



# REPLACE

Interreg Europe



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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## **Inclusion of Circular Economy evaluation criteria in a Centro 2020 call for proposals, within TO1**

Centro Region (Portugal)

May 2022



Environment &  
resource  
efficiency



European Union  
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## Part I – General information

**Project:** PGI05807 – REPLACE (REgional PoLicy Actions for Circular Economy)

**Partner organisation:** Regional Coordination and Development Commission of Centro (CCDR)

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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:** Regional Operational Programme of Centro 2014-2020 (Centro 2020)

## Part III – Details of the actions envisaged

### ACTION 1

#### 1. The background

The main objective of the Interreg Europe REPLACE project is to improve the management, implementation and monitoring of regional policy instruments targeted at facilitating the transition towards a Circular Economy (CE), while boosting sustainable development by exploiting cross-regional cooperation. To contribute to this goal, REPLACE prepared a 4-step based approach:

1. Local Analysis
2. Cross-regional synergies
3. Funding Instruments: focus on sectors
4. Assessment Criteria

The **Local Analysis** task resulted from the application of a previously developed methodology, derived from the Horizon 2020 'SCREEN – Synergic Circular Economy across European Regions' project ([www.screen-lab.eu](http://www.screen-lab.eu)) in which CCDRC was one of the 17 participating European regions. The project, which was a coordination and support action, implemented between November 2016 and October 2018, aimed at defining a replicable systemic approach towards a transition to Circular Economy in European regions within the context of their Smart Specialisation Strategies.

With the purpose of assessing local capabilities and circular potential, while mapping relevant stakeholders, research and educational capabilities, in the context of REPLACE, CCDRC and all other partners performed a Local Analysis, which allowed for the subsequent identification of cross-regional synergies in common sectors and value chains.

As outlined in the report, Centro region, both from a socioeconomic and Circular Economy standpoint, is characterised by the prominence of different manufacturing industries. Overall, stakeholders from these industries are relatively aware of the concepts and potential underlying the Circular Economy approach. Nevertheless, the already relevant improvements in the transition to a Circular Economy paradigm have to be continued and supported through dedicated measures focused at supporting: i) the valorisation of waste streams that are not yet considered valuable; ii) the collaboration between companies and research institutions for the development of new processes and technologies; iii) industrial symbiosis approaches; iv) the promotion of circular business models; v) the promotion of circular procurement; vi) as well as the improvement of normative frameworks that currently hinder the adoption of Circular Economy principles.

From this work, project partners were then able to discuss and identify areas for **cross-regional synergies** in common sectors that could benefit from interregional cooperation. Overall, within the context of the project, considering the strategic economic sectors and the Circular Economy focus of the different participating regions, complementarities were found in the *plastics, agri-food, construction, and textile and fashion* industries.

Given the economic and strategic importance of the manufacturing of plastic products for Centro region, CCDRC, together with the project partners of Hamburg and Fryslân, – who also confirmed the importance of this sector for their region – participated in the joint project efforts to promote interregional synergies within the plastics value chain. At local level, within the scope of this project task, on January 26<sup>th</sup>, 2022, CCDRC organised a stakeholder meeting with CENTIMFE<sup>1</sup>, the Portuguese technological centre for the plastics, mould making and special tooling industry, which is located in Centro region, with the purpose of discussing bottlenecks, opportunities and policy gaps for supporting the Circular Economy transition in the plastics sector.

<sup>1</sup> The meeting's report is available for consultation and can be found in the project's website, at: [https://projects2014-2020.interregeurope.eu/fileadmin/user\\_upload/tx\\_tevprojects/library/file\\_1654594707.pdf](https://projects2014-2020.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1654594707.pdf).

Later, on February 15<sup>th</sup>, 2022, both CCDRC and CENTIMFE also joined the larger stakeholder meeting<sup>2</sup> with other relevant stakeholders from Fryslân and Hamburg to discuss possibilities for interregional cooperation and the promotion of Circular Economy in this value chain.

