

# Executive summary

## Key findings

In a circular economy, waste and pollution are designed out, products and materials are kept in use as long as possible, and natural systems are regenerated. The city of Tallinn conceives the circular economy as a means to advance environmental goals while generating opportunities for job creation and stimulating innovation through a systems approach. As a recipient of the European Green Capital award in 2023, the city aims to reach carbon neutrality by 2050, as set out in the Tallinn 2035 city strategy and reported in the “Tallinn Sustainable Energy and Climate Action Plan 2030”. Efficient resources management is particularly relevant in a city like Tallinn where the population is: *growing*, increasing the demand for services, housing and infrastructure, not least because it houses, relative to its population, one of the highest shares of Ukrainian refugees within OECD countries; *ageing*, potentially bringing changes in energy consumption due to the greater use of energy such as electricity, heat and gas; and *changing* its structure towards increased single-person households, implying a drop in material efficiency and higher per capita levels of waste generation.

Over the last 10 years, Tallinn has demonstrated considerable progress towards sustainable waste management: from 2012 to 2019, biowaste collection almost tripled (+243%) and the city achieved higher levels of separate collection, while landfill decreased by 80% over the same period. In 2019, the city banned the use of single-use plastic plates, cups and utensils at public events. In 2020, the waste management department was transformed into a circular economy one, and, in parallel, the Tallinn Strategic Management Office and other stakeholders have taken a number of initiatives, such as: the organisation of Waste Reduction Weeks; guidance on sustainable minimum requirements for event organisers, including reducing and sorting waste; the introduction of the Tallinn Creative Incubator to support the design of circular business models (e.g. product as a service), as well as the e-construction platform by the Ministry of Economic Affairs and Communications to facilitate information and data on the whole life cycle of buildings (from design to end of life). Going forward, the Tallinn Waste Management Plan 2022-2026 foresees reuse and repair centres. Building on these milestones, Tallinn is ready to move from a sustainable waste management approach to a fully-fledged circular economy. The city is planning to set up a long-term vision on the circular economy, based on the findings and recommendations of this report.

Transitioning to a circular economy in Tallinn will require overcoming a number of governance gaps.

First, there is no structured scheme to align regulatory frameworks across national and local governments to support the transition towards a circular economy. Similarly, there is no mechanism to co-ordinate sectoral strategies and programming documents across municipal departments that take into account a circular approach.

Second, some enabling conditions are not fully in place, e.g. skills on life cycle analysis and circular business models (sharing economy initiatives, renting and lending), adequate financial resources for the implementation of projects, and consideration of circular economy requirements such as the integration of Life Cycle Analysis (LCA) in procurement decisions.

Third, the city's engagement with stakeholders from the business community and civil society tends to remain constrained to *ad hoc* projects and communication campaigns. In addition, data on waste management is currently not regularly updated, and there is a need to generate information about urban metabolism flows and how material loops are closed.

## Key recommendations

Building on this analysis of governance gaps, the OECD Checklist on the Circular Economy in Cities and Regions and international best practices, this report provides policy recommendations for the city of Tallinn to play an important role as a promoter, facilitator and enabler of the circular economy through a collective and co-ordinated approach across stakeholders and levels of government:

To **promote** the circular economy, the city could:

- Clearly define roles and responsibilities of the newly created Circular Economy Department and lead by example, by embedding circular economy principles in daily activities and practices of the municipality, from service delivery to public procurement.
- Develop a circular economy strategy with clear objectives, targets and actions that would allow identifying the “what”, the “how” and the “whom” of the circular economy transition in the city.
- Raise awareness on the circular economy through “circular economy ambassadors” in businesses to promote circular economy communication and messaging as well as events across their networks.

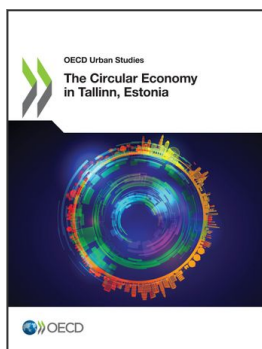
To **facilitate** collaboration among a wide range of actors, the city could:

- Foster horizontal and vertical co-ordination as well as co-ordination across Estonian cities and towns to share practices and scale up projects: national and local governments should align strategies and regulations, through a co-ordination committee and joint funding projects. The city could set up regular inter-department meetings to inject circular economy principles in municipal practices and tools and lead a platform of Estonian local governments for collective action towards a circular economy.
- Enhance stakeholder engagement through: co-producing the future circular economy strategy; facilitating dialogues across the city, businesses and residents with the aim of creating a circular ecosystem in the city; leveraging on the events organised within the European Green Capital 2023 and using digital tools to engage citizens, such as the “Open the City Application”.
- Pilot projects and assess their results against pre-defined indicators. Projects can include circular neighbourhoods, sharing platforms, material development and experimentation for new constructions.

To **enable** the necessary governance and economic conditions, the city could:

- Establish clear requirements in tenders to: foster efficient material use and reuse, quality and maintenance; apply the life cycle analysis and consider the longer-term impacts of each purchase; and stimulate a dialogue between procurement officials and potential contractors.
- Mobilise financial resources, such as grants, and foster efficient allocation of resources to support companies adopting circular economy principles.
- Develop resource management, social and technical skills to meet the challenges of the circular transition and support capacity building for circular businesses in co-operation with universities.
- Support business innovation by: organising hackathons and idea competitions on the circular economy; stimulating demand by being a launching customer; and establishing a one-stop shop on the circular economy for SMEs.

- Develop a monitoring framework for the future circular economy strategy to assess progress made on the achievement of targets, including through the OECD Scoreboard on the Governance of the Circular Economy in Cities and Regions. Tallinn can also make the most of information obtained through digital tools such as digital maps, blockchain and artificial intelligence.



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