

ANCHOR

# ANCHOR economics



2<sup>nd</sup> cross-border lunch meeting April 16<sup>th</sup> 2024



Co-funded by the European Union









**KWR** 



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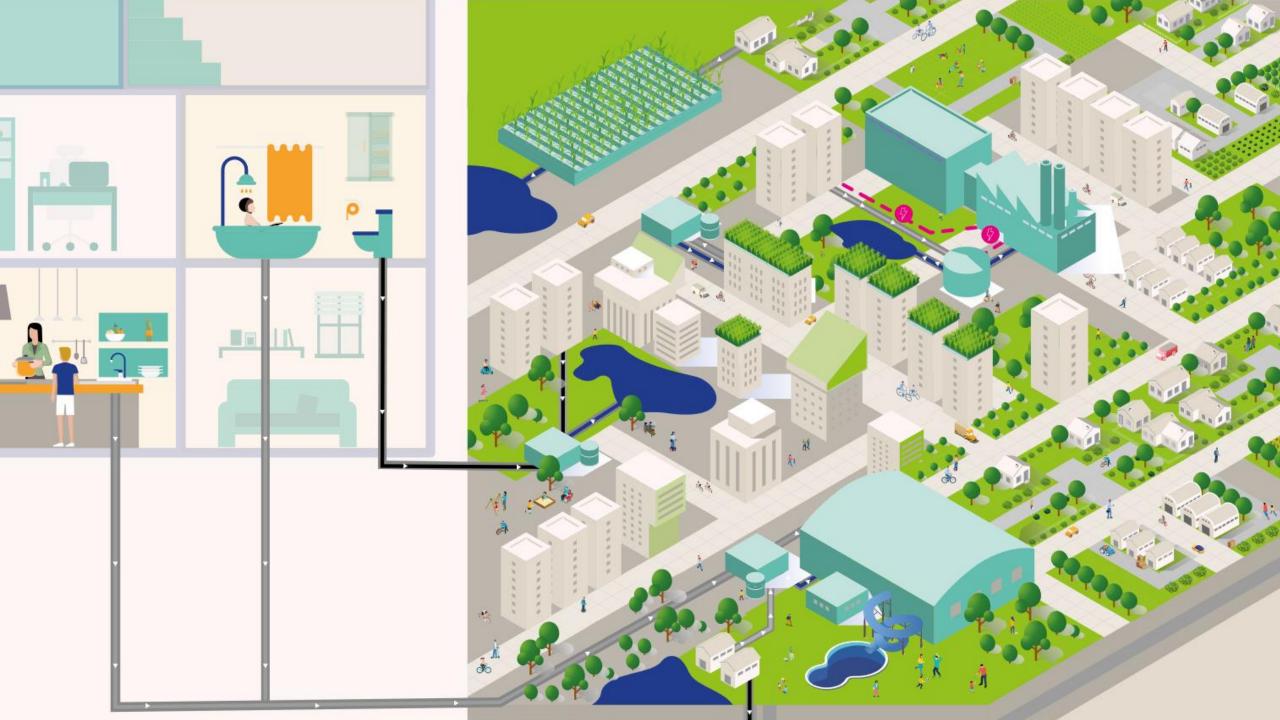
Stockholms stad







# Let's fuel the transition towards water wise neighbourhoods



## HOW?

- By gathering experiences from a unique EU demo network in Belgium, the Netherlands, Germany and Sweden with source separation technology, and expanding it with new pilots
- By mapping the impacts of decentralized water systems in urban areas
- By closely engaging with stakeholders
- By delivering practical tools and transition knowledge





WHO?



**Waternet** 

waterschap amstel gooi en vecht gemeente amsterdam

HAMBURG WASSER

Bauhaus-Universität Weimar

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NORDVÄSTRA SKÅNES VATTEN OCH AVLOPP



Interreg North Sea

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## **Anchor Lunch Meeting**

# AGENDA

- Different ways to value wastewater resources and services
- \* A city's ambitions for higher levels of sustainability in city development
- A cost-benefit analysis for a new, urban area in Stockholm
- Questions from the audience

Interreg the European Union North Sea **ANCHOR** 

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16-04-2024

## ANCHOR Digital lunch meeting

Novel value perspectives on evaluating Urban Waste Water Systems



Bridging Science to Practice

## ~ Changing perspectives on Urban Water Systems Novel perspective on multiple value creation in cooperative societal networks

Value Creation from a single business perspective Concept that is generally is focused on developing 'value' for one business.

#### Characteristics

- Objectives from a single business or stakeholder
- Focused on 'financial benefits'

Multiple Value Creation from a cooperative societal network ('cluster') perspective Developing 'societal value', which can be 'measured' or 'captured' in various ways.