In what regards the **funding instruments and opportunities** task, CCDRC participated in multiple activities that focused on the discussion of the available instruments to support activities in line with the Circular Economy transition, from the perspective of Centro region. In December 2019, during the 1<sup>st</sup> REPLACE Learning Event, in Leeuwarden, CCDRC participated in a roundtable, organised by the partner NEXA, on the sharing of good practices on ERDF use for Circular Economy. CCDRC took this opportunity to present and discuss, before all partners, the Circular Economy Voucher (*AVISO N<sup>o</sup> 20/SI/2018*), mobilised within the context of Portugal 2020 (PT2020), the Partnership Agreement between Portugal and the European Union for the 2014-2020 period. During the presentation it was explained that this Voucher was a very simplified mechanism, within the variety of funding instruments made available by the National and Regional Operational Programmes, that aimed at creating an opportunity for SMEs to have a first interaction with the Circular Economy approach. The beneficiaries of this simplified mechanism received financial support to, within a period of 12 months, purchase: consultancy services for the identification of a strategy leading to the adoption of Circular Economy business plans (respecting the principles of process and product eco-design, eco-efficiency, energy efficiency, eco-innovation, industrial symbioses, product lifecycle extension, recovery of by-products and waste, new business models, dematerialisation and digital transformation); or advisory services for the implementation of solutions that result from the outlined circular economy strategy, including the implementation of ISO 50001 energy management and 14001 environmental management systems. However, as discussed, it was understood that more could be done in terms of fostering the cooperation between stakeholders (namely between companies and the scientific and technological system), of promoting the development of activities that allow for the validation of the scientific potential of Circular Economy, and of raising awareness on the potential of this approach. Moreover, it was clear that this requires robust funding mechanisms (beyond what the Circular Economy Voucher allowed for).

Beyond this simplified mechanism, also within the framework of PT2020 and the funding support for the transition to a Circular Economy, other examples are worth mentioning. For some Productive Innovation calls, within Thematic Objective 3 (TO3 - Enhancing the competitiveness of small and medium-sized enterprises, funding rate mark-ups have been operationalised for approved proposals that demonstrate alignment with the established “Sectoral Policy Priorities”, which encompass Circular Economy as a strategic sectoral domain. According to this referential, projects could benefit from a mark-up in their funding rate if the investment should materialise a strategy leading to the adoption of the Circular Economy principles in the following areas: Eco-design of processes and products; Eco-efficiency; Energy efficiency; Eco-innovation; Industrial symbiosis; Product life cycle extension; Valorisation of by-products and residues; New business models, dematerialisation and digital transformation. During the application process, applicants were expected to outline the objectives to be achieved regarding eco-efficiency in terms of reduction in CO<sub>2</sub> emissions, reduction of energy consumption, reduction of water consumption per unit of product, among other indicators, using internationally recognised protocols or measuring methodologies.

Within the Regional Operational Programme Centro 2020, in the beginning of 2021, within its TO8 – ‘Promoting sustainable and quality employment and supporting labour mobility’ – Centro 2020 launched a call for supporting national production, in coordination with the regional Intermunicipal Associations of the territory. This call aimed at providing direct financial support for productive business investment and stimulating national production to boost the economic recovery from the pandemic, targeting micro and small businesses. In this call, a mark-up of up to 10% was established in the funding rate for approved projects led by companies that were to develop the project according to a strategy aligned with the transition to a Circular Economy, including the adoption of principles of energy transition.

Finally, within the REPLACE proposed approach, the last step regarded the joint development and testing of **assessment criteria** for evaluating the contribution of investment projects to the Circular Economy transition. As assumed in the REPLACE project proposal, one of the ambitions of REPLACE was to further explore the adaptability and viability of the Assessment criteria table developed through the H2020 SCREEN project, which was developed to assess the level of “circularity” of different investment projects, acknowledging the variety of

<sup>2</sup> The meeting’s report is available for consultation and can be found in the project’s website, at: [https://projects2014-2020.interregeurope.eu/fileadmin/user\\_upload/tx\\_tevprojects/library/file\\_1653490138.pdf](https://projects2014-2020.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1653490138.pdf).

procedures and assessing methodologies of different regions and Managing Authorities. This tool was conceived with the intent of being user-friendly, to be used by both applicants and evaluators. The third version of this tool was validated by more than 160 European Stakeholders through an online questionnaire. In 2019, an improved version was published (Deliverable proposing Assessment Criteria for Circular Economy Projects: <http://www.screen-lab.eu/deliverables/Table-rev4.pdf>), with instructions and a practical example on its application.

