



REPLACE

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REPLACE will enable the transition to a circular economy by facilitating, implementing and financing local and cross-regional circular value chains using a systemic operational and normative framework.

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REGIONAL ACTION PLAN

REPLACE – Regional Policy Actions for Circular Economy



North-East Regional Development Agency



Environment &
resource
efficiency



European Union
European Regional
Development Fund

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REGIONAL ACTION PLAN FOR SUPPORTING THE TRANSITION TO THE CIRCULAR ECONOMY IN THE NORTH-EAST REGION

Part I – GENERAL INFORMATION

Project:	REPLACE – REgional PoLicy Actions for Circular Economy
Partner organisation:	North-East Regional Development Agency (PP8) (North-East RDA)
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NUTS2 region:	North-East
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Part II – POLICY CONTEXT

The Action Plan aims to impact::

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed:

At the time of elaboration of the action plan (17.02.2022), the Regional Operational Program 2014-2020 is in the final phase of implementation, and the launching of new calls is unlikely. That is why the interventions on facilitating the transition to the circular economy will be translated into the new **North-East Regional Operational Programme 2021-2027**. They concern the following aspects:

- an updated local analysis on the economic sectors with innovative potential;
- improving the weight of sustainable development criteria, in order to encourage this type of interventions;
- providing the managing authority with a set of specific assessment criteria to be adapted to the regional framework;
- elaboration and submission of high quality projects (evaluation criteria and monitoring indicators);
- the use of the benchmark with other regions, with regard to the level of regional circularity.

The inclusion of these interventions is facilitated by the fact that North-East RDA has been designated Managing Authority for the North-East Regional Operational Program 2021-2027. In the North-East ROP 2021-2027, the North-East RDA included under the specific objective (iii) Stimulating the growth and competitiveness of SMEs, a specific call for projects for the implementation of circular economy mechanisms in regional enterprises. The projects will be selected through a competitive call for projects that will integrate operations such as:

- investments necessary for the recovery, reuse and modernization of raw materials, materials and products by reintroducing into the main manufacturing process or by creating new products / services;
- investments for obtaining, validating and protecting the trademark and other intangible assets belonging to the company;

- secondment of highly qualified staff from a research organisation or company to develop and implement a circular economy solution;
- purchasing consultancy and training services for the development of specific competencies for the operation of circular economy solutions.

The first policy instrument targeted by the REPLACE project through the grant application is the **Regional Operational Program (ROP) 2014-2020 of the North-East Region, Priority Axis 1 - Promoting technology transfer**. This instrument finances:

- the creation and development of innovation and technology transfer infrastructures (ITT), including scientific and technological parks, respectively the construction, modernization, extension and endowment with the necessary equipment and software;
- procurement of specific technological services, including specialized business consultancy;
- investments for SMEs for the implementation of a research result – innovation in partnership with an ITT.

The REPLACE project aimed at introducing circular economy objectives and related policy actions in the current Regional Operational Programme 2014-2020, Priority Axis 1, promoting the reduction of dependence on sectors with low added value and supporting businesses through circular innovations and circular resource management.

Priority Axis 1 of the Regional Operational Programme aims to expand access to finance for actors active in both strategic and innovative sectors, SMEs (RIS3). To achieve this, the bottom-up and stakeholder-oriented approach serves to develop an effective policy with appropriate financial support instruments for those companies in transition.

The eligible beneficiaries of this priority axis are:

- Infrastructures of innovation and technology transfer accredited according to the legislation in force;
- Scientific and technological parks accredited according to the legislation in force;
- SME in partnership with ITT;

The Ministry of Development, Public Works and Administration (MDLPA) has the role of Managing Authority for the Regional Operational Program (ROP) 2014-2020, and the North-East Regional Development Agency is the Intermediate Body (OI) for the implementation of ROP 2014-2020 in the North-East Region, Romania.

Despite the importance of the circular economy as a European objective, the current Regional Operational Programme has the minimum financing conditions for projects that address the circular model: a previous project ([RETRACE - A Systemic Approach for Regions Transitioning towards a Circular Economy financed from Interreg Europa](#)) allowed North-East RDA to recommend to the Managing Authority the acceptance of the change of the eligibility criteria within PA1 (TO1) and PA2 (TO3). This allowed circular economy projects to raise funds, but the evaluation criteria currently in use (which later became monitoring indicators) did not encourage the submission of such projects.