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#### Characteristics

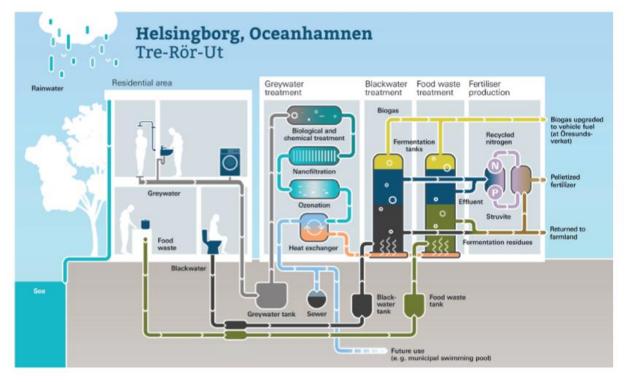
- Integration of multiple and societal objectives
- Focused on 'Societal benefits'; social, economic and ecological/environmental impact

**Core question:** In what way does a UWS-project contribute to multiple societal objectives in the long term?



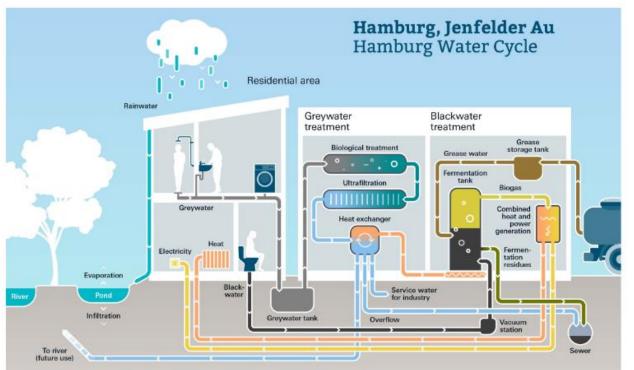
## Urban Water Systems

Similar, but different integrated designs



Source Image: Lighthouse Project

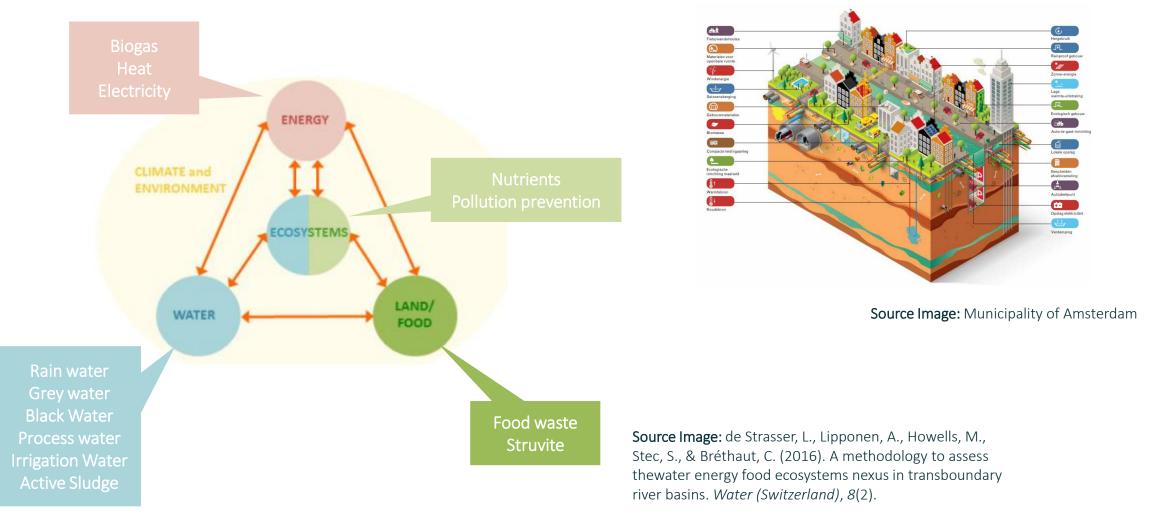
Under which conditions do these different systems deliver value?



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## Contextualising UWS

Value Mapping of NEXUS solutions in the local environment



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## Integrating Industrial Ecology and Circular Economy Industrial Symbiosis for a more holistic perspective on multiple value creation

#### Industrial Symbiosis

#### Industrial Ecology

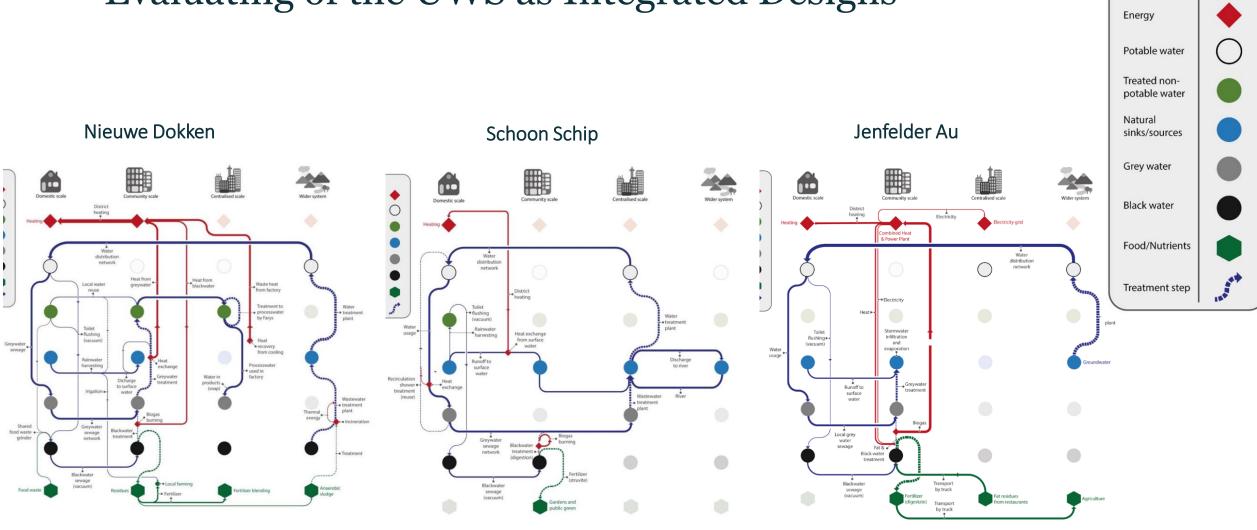
...socio-technical process based on the coöperative interaction of separate business entities exchanging materials, energy, water, by-products, services and infrastructures to achieve competitive advantage