In this context, the self-proposed indicator established by CCDRC for the REPLACE project was the usage of Circular Economy assessment criteria in a Regional Operational Programme (Centro 2020) call. Ideally, this task would be implemented in a TO1 or TO3 call, to directly impact research and innovation. However, given the Portuguese Partnership Agreement framework, with a coordinated management of TO1 and TO3 at national level (explained in more detail further on in this Action Plan), this was deemed rather difficult. Nevertheless, in 2021, in the context of another Interreg Europe project, in which CCDRC also participates (IMPROVE project), CCDRC was able to open a regional TO1 call, to support the development of Proof of Concept projects. Given the timely opportunity offered by this pilot call, and anticipating the high-quality potential level of the demand, CCDRC decided to test Circular Economy evaluation criteria within the strategic impact assessment of projects applicants to the Proof of Concept (PoC) support<sup>3</sup>. As it was understood, this would be a way to foster the prioritisation of projects that contribute to the transition to a circular economy within Centro S3 priorities, while fulfilling the objective that was determined within the REPLACE project and allow for the interregional discussion on the experience of testing such criteria.

Additionally, this pilot could pave the way for some more in-depth discussions on how to promote and evaluate projects that have a relevant contribution to the Circular Economy transition through instruments that are to be mobilised within the next Programming Period and upcoming Operational Programmes.

In line with the purpose of this project task, it is also worth mentioning that CCDRC attended the online REPLACE Pitch in the 2020 edition of the European Week of Regions and Cities on 'How to Assess Circular Economy projects', on October 13<sup>th</sup>, 2020.

In addition, aligned with the project's ambitions, REPLACE developed a **Circular Benchmark Tool (CBT)** to offer public authorities an easy-to-use assessment method to evaluate the state of the art of circular economy in the territory. In the context of this task, CCDRC participated in all project activities regarding the joint discussion and feedback on how to improve this tool. After a first proposal on how to prepare its development, during the 1<sup>st</sup> REPLACE Learning Event, in Leeuwarden, CCDRC shared its inputs on the preparatory stages of development of the CBT and engaged in all related discussions. Furthermore, it is also worth mentioning that CCDRC attended: the project's 5<sup>th</sup> web meeting on September 10<sup>th</sup>, 2020, that focused on the CBT, the 8<sup>th</sup> web meeting on December 10<sup>th</sup>, 2020, dedicated to the exchange of good practices and the CBT, the 9<sup>th</sup> web meeting on January 14<sup>th</sup>, 2021, dedicated to Funding Synergies introduction and the CBT, as well as in the CBT dedicated web meetings on January 21<sup>st</sup> and January 26<sup>th</sup>, 2021. Finally, on October 12<sup>th</sup>, during EWRC 2021, CCDRC participated in the REPLACE "Circular Benchmark Tool" session and presented its "Centro Green Deal on Circular Procurement" initiative (which was identified as a good practice in the Interreg Europe Policy Learning Platform, in the context of the REPLACE project).

## 2. Action

- Inclusion of Circular Economy evaluation criteria in a Centro 2020 call for proposals, within TO1

The Policy Instrument that CCDRC addresses in the context of the REPLACE project is the Regional Operational Programme (ROP) of Centro region for 2014-2020, Centro 2020, which was established within the context of the Partnership Agreement between Portugal and the EU (PT2020). The ROP is particularly oriented towards the reinforcement of companies' competitiveness and jobs creation, promoting a knowledge-based economy and intensifying the knowledge transfer between the scientific and technological system and

<sup>3</sup> The Proof of Concept call had the goal of reducing the existing risks in the phase of knowledge development and valorisation by supporting activities that allow a first validation of the scientific potential at stake, before moving to major investments. The potential beneficiaries were non-entrepreneurial entities from the research and innovation system (as higher education institutions) and also companies (as long as projects were led by the first type of entities mentioned). Only regional entities could be supported, although stakeholders from outside the region were allowed to participate in the projects, but not as beneficiaries. Projects could be presented in an individual or collaborative format.

the regional economic base. Therefore, the objectives of strengthening research, technological development and innovation (Thematic Objective 1 – TO1) and of enhancing the competitiveness of small and medium-sized enterprises (Thematic Objective 3 – TO3) play a central role in Centro 2020, representing almost 40% of the Programme's total budget. As for Circular Economy, although it is a transversal and broad concept, it is assumed that knowledge and innovation activities (that are mainly supported by TO1 and TO3) play a relevant role in its development.

