comes to the circular economy, it's a big player. It was in its 2008 Green City Plan that the northern Quebec municipality first recognized the potential of industrial symbiosis to boost both economic and environmental sustainability. “We had one big plant that the city relied on for taxes and jobs,” says Stéphanie Houde, the city's director of economic development. “We wanted to explore and develop other aspects.”

Since then, the local business community has enthusiastically incorporated circularity into operations, with a number of key projects showcasing ways industrial symbiosis can work on the ground. The local energy plant, for example, uses forestry byproducts to create electricity. The steam it generates is transferred to a local greenhouse to support its strawberry growing as well as to an essential oil manufacturer to help fuel its operations. That essential oil manufacturer also makes use of forestry byproducts—and sends its own waste back to the energy plant to be used as fuel. What could be more circular than that?

Circular economic development in Chapais has had additional benefits, too, Houde points out. In the summer of 2023, the community was threatened by huge nearby wildfires. But thanks to “all the human relationships and bonds created with this project,” she says, “it was way easier to take action together as a community.”

The Circular Cities & Regions Initiative (CCRI) was created to help local governments further their understanding of circularity and build it into their planning and operations. A team effort developed by the Federation of Canadian Municipalities' Green Municipal Fund, the National Zero Waste Council/Metro Vancouver, the Recycling Council of Alberta and RECYC-QUÉBEC, CCRI aims to advance circular economy knowledge-sharing and capacity-building in Canadian communities and regions of all sizes.

CCRI's offerings include webinars, workshops, coaching, peer networking and one-on-one support to help communities envision, articulate and plan for their circularity goals.

WHAT IS CIRCULAR BUSINESS DEVELOPMENT?

What does it mean to foster circular business initiatives in your community? For Beaudesne, it's about attracting and supporting businesses that "have circular economy in their DNA." Look for those who mention circular economy in their business plans or make decisions with circularity as a lens. Support them and strengthen their business model to help them scale up their innovation.

Houde takes it a step further, encouraging businesses to explore how circular principles could be integrated into their existing operations. In Chapais, industrial symbiosis is a key consideration, but other communities might want to prioritize a variety of circular economy strategies like the sharing economy, maintenance and repair, energy recovery or responsible consumption and procurement.

FOSTERING CIRCULAR BUSINESS DEVELOPMENT: TIPS FOR SUCCESS

Montreal and Chapais have learned a lot when it comes to facilitating circular business initiatives. Here are some of their tips for success.

- **Lead with research.** "There's probably a lot going on in your region," says Beaudesne. Gather data to find out what circular initiatives already exist.
- **Build a roadmap.** Not only will it help your community define its vision and goals, but the process of creating it is an opportunity to educate people about circular economy principles and to engage and collaborate with the entire community—including businesses.
- **Find partners in circularity.** Other municipalities and government agencies can provide contact, support, funds and advice, says Houde, who counts "strong partners that believed in our project" as a major factor in their success. And Beaudesne points out that different local governments can team up on circular initiatives—like Montreal recently did with Gatineau on an innovation challenge to develop a circular textile value chain project. "It's a win-win," she says.
- **Start small and iterate.** A full roadmap or strategy is an important goal, but don't wait until it's done to get going, says Beaudesne. Trying different projects "allows you to test things, find your local champions, learn and adjust."
- **Build a network of trust.** "Be sure to have good communication with businesses and other partners on the challenges and opportunities of the circular economy," says Houde. "It takes time and involvement, but it's a must."