(Boons et al., 2014, 2011; Chertow, 2007; Massard et al., 2014.)

#### Circular Economy

... a *business model archetype* based on sharing infrastructures and by-products to improve resource efficiency and to create value from waste

(Bocken et al., 2014; Forum for the Future, 2016; Kraaijenhagen et al., 2016; Lombardi and Laybourn, 2012; Short et al., 2014).



## Evaluating of the UWS as Integrated Designs

Source: Van Duuren (2020) Sense project

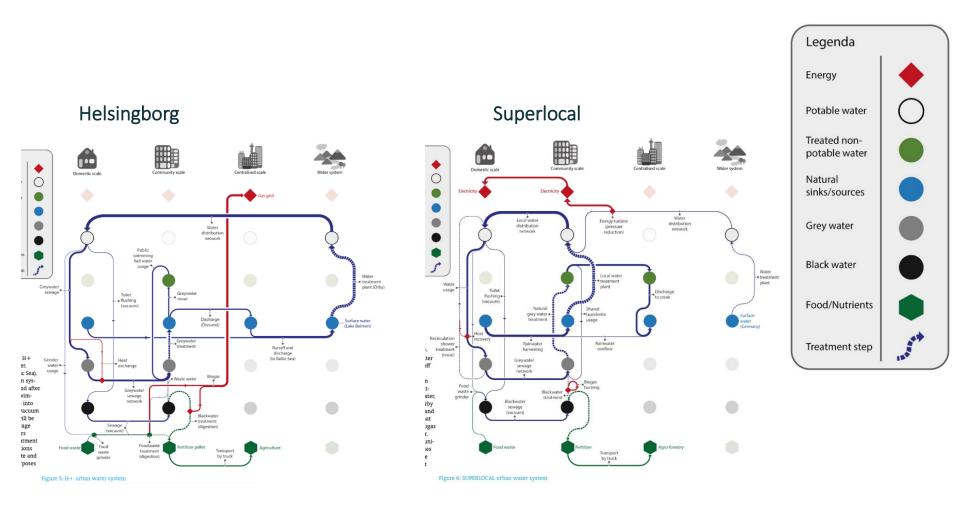
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Legenda

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## Evaluating of the UWS as Integrated Designs



## Research: Mapping Multiple Value Dynamics

Evaluating UWS in their national and local context

#### 1. Mapping the development trajectory

What are the motivations of the integrated designs in the local context?

STARTING CONDITIONS	EVENTS	OUTCOMES	
Antecedents leading to the establishment of an IS cluster.	Chain of technical, social and policy actions that are performed to implement the IS cluster.	Economic, environmental and social impacts of the IS cluster.	

#### 2. Mapping the multiple value dynamics

TECHNICAL INNOVATION	COLLABORATION	SUSTAINABLE BUSINESS MODEL INNOVATION
Exchange of waste / energy / resources across industrial processes.	List of stakeholders involved in the development / operations of the IS cluster.	Value proposition + value creation / delivery + value capture: elimination of the concept of waste to reduce economic and environmental costs.

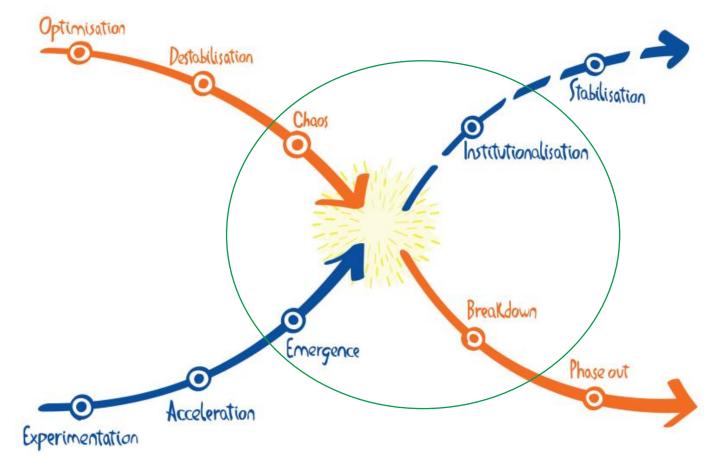
**Source:** Baldassarre, B., Schepers, M., Bocken, N., Cuppen, E., Korevaar, G., & Calabretta, G. (2019). Industrial Symbiosis: towards a design process for eco-industrial clusters by integrating Circular Economy and Industrial Ecology perspectives. *Journal of Cleaner Production, 216,* 446–460.