However, for the programming period 2014-2020 (with programmes still under execution), support to research, technological development and innovation was articulated at national level, in the context of two existing networks: the Science Network and the Incentives Scheme Network. The Science Network coordinates TO1 calls for research, development and innovation (in the scientific dimension). The Incentives Scheme Network coordinates all TO3 calls, as well as TO1 calls for companies.

Because of this coordinated management at national level, most TO1 and TO3 calls are launched jointly. Thus, when a call is launched, each Operational Programme (regional and/or national), decides if and how much money they want to allocate, thus contributing to the overall budget of the call. Moreover, and more importantly in the context of this project, most of the procedures are common and performed by national entities. This also includes evaluation procedures for most of the evaluation criteria used. Therefore, although this does not mean that the managing authority of an Operational Programme, like Centro 2020, is not allowed to launch a TO1 or TO3 call, independent from all other OPs, all decisions related to these TOs are discussed in these networks and need to be highly consensual, leaving little room to experimentation. More concretely, regarding evaluation criteria, they are always the same for all operational programmes participating in a joint TO1 or TO3 call, leaving no space for adjustments, addition or even removal of one parameter. Regional Operational Programmes can only suggest these changes, in the context of the networks presented, but not operationalise them in an individual way.

Because of this framework, in the programming period 2014-2020, TO1 and TO3 calls were quite standardised, as well as application forms and evaluation criteria, not taking into account concrete regional characteristics, which thus limited the ability to properly tackle the needs of each specific region.

Given this context, the appearance of the Proof of Concept call, already presented above, offered a timely opportunity to have a certain degree of autonomy, not only on the design of the call, but also for the determination and establishment of the different assessment criteria, allowing the inclusion of circular assessment criteria, thus fulfilling CCDRC's objective within the REPLACE project. Furthermore, the usage of these criteria, for the first time, will allow to pave the way for the regional and national discussions on the establishment of Circular Economy evaluations parameters within the framework of Regional and National Operational Programmes funded by European Structural and Investment Funds (ESIF) and to try to raise awareness on the potential and importance of Circular Economy as a framework for the green and digital transitions and, consequently, for the regional development.

The context within which these criteria were introduced assured some conditions that reinforced the potential, importance and timing for the testing of Circular Economy assessment criteria in the evaluation process of the projects' proposals, namely:

- Room for testing – given the regional character and the autonomy that the call used allowed for, CCDRC had room to test Circular Economy assessment criteria in the evaluation of project proposals;
- Quality of demand – given the focus of the call and the expected beneficiaries, CCDRC was in condition to expect proposals that would be able to show alignment and promote innovative approaches in the realm of the Circular Economy, as well as to receive valuable inputs on the overall improvement of the policy instrument and the assessment criteria;
- Investment amount – although it was not a call exclusively for Circular Economy projects, the overall available budget was relevant (2M€) and could allow for some interesting projects to be developed;
- Policy statement – by having Circular Economy criteria as evaluation criteria in a Centro 2020 TO1 call, CCDRC and the region are assuming Circular Economy as a core element of Centro S3 and the regional development strategy;
- Testing the sustainability element of Centro S3 – by launching a TO1 call, with Centro S3 as an eligibility parameter, and including Circular Economy assessment criteria, CCDRC was able to test and put in place, in a more practical way, the sustainability element of Centro S3, checking the research and innovation quality of projects that are aligned with the S3 regional priorities and that envisage a positive contribution to the Circular Economy transition.