In order to elaborate the Action Plan, it was necessary to carry out an analysis of the regional economic sectors, but also to use the Benchmark instrument for regional circularity in order to better understand the current situation and the problems that the stakeholders are facing and, last but not least, to be able to adequately structure the future calls for projects that will be launched within the policy instrument targeted by the project.

The transition to a circular economy offers important opportunities for the North-East Region and its inhabitants. Strong economic arguments supports the shift to the circular economy as it would allow businesses to achieve substantial economic benefits and become more competitive. At the same time, the circular economy point to important energy savings and environmental benefits, but also to the apparition of new local jobs and opportunities for social integration.

In addition, the North-East Region presents more accelerated rates compared to the other development regions of the country regarding the activities of rethinking products and services in order to minimize the use of materials or the use of recycled materials.

Encouraging these SMEs is recommended, both to protect resources and drive towards a change in the linear production model, and to collect examples of good practice models with a replication effect.

The appetite for the Circular Economy identified by the Caravan for programming 2021-2027 - the public consultation process with SMEs in the North-East Region is high (27.65% of respondents were interested in investing in the circular economy).

Because the North-East Regional Development Agency is the Managing Authority for the implementation of the North-East Regional Operational Program 2021-2027 in the North-East Region – the policy instrument targeted within the project, the Action Plan will be endorsed by the General Director of the Agency.

Part III –REGIONAL ACTION PLAN

Following the local analysis carried out and the results that were extracted from the stakeholder consultation, the actions proposed by the North-East Regional Development Agency through the Regional Action Plan aim at eliminating the barriers that can be overcome through specific and rapid actions that can cause important changes in the way in which the enterprises focused at the circular economy will develop and will act with an impact on the regional economic context and how they will approach the addressed policy instrument.

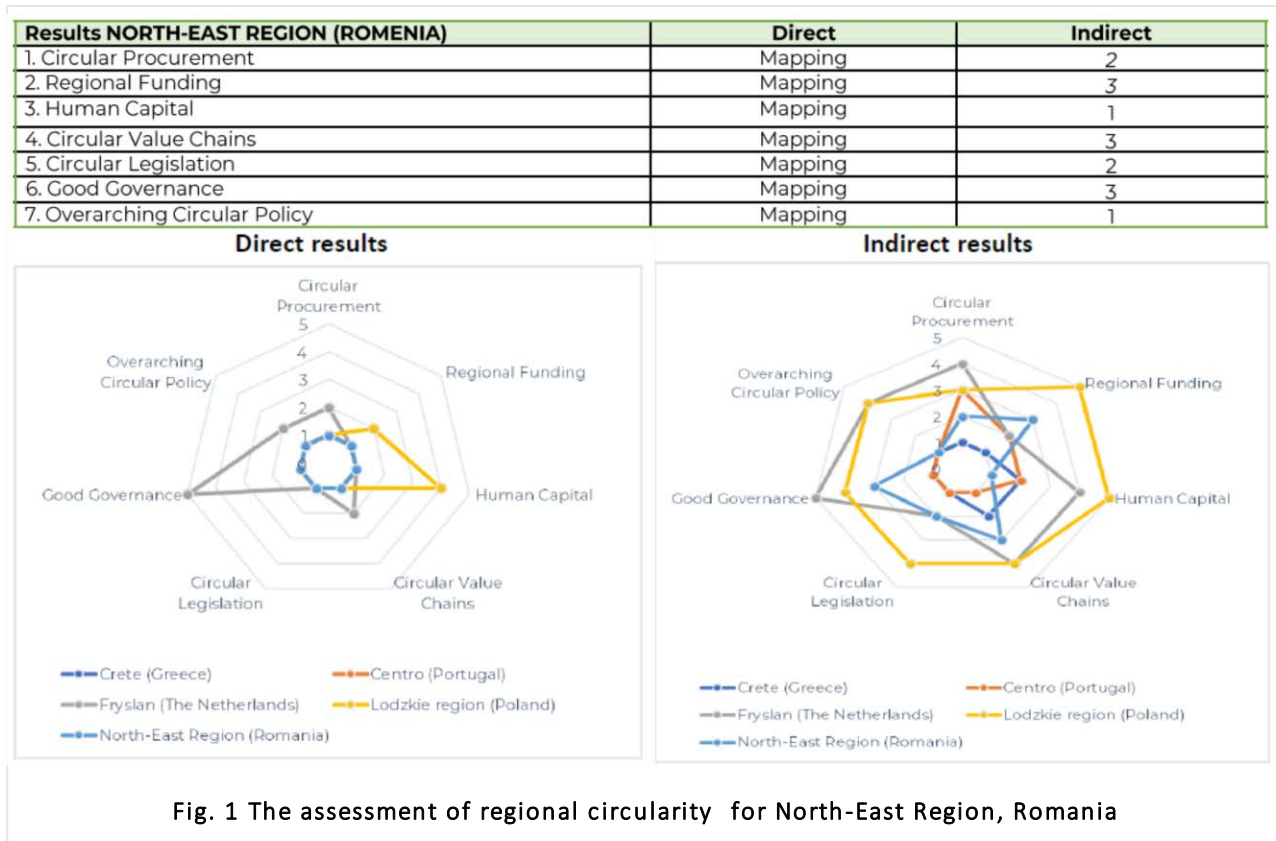
During the experience exchange sessions carried out within the REPLACE project, the regional stakeholders showed interest in accessing funds dedicated to circular economy projects in order to increase the competitiveness and sustainability of the activities they carry out. At the same time, the circular economy leads to significant energy savings and environmental benefits, but also to local job creation and opportunities for social integration.