## What can we learn from this?

- Motivations (drivers and values) of stakeholders to engage in UWS?
- Reflect on motivations for decision-making on implementing (technical) innovations in the integrated designs?
  - Why is a specific technological system a logical (technical) solution in a specific context?
  - Is it logical from an 'cluster' perspective (NEXUS) or the 'local urban environment'?
- Reflect on which values are created and gained by means of UWS implementation in a specific context, but also which are lost or missed?
- Reflect on the contexts (5 cases) in which implementation of an Urban Water Systems 'valuable' or 'logical'?

**Core question:** In what way does a project contribute to multiple societal objectives in the long term?

## Under what conditions can UWS be scaled up?



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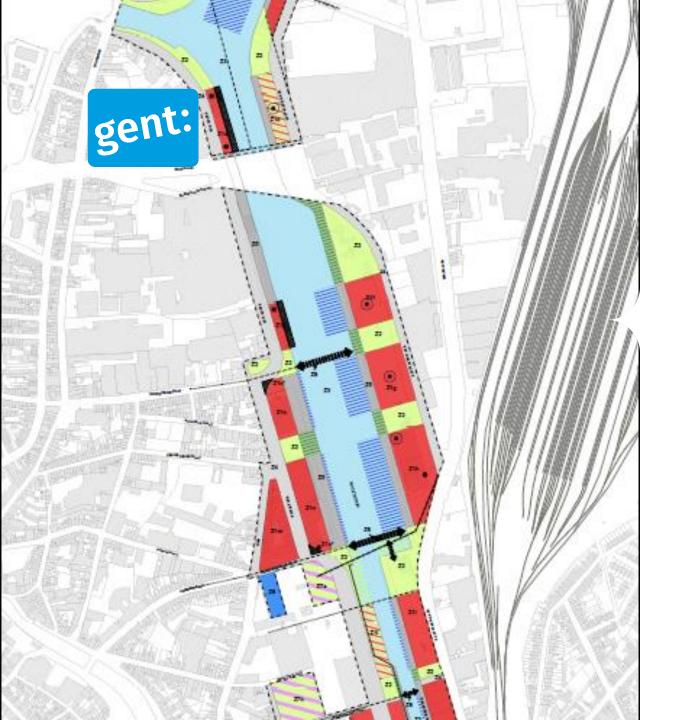
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## Fabi van Berkel Fabi.van.berkel@kwrwater.nl 0652826058



# Sustainability in city development

**City of Ghent (Belgium)** 

## Preparation for a sustainable city development project

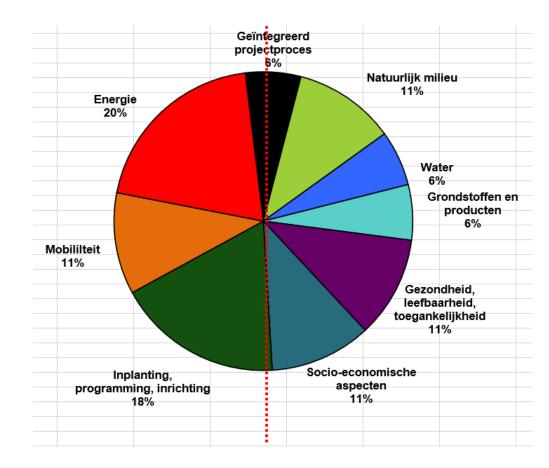
- Spatial development plan 2011: conversion of an old harbour area to a residential neighbourhood with public green spaces
- Brownfield agreement as a framework for cooperation between public stakeholders
- Need for soil remediation
- Public ownership of terrain
- Temporary use for local initiatives

## Finding a private partner for development

- Two-step procedure by the City development company sogent, 2011-2014
- Tender with financial criterion + quality criteria:
  - Urbanism and architecture
  - Sustainability (20%)
  - Soil remediation
  - Process
- Public-private partnership agreement 2014
- De Nieuwe Dokken is now partly in use, partly still being built

## **Sustainability meter**

- Instrument developed by the City of Ghent
- Inspired by BREEAM and LEED
- Criteria on different aspects of sustainability at site level
- Objective and integrated approach
- A step further than regulations
- Focus on results, not on specific solutions
- Overall score but no certificate
- Follow-up throughout the entire process



## Sustainability (meter) in De Nieuwe Dokken

- Analysis of sustainability meter by the City of Ghent based on site qualities and previous decisions
  - Some criteria are already fulfilled, some cannot be fulfilled or are not applicable
- Overall score must be >= 70%, preferably >= 80%
- Extra requirements on energy performance; no extra requirements on wastewater treatment
- Quickscan analyses on heat pumps and energy from wastewater provided by the City of Ghent
- 3 ambitious candidates
- Preferred candidate: highest score for sustainability, energy from wastewater (ZAWENT)
- Proposed overall score 93,9% + ZAWENT concept fixed in public-private partnership agreement
- Efforts to fit ZAWENT into regulations and permits
- Yearly follow-up meeting on sustainability meter