One important remark is that the call that was used to test these circularity criteria was, as already mentioned before, a pilot (TO1) call, which added another level of complexity to the whole process. Additionally, as the plan was for projects to have up to 12 months of lifetime, with an eventual extension of up to six months, CCDRC started working on the call during the second quarter of 2021. Giving this timeframe, the work around the inclusion of Circular Economy assessment criteria (as presented below) also began at that same time, which made it possible to properly discuss the table beforehand and gave CCDRC enough time to withdraw some insights on the use of these criteria.

In order to make it easier to understand all the work done to enable the integration of circularity assessment criteria in the call, the most relevant steps are listed and briefly explained below. It is also important to note this process run in parallel with the one executed for the approval of the call.

- 1) Confirmation, by the Managing Authority, of the importance of testing Circular Economy assessment criteria in the context of this ROP call.
- 2) Exchange of information, via email, with the REPLACE coordination team, to reinforce the decision of testing the CE criteria in the context of a ROP call.
- 3) Elaboration of a proposal for the evaluation grid to be included in the call. The Circular Economy assessment table was inserted in this evaluation grid in a very early stage of the process, allowing to understand how and where it would fit better. Different meetings were organised between CCDRC's REPLACE team and the team from the Regional Operational Programme to discuss: the format of presentation of the table; the scoring method; the evaluation process of the circularity criteria and the team responsible for such evaluation.
- 4) Work with the National Innovation Agency (ANI), which acted as intermediate body, to agree on the evaluation grid that resulted from the different discussions.
- 5) Approval of the evaluation grid approved by AD&C, which is the technical body responsible for the Management of PT2020.
- 6) Get the evaluation grid approved by the Monitoring Committee of Centro 2020.
- 7) Get the evaluation grid approved by CIC, which is the political body responsible for the coordination of Portugal 2020, composed by the relevant Ministers.
- 8) Launch of Circular Economy assessment criteria, in the context of a pilot call (a Proof of Concept Call) – launched on the 19<sup>th</sup> of July, 2021 and open until the 24<sup>th</sup> of September<sup>4</sup>.
- 9) Presentation of the circular Economy assessment criteria to the regional stakeholders/potential beneficiaries, taking advantage of an event that organised to present the pilot call. As these criteria were a novelty in Portugal, with which applicants never had to deal before, it was deemed rather relevant to dedicate a slot of the event to the presentation of these parameters, making sure that they were well perceived and answering, directly, to all possible questions and doubts.

Regarding the evaluation grid, the main criteria foreseen to assess projects were their quality (criterion A, accounting for 60% of the Project's Merit) and impact (criterion B, accounting for 40% of the Project's Merit). For criterion A (Project's quality), three sub criteria were considered: suitability of the team; quality of the proposal; and fairness of the budget. In the second assessment criterion, regarding the quality of the proposal, four sub criteria were evaluated: B1) strategic impact of the project (where the level of alignment with Centro RIS3 and the contribution to the Circular Economy were evaluated); B2) potential for knowledge valorisation; B3) additionality effect of the project (contribution of the project to the advanced training of human resources); B4) contribution to the results/indicators foreseen in the call. Criterion B (regarding the projects' impact) was then calculated according to the following formula:  $B = 25\% B1 + 30\% B2 + 15\% B3 + 30\% B4$ .

In what regards the evaluation of the projects' contribution to a Circular Economy, such score resulted from the number of criteria that each proposal assumed to be able to contribute to (through due justification in each project proposal), according to a table that was made available in the call's publication. This table was based on the one proposed within SCREEN (<http://www.screen-lab.eu/deliverables/Table-rev4.pdf>), thus contemplating the following criteria: (i) Circular Design; (ii) New production process accepting "secondary raw

<sup>4</sup> The full call text and its Annex, where the Circular Economy assessment table is available, can be found in the following link: <http://www.centro.portugal2020.pt/Concursos/CENTRO-45-2021-30.zip?versao=1>.

material”; (iii) Re-Use, Re-Manufacturing, Refurbishment, Repair; (iv) Waste reduction; (v) Industrial symbiosis: mass of waste resources recovered and re-introduced in a production cycle as secondary raw material; (vi) Project promoting waste recycling; (vii) “Net energy balance respect to the previous system” or “Amount of energy recovered”; (viii) Reduction of emissions; (ix) Net balance of jobs. A complementary short description was also included in the Annex table, in order to better contextualise potential applicants on how they should justify their project’s contribution to the transition to a Circular Economy. The table can be seen in Image 1.