From this perspective, North-East RDA, as a partner in the project, focuses on promoting this new model of production and consumption - a model that ensures the reduction of waste generation and the reuse of resources, a new consumption model, in which the value of products, materials and resources remains in the economy for as long as possible, a model in which waste generation is reduced, and waste that cannot be disposed of shall be exploited to the greatest extent possible by regeneration and conversion into resources.

Another important topic of discussion in the REPLACE consortium was linked to the necessity to increase knowledge related to circular economy both in the public sector and in the private companies: the level of awareness regarding circular economy has for sure increased in the last years but clear competences are needed to support the transition toward a circular business model. In fact, to facilitate the transition to the circular economy, it is imperative to train circular economy specialists as this process will be systemic, profound and transformative. The large-scale expansion of the circular economy will require alignment and cooperation of all stakeholders at all levels. Therefore, the need for trained human resources will be considerable, and the adaptation of the curricular system to the new European requirements of sustainable development, including the circular economy.

During the workshop organized in Leeuwarden (The Netherlands), in the days of 3-4 December 2019, the importance of education in the field of circular economy during all educational internships from primary to postgraduate¹ level was presented, as this is a continuous process that must be carried out throughout life.

The use of the **Regional Circularity Benchmark Tool** developed within the REPLACE project on a structure of 7 distinct sections (Green Public Procurement, Regional Financing, Human Capital, Regional Value Chains, Circular Legislation, Good Governance and the General Circular Policy Framework) with 20 items each reveals a multivariate analysis from which to extract the action areas to facilitate the development of the circular economy (fig.1).



Thus, by objectively completing this version of the instrument, it results that the North-East Region is in the stage of mapping and analysis of the current situation and follows the setting of clear objectives for the future, according to the direct results that block the scoring at the appearance of the first negative response. The analysis of the indirect results shows a low score obtained in the Human Capital section due to the lack of training programs in this field, but also in terms of the General Framework for circular economy, because it contains elements whose management is carried out at national level. Thanks to the cooperation and learning done within the REPLACE project, the region has highlighted the need to improve the situation of human capital and training in circular economy as an essential condition for increasing the degree of circularity and improving the economic, social and environmental situation in the North-East Region.

On the other hand, the **Romanian Strategy for the Circular Economy 2030** has been elaborated and is in the approval procedure, (approval estimated towards the end of 2022), in which one of the lines of action on which the policies and instruments of the strategy are focused is represented by employment and its education / training. Education, retraining, the development of new skills that respond to the

¹ <https://circulairfriesland.fr/en/circular-economy/#The-importance-of-education-for-the-circular-economy>

opportunities that are opening up, training for employment as a result of the transition to a circular economy, job creation and improvement of existing jobs will have to be based on special policies that will play a particular role in the future circular economy².

Another argument is the appearance in the Romanian Occupations Code of a new trade in 2021 – Sustainable Development Expert (242232) as a result of the activity of the Department for Sustainable Development. It provides all the necessary details for the training of experts in sustainable development and for the practice of this profession. The document was developed within the Sustainable Romania project. <http://romania-durabila.gov.ro/wp-content/uploads/2021/02/Expert-dezvoltare-durabila-Raport-analiza-ocupationala.pdf>

As a result, preliminary discussions were held with the representatives of the Department of Geography within the Faculty of Geography and Geology (including the director of the Department of Geography), following which an agreement in principle was obtained and the openness was expressed to collaborate in carrying out the curriculum of this course module with representatives of the North-East Regional Development Agency.