## Lessons learned

- Public ownership of terrain is an important lever for sustainability
- Sustainability meter works best for large public-private residential projects
- Sustainability meter as a base for discussion; no need for certification
- Long duration of projects vs fixed sustainability ambitions / criteria:
  - Decreasing enthusiasm of private partner
  - Changing regulations and insights
  - Try to avoid too specific criteria
  - Find a balance between flexibility and enforcement of key ambitions
- Encouraging innovation vs ensuring long-term quality by using trusted solutions

## **Questions?**

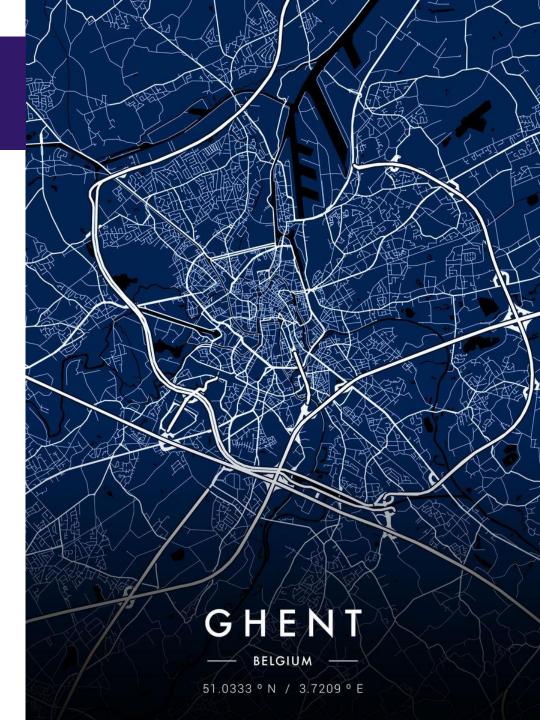
Elisabeth Kuijken City of Ghent – Environment and Climate Service <u>elisabeth.kuijken@stad.gent</u>



>400 Housing units + City complex (schools, sports infrastructure etc.)

## Implementing future proof districts with Local Water Community requires:

- Early urban planning and support by local authorities part of city blue print
- Modular planning of infrastructure and investments
- Different financing structures: Added value is not always created on the project level



# Want to know more or collaborate? Contact us !

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## A Cost-Benefit Analysis for wastewater systems in a New Urban Area in Stockholm

Based on work by **Åsa Soutukorva Swanberg** and **Henrik Nordzell**, presented by Elisabeth Kvarnström

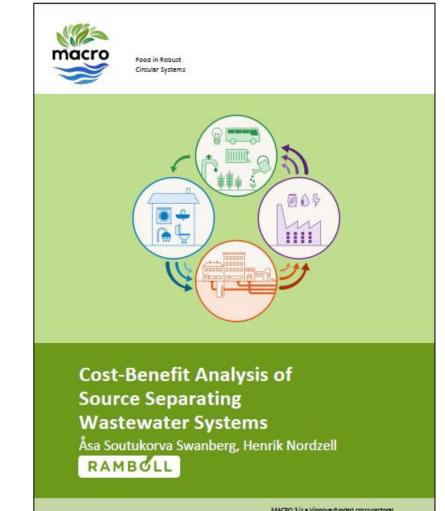




#### A Cost-Benefit Analysis for Wastewater Systems in a New, Urban Area in Stockholm, Sweden

## What is cost-benefit analysis?

- Desicion-support tool to evaluate an investment's benefits to society in relation to their costs
- Use of methods to monetize services that normally do not have a market value
- Comparison
  - are benefits higher than costs?
  - How much of the costs are covered by benefits?



MACRO 3 is a Vinnova-funded cross-sectoral project with the goal of creating conditions for the implementation of source-separating westewater systems in urban areas.



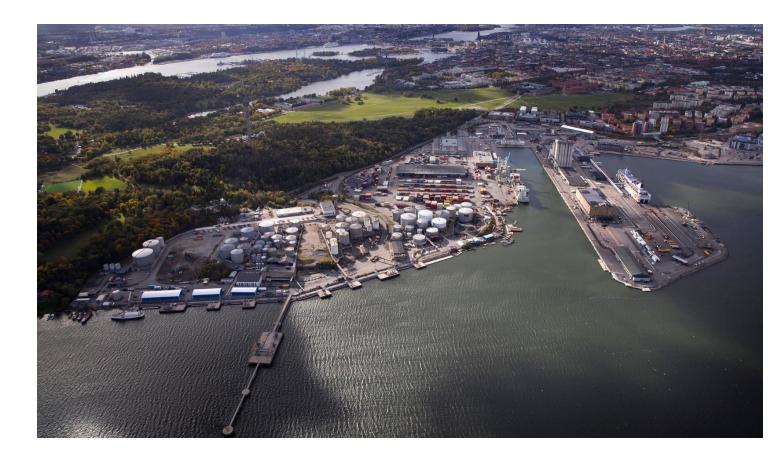
#### The study area – Loudden, a brownfield area in Stockholm Royal Seaport