As already mentioned, projects had to state with how many relevant criteria for the transition to a Circular Economy they comply with: if one they got a 0,5 score; if two or more, they got a score of 1. Thus, to get the maximum score (of 5) in sub-criterion B1, a project had to be considered to be strongly aligned with the Centro RIS3<sup>5</sup> and had to comply with 2 or more of the relevant criteria for the transition to a Circular Economy, as stated in the table in Annex A1 of the call.

Considering the weight of every assessment criterion, the Circular Economy criteria represented 5% in the overall weight of criteria B, regarding project’s impact, which implied a total weight for the Circular Economy contribution of 2% on the overall project’s merit evaluation. Considering that the budget for the call was rather limited (2M€) and the expected quality of proposals was quite high, it was reasonable to assume that the overall score of projects and the competition between proposals would be high. Therefore, even though the weight of the Circular Economy assessment criteria was relatively low, it still played a role in the determination of the projects’ ranking.

		A	B	C
N		Criterion	Description	Metrics
Production	1	<b>Circular Design</b>	Re-shaping the first stage of an industrial process (Product design) in order to reduce the waste generated AND/OR increase the life of the final product	Kg/year of virgin material avoided through the new process AND/OR by the prolongation of the product's life
	2	<b>New production process accepting “secondary raw material”</b>	Replacement, total or partial, of virgin material with "secondary raw material"	Kg/year of virgin material avoided through the new process
Consumption	3	<b>Re-use, Re-Manufacturing, Refurbishment, Repair</b>	Prolongation of the life of a certain product that otherwise will be disposed	Kg/year of virgin material avoided by the prolongation of the product's life
	4	<b>Waste reduction</b>	The new process generates less waste	Kg / year
Disposal	5	<b>Industrial symbiosis: mass of waste resources recovered and re-introduced in a production cycle as a secondary raw material</b>	The new process generates waste that can be re-used in the same process or in another production process	Kg / year
	6	<b>Project promoting waste recycling</b>	Promotional campaign with a specific target producing a specific waste	Waste collected by the target Kg/year
Climate	7	<b>“Net Energy balance respect to the previous system” or “Amount of energy recovered”</b>	Energy (KWh) used in the old process per unit of product is higher than the energy used in the new process for the same unit of product	Number that can be lower or higher than 1
	8	<b>Reduction of emissions</b>	Emissions of CO2 generated by the old process per unit of product are higher than the emissions used in the new process for the same unit of product	Number that can be lower or higher than 1
Employment	9	<b>Net balance of jobs</b>	The number of new jobs created by the circular economy project is higher than the number of jobs lost in the previous linear process	N = Number of full time NEW working units in the new process; it is negative in case of reduction of personnel

Image 1 – Circular Economy assessment criteria table

As previously stated, the deadline for the submission of applications was the 24<sup>th</sup> of September 2021. Following its closure, CCDRC and all relevant entities participated in the evaluation process of all submitted proposals, which allowed for the analysis of some relevant information. The total number of applications received was 52, only 37 being considered eligible. From the eligible projects, 17 were presented in an individual way and 20 were collaborative projects. In these 20 projects, it is possible to count 32 participations from companies,

<sup>5</sup> A project considered aligned with Centro S3 got a score of 3; a project considered strongly aligned with Centro S3 got a score of 4.

mainly SMEs. The three most popular scientific areas were “Materials engineering”, “Basic medicine” and “Medical Biotechnology”, tied with “Electrical, Electronic & Information Engineering”.

In what regards the assessment of the Circular Economy contribution, from the 37 proposals that were considered eligible, 20 were considered to be aligned with 2 or more of the relevant criteria for the transition to a Circular Economy (thus benefiting from a score of 1), 9 were considered aligned with 1 relevant criterion for the transition to a Circular Economy (thus benefiting from a score of 0,5), and 8 were considered as not aligned with any of the relevant criteria for the transition to a Circular Economy. As for the criteria with which the proposals showed more alignment, the “Circular Design”<sup>6</sup> was the more relevant one, followed by the “Waste reduction” and the “Net energy balance respect to the previous system or Amount of energy recovered” ones.