Due to the fact that at European and national level, more and more regulations appear to favor the transition to the circular economy, the need for sustainability specialists is a constantly expanding one and the successful implementation of many strategies and programs is increasingly dependent on the presence of specialists with such training (fig.2).

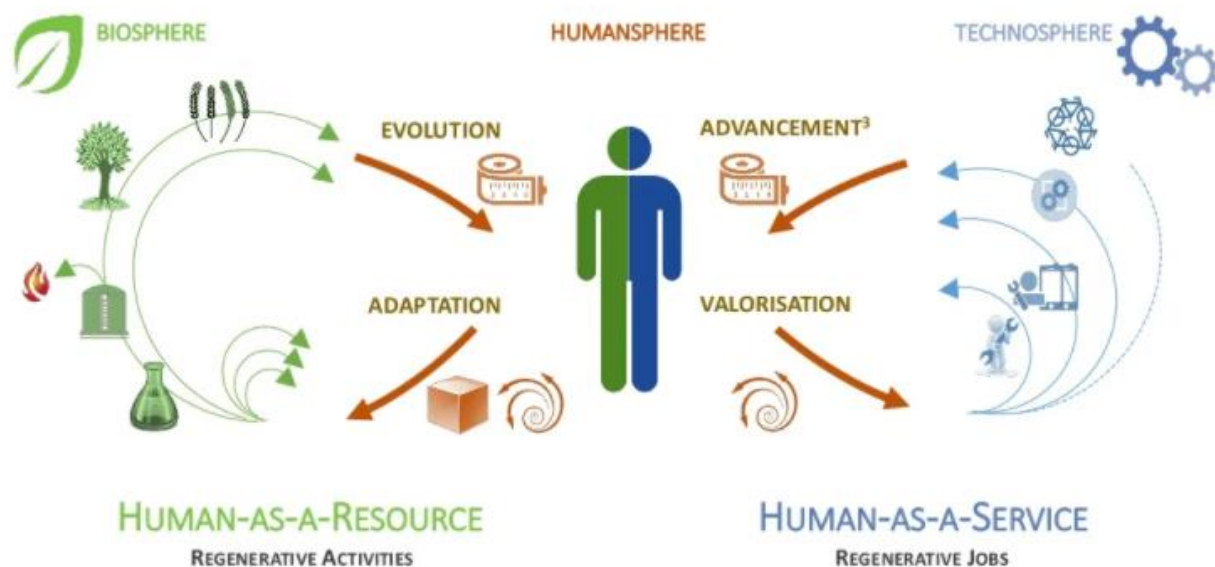


Fig. 2 The relationship between the circular economy and the Sustainable Development Goals

A course curriculum on circular economy will be elaborated and implemented within the Department of Geography at Alexandru Ioan Cuza University of Iasi, for students specialized in the field of geography, who have the necessary knowledge for the assimilation of this course module. In this process they will have consultations with experts from North-East Regional Development Agency to generate the most appropriate content of the course.

² Cambridge Econometrics, Trinomics și ICF (2018), „Impacts of circular economy policies on the labour market”.

ACTION 1 – Preparation of a call dedicated to the implementation of circular economy mechanisms in enterprises from the North-East Region

1. The background (please describe the lessons learnt from the project that constitute the basis for the development of the present Action Plan)

Access to a financing instrument to support the decoupling of economic growth from the use of new raw materials is an effective mean of increasing the economic competitiveness of businesses in the North-East region.

A first example of success was presented at the meeting organized by the consortium partner Province of Fryslân, The Netherlands on December 3-4, 2019 during the first circularity tour and is represented by the Vereniging Circulair Friesland association (VCF)³. It brings together 100 members of which 80 are SMEs and the rest complement the actors from the other three sectors of the quadruple helix. Through this association, the regional government has become aware of the importance of the circular economy locally and provides funding to strengthen innovation and knowledge transfer for the development of the circular economy.

Friesland received the award for the most circular Dutch region and is recognized as a leader in the European Union in the field of Circular Economy. VCF has already transferred and combined its efforts with similar organisations in the neighbouring area by developing the Circular Alliance of the Northern Region of the Netherlands.