## **Port and industrial area today**

### Undergoing redevelopment between 2020-2040

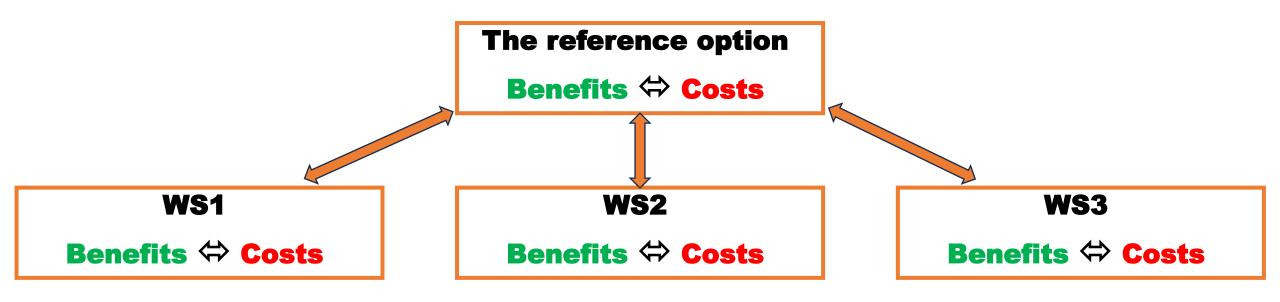
About 9,800 people will live and work here when fully developed

Offices, schools and preschools

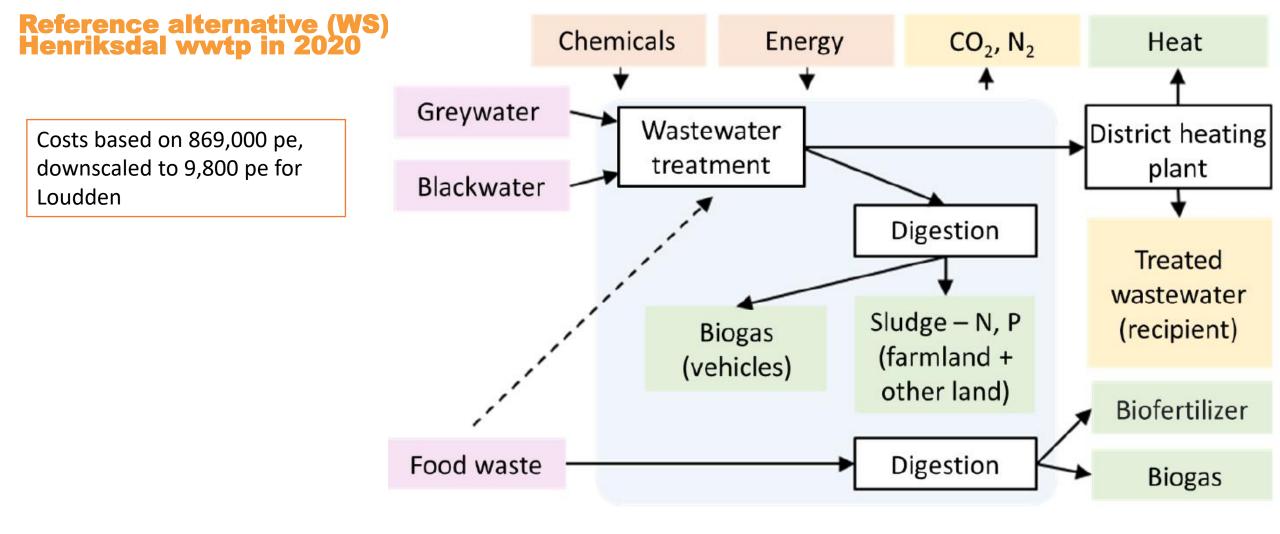




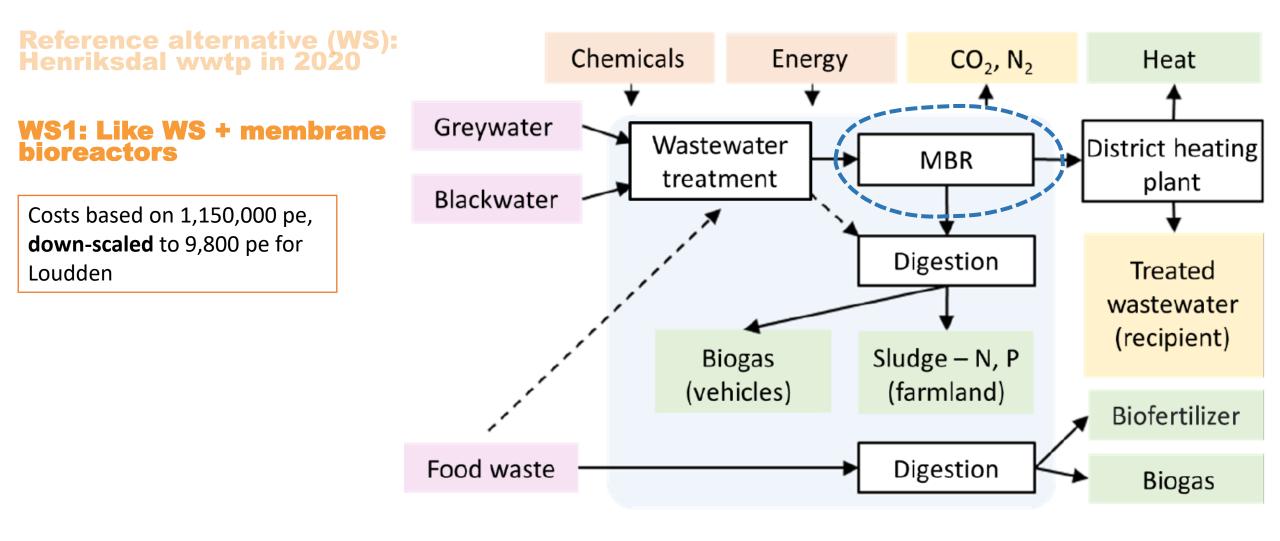
The cost-benefit analysis of wastewater management in future Loudden