Overall, from the 37 proposals that were considered eligible, 19 were attributed the maximum score of 5 in the sub-criterion B1, meaning that they were considered strongly aligned with the Centro RIS3 and were considered to comply with 2 or more of the relevant criteria for the transition to a Circular Economy, as stated in the table in Annex A1 of the call.

Within the context of REPLACE’s further activities and the project’s second phase, CCDRC will monitor the implementation of the projects and organise some meetings with projects’ promoters, in order to collect insights on what could be improved in the assessment of projects’ contribution to the Circular Economy transition. CCDRC also wants to draw some conclusions about the added value of these criteria for all entities involved. These tasks will feed the report that CCDRC will produce and deliver, in order to inform the preparation of the programming period 2021-2027.

### 3. Players involved

The involvement of regional and national stakeholders was fundamental to clarify what were the main bottlenecks and potentialities in including Circular Economy assessment criteria for the evaluation of proposals. As already mentioned, during the project’s fourth semester, on July 19<sup>th</sup>, 2021, CCDRC organised a public stakeholder event<sup>7</sup> with the purpose of presenting the Regional Operational Programme Proof of Concept call and a special highlight was made on the usage, for the first time, of the Circular Economy assessment criteria in the evaluation of proposals. Thus, during this session, CCDRC shared the rationale for the assessment of sub-criterion B, which took into consideration the proposals’ alignment with Centro RIS3 and their contribution to a Circular Economy. The event was organised in cooperation with ANI (the National Innovation Agency), reached 225 participants (maximum number of attendees at the same time) and all participants had the chance to pose their questions and doubts regarding the call.

Prior to that, it is worth mentioning the national agencies that were involved, given their critical role in the inclusion and operationalisation and of the Circular Economy assessment criteria:

- 1) The Development and Cohesion Agency – which is in charge of the technical coordination of Portugal 2020 and was the entity who assessed and validated the evaluation grid.
- 2) The Monitoring Committee of Centro 2020 – which approves the evaluation criteria of the calls and is the body responsible for analysing and approving the methodologies and criteria used to select projects. Among its members are: the European Commission; the Audit Authority; the Investment European Bank; the Portuguese National Association of Municipalities; relevant economic and social organizations; regional higher education institutions; relevant public entities in the context of the ROP and the managing authorities of all the other Operational Programmes from the mainland.
- 3) An expert that supported the overall development of the call’s text and its evaluation grid.

<sup>6</sup> As stated in the Circular Economy assessment criteria table that was shared in the Annex 1 of the call, the criterion of “Circular Design” encompassed all activities that contributed to the “re-shaping of the first stage of an industrial process (Product design) in order to reduce the waste generated and/or increase the life of the final product”.

<sup>7</sup> The meeting’s report is available for consultation and can be found in the project’s website, at: [https://www.interregeurope.eu/fileadmin/user\\_upload/tx\\_tevprojects/library/file\\_1641718567.pdf](https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1641718567.pdf).

#### 4. Timeframe

The inclusion of Circular Economy assessment criteria in a Regional Operational Programme call can be organised in three main activities, which have different timeframes:

- 1) Preparation and inclusion of Circular Economy assessment criteria: this activity was already carried out. The discussion around this evaluation criteria, as well as the kick-off of the whole process, started back in 2021, during the second quarter of the year, which corresponds to the fourth semester of REPLACE project. The circularity criteria were launched, together with the call, on the 19<sup>th</sup> of July.
- 2) Assessment of the circularity criteria: as the call was open until the 24<sup>th</sup> of September (third quarter of 2021), and projects have already been evaluated, including their contribution to a Circular Economy, this activity was already concluded as projects. The assessment of projects' contribution to a Circular Economy was performed by the CCDRC team involved in the REPLACE project (during the last quarter of 2021 and the first month of 2022).
- 3) Elaboration of a report with the main conclusions and recommendations to draw from this pilot regarding the assessment of investment projects' contribution to a Circular Economy, through dedicated assessment criteria.

**Date:** July 1<sup>st</sup>, 2022

**Signature:**

**Function:** President of CCDRC