During the implementation of the project, one of the examples of good practices promoted within the partnership concerned the support for the implementation of a Proof of Concept call from the Center Region, Portugal⁴ containing the evaluation criteria specific to the circular economy that will be applied with a high weight (40%) to quantify the impact of project proposals. This good practice was promoted by the project partner Centro Region, Portugal, at the project meeting that took place on October 5-7, 2021, in Crete, Greece.

2. Action (please list and describe the actions to be implemented)

Introducing of a call for the implementation of circular economy mechanisms in enterprises in the North-East Region

The main actions included in this call are aimed at direct investments in the SME sector in order to increase production capacities, introduce new technologies and implement circular economy solutions. The purpose of these investments is to **increase the level of technology, productivity, the ability to manage manufacturing processes, to develop products and services, the efficiency of using resources in companies active in the areas with competitive potential of the region and in the sectors associated with RIS3**. The projects promoted within this specific objective will take into account the development of competences for smart specialization, industrial transition and entrepreneurship and the inclusion of measures dedicated to the assimilation by employees of specific skills and know-how related to the operation with new technologies, as well as internationalization and networking activities.

From the implementation of the Regional Operational Program 2014-2020, the field of intervention the competitiveness of SMEs, it results that it must be taken into account not only their size, but also the

³ <https://www.interregeurope.eu/policylearning/good-practices/item/4118/vcf-circular-friesland-association/>

⁴ <https://www.interregeurope.eu/policylearning/good-practices/item/4493/centro-geen-deal-project-centro-gd/>

entire range of parameters that determine the nature of each SME (fields of activity, location, level of innovation) and the different phases of the life cycle of SMEs, the need to ensure a proportionality of the administrative requirements to the value of the financing obtained. Thus, within the new North-East Regional Operational Programme 2021-2027, a new call will be launched, and the support measures will target SMEs that promise a high growth potential, structures to support entrepreneurship and will focus their activities on the areas of specialization of the region.

The main objective of this call is to support the following types of operations:

Investments to facilitate the growth and technological development of companies through projects that will include activities such as:

- investments in microenterprises and SMEs for the development of technological capacity;
- acquisition of new technologies, automation, robotics, artificial intelligence, implementation of solutions for mass customization (3D printing, direct digital manufacturing);
- implementing solutions for the recovery, reuse and revaluation of raw materials, materials, and products by reintroducing into the main manufacturing process or by creating new products/services, for the development of new economic activities necessary for integration into value chains, etc.; including investments to adapt the technological flow and production capacity to crisis situations caused by major societal challenges (e.g. covid-19 pandemic);
- certification of products / services; industrial design; marketing and branding; acquisition/exploitation of intellectual property rights.

The initiatives that will apply under this call will be evaluated with the help of additional criteria specific to the circular economy analyzed within the Replace project: within the 2014-2020 programming period, circular economy did not have a dedicated set of indicators to verify the level of circularity of project proposals. REPLACE demonstrated to the actors involved in the evaluation of the call for proposals not only that more appropriate assessment criteria and indicators are needed, but also that an instrument is available and ready to be further tailored.

3. Players involved (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

- North-East Regional Development Agency, Managing Authority for the North-East Regional Operational Program 2021-2027
- Circular Economy Advisory Group in the North-East Region

4. Timeframe

The implementation of this action already started in parallel to Phase 1 of the REPLACE project, and continues into the monitoring phase. The timeline of the actions is as follows:

June 2022	Submitting The North-East Regional Operational Program 2021 - 2027 to the European Commission
October 2022	Approval of the European Commission for the North-East Regional Operational Program 2021 - 2027
October 2022 - May 2023	Call definition, applicant guide and state aid scheme preparation
June 2023	Public consultation period
July 2023	Proposed period for launching the call

5. Costs (if relevant)

Internal staff costs: 3 people working 50% during 12 months 18,000€, call definition, applicant guide and state aid scheme preparation

The indicative amount foreseen to be allocated to the call is 30 milion Euro from ERDF

6. Funding sources (if relevant):

North East Regional Operational Programme 2021-2027 (ERDF)

Date: 01/07/2022

Signature:

Vasile Asandei

General Director



North-East Regional Development Agency

Intermediate Body for the Implementation of the Regional Operational Program 2014-2020 in the North-East Region

Managing Authority for the Implementation of the North-East Regional Operational Programme 2021-2027