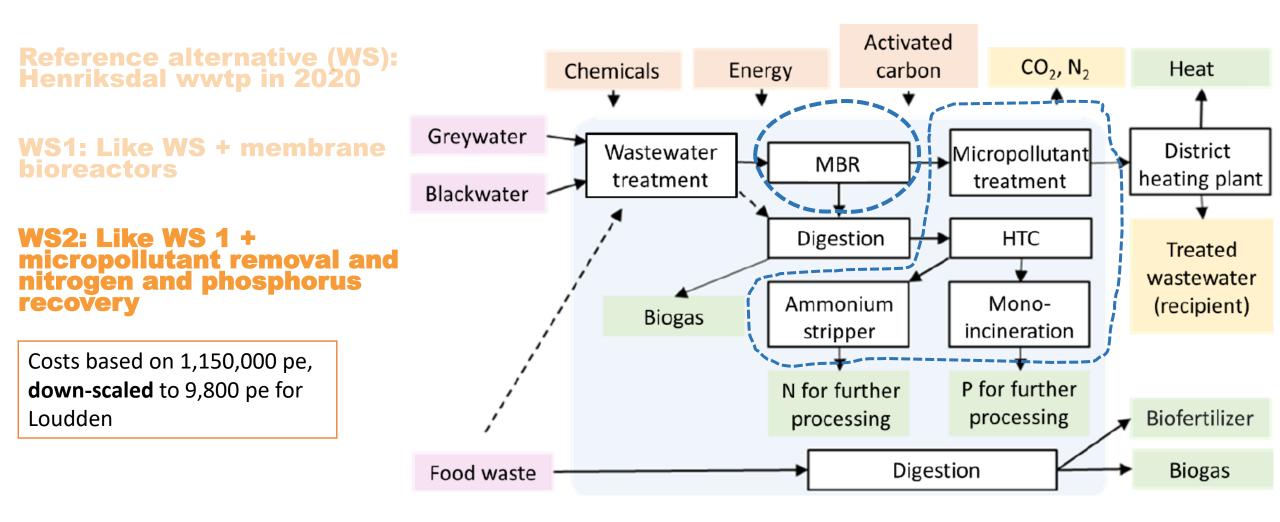




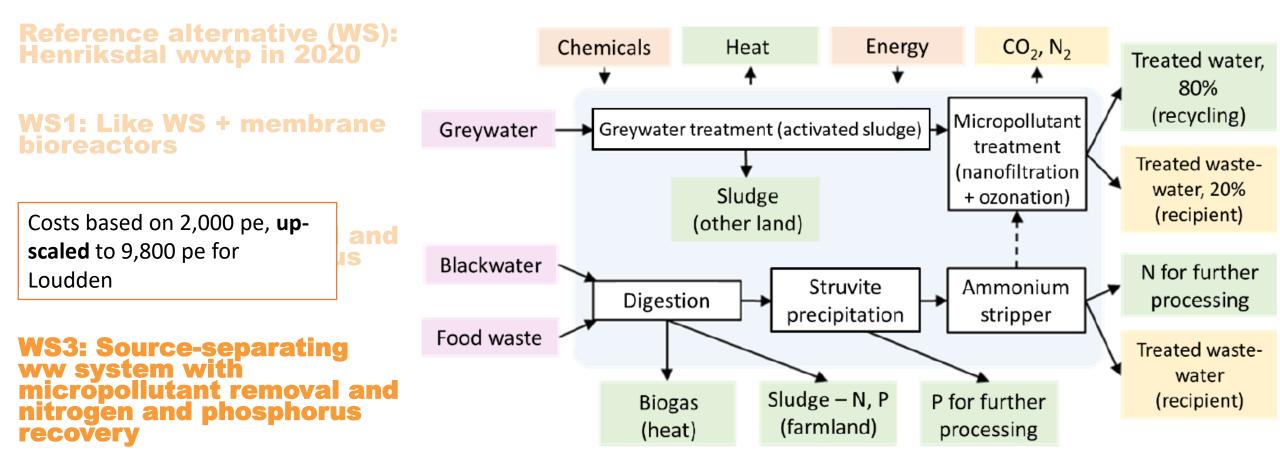












#### **Results - The benefits**

## **Darker green – monetized benefits**

Lighter green – non-monetized benefits

- **Red negative external effect**
- **Minimum benefits:**
- **Source-separating alternative, WS3, has the highest minimum benefits**



Benefit	WS1 (MSEK/yr)	WS2 (MSEK/yr)	WS3 (MSEK/yr)
Reduced emissions to recipient	0.6-0.7	1.2-1.4	1.9-2.2
Reduced emissions of nitrogen and	1	✓	✓
phosphorus to water			
Reduced emissions of bacteria, parasites and viruses	7	$\checkmark$	$\checkmark$
una virases			
Reduced emissions of pharmaceutical residues and hormones to the water	,	1 1	
	,	1	
Better sanitization	,	ł	4.8
Mining and production of mineral		t	
fertilizers	,		
Reducing externalities in terms of	-0.56	0.033	1-3
greenhouse gas emissions			
<b>_</b>			
Reduced need for mineral fertilizer	<ul> <li>✓</li> </ul>	✓	$\checkmark$
production with increased recycling of plant nutrients			
· · · · ·			
Heat return as a result of separate greywater pipe	,		$\checkmark$
	'	ļı	
Increased biogas production	,	1	
Reduced nitrous oxide emissions	,	ł	
Attacta ini one anno a	,	1	
Reduced water use		ł	0.32
Water recycling		t	1.4
Potentially reduced vulnerability	;		
Reduced spreading of heavy metals on	,	0.1	0.1
arable land	,		
Higher acceptance of recovered nutrient	· ,		
products in agriculture	,		
the second secon			1
Contribution to knowledge development			
Potential contribution to the			
sustainability profiling of Stockholm	,	1	
Royal Seaport	,	1	
	,	1	
Potential contribution to Swedish	/ <b>******</b>	; <del>•••••</del>	<b>F</b> • • • • • • • • • • • • • • • • • • •
environmental technology exports	MSEK/yr:	MSEK/yr:	MSEK/yr:
Minimum estimate of benefits	0.5-0.6	1.6-1.8	10.4-10.7
(MSEK/yr)		🧶 Τ.Ο-Τ.Ο 🗖	L0.4-70.2

WS2

WS3

**WS1** 

#### A closer look at the monetized benefits

Benefit	WS1	WS2	WS3
	(MSEK/yr)	(MSEK/yr)	(MSEK/yr)
Reduced	0.6-0.7	1.2-1.4	1.9-2.2
emissions to			
recipient			
Better			4.8
sanitization			
Mining and		0.25	0.57
production of			
mineral			
fertilizers			
Reducing	-0.56	0.033	1-3
externalities in			
terms of			
greenhouse gas			
emissions			
<b>Reduced</b> water			0.32
use			
Water recycling			1.4
Reduced		0.1	0.1
spreading of			
heavy metals on			
arable land			
Minimum	0.5-0.6	1.6-1.8	10.4-10.7
estimate of			
benefits			
(MSEK/yr)			



## Darker red – monetized cost

**Lighter red – non-monetized cost** 

**Estimated costs above the ref option:** 

## Source-separating alternative, WS3, the most expensive

## **Important to remember:**

- Costs for WS1 based on costs for 1M pe
- Costs for WS3 based on costs for 2,000 pe
- Costs for WS2 uncertain (no existing treatment plant)

#### **WS1 WS2** WS3 Costs WS1 (MSEK/yr) WS2 (MSEK/yr) WS3 (MSEK/yr) **Capital and** 0.71 2.44 12.2 operational costs, above the ref option **Higher energy** demand **Higher chemical** demand Estimated costs MSEK/yr: MSEK/yr: MSEK/yr: above the ref option 0.71 12.2 2.44 (MSEK/yr)



Benefits – costs should be a positive value	Summary WS1		WS2	WS3	
Benefits/cost ratio should be above 1	Costs above the ref option (MSEK/yr)	0.71	2.44	12.2	
Neither of the options meet these requirements	Minimum benefits	0.5-0.6	1.6-1.8	10.4-10.7	
The option that covers most of the costs: WS3	above the ref option	0.5-0.0	1.0-1.8	10.4-10.7	
Remember!	(MSEK/yr)				
<ul> <li>Uncertainties in cost estimates</li> </ul>	Benefits – Costs	-0.2	-0.84	-1.2	
<ul> <li>Uncertainties in benefits</li> </ul>	(MSEK/yr)				
<ul> <li>Many benefits not monetized</li> </ul>	Domofita/Coata	07	0.44	0.85	
<b>Conclusion from economists:</b>	Benefits/Costs	0.7	0.66	0.85	

"The results show that investments in new tech can lead to a number of benefits which makes it possible for new alternatives to compete with conventional approaches from an economic perspective, in spite of higher investment costs"

## Thank you!

#### You find the report here:

#### <u>Cost-Benefit Analysis of Source</u> <u>Separating Wastewater Systems</u> <u>(sanity.io)</u>

Asa Soutukorva Swanberg asa.soutukorva@ramboll.se

Elisabeth Kvarnström

elisabeth.kvarnstrom@ecoloop.se



Cost-Benefit Analysis of Source Separating Wastewater Systems Åsa Soutukorva Swanberg, Henrik Nordzell RAMBOLL

> MACRO 3 is a Vinnova-funded cross-sectoral project with the goal of creating conditions for the implementation of source-separating wastewater systems in urban areas.

# Cross Border Lunch Meeting Next Lunch Meeting

- When: September 23<sup>rd</sup>
- Topic: Black water how can we collect and treat it? What are the resources we want to recycle?





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# Thank you for attending!



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