



REPLACE

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European Union
European Regional
Development Fund

Assessment Criteria for Circular Economy

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01 April 2020 – REPLACE webinar

Circular Economy Assessment Criteria

➤ **OBJECTIVE:** To apply the evaluation Grid developed by SCREEN project



REPLACE partners will be equipped with the right evaluation instrument and the set of skills needed to assess the policy instruments that will be launched in the current programming period, and most importantly, REPLACE partners will have an already tested assessment scheme to for the next programming period Green Deal and the Circular Economy Action plan.

Circular Economy Assessment Criteria

Currently, the **needs for specific assessment criteria and impact indicators** has been registered by SCREEN, REPLACE and other projects dealing with circular economy.

This particular necessity will become **ever more pressing with the new programming period**, in which circular economy transition will be central to reach the Green Deal and the new Circular Economy Action plan targets.

Circular Economy Assessment Criteria

REPLACE has the remarkable opportunity to test circular economy assessment criteria at cross regional level by facing the important challenge of coordinating the adoption of the criteria, exploiting those developed by SCREEN. REPLACE has the chance to test in diverse contexts the assessment criteria, paired with diverse evaluation methodologies, but following all the same conceptual framework.

Circular Economy Assessment Criteria

Problems: all the regions have different assessment criteria and categories, diverse assessment methodologies and various scale of assessment.

Barriers: need for the collaboration of managing authorities, internal offices working on both the assessment criteria and on the launch of call for proposals.

Resistance to the possibility of to adopting and adapting the criteria

Circular economy knowledge fragmented.

Circular Economy Assessment Criteria

Impact assessment is crucially needed to discover, understand and acknowledge which policy instruments are the most effective.

The lack of an impact assessment methodology will increasingly impede the effective management of circular economy funds, more evidently in the next programming period with the Green Deal and Circular Economy Action Plan.

Circular Economy Assessment Criteria

Impact assessment is logically and operatively linked to the REPLACE Action Plans (implementation and monitoring strategies) and to the Local Analysis (collect ongoing context and baseline).

To develop an impact assessment methodology, the most important step is to clearly define the population of interest: in REPLACE case, this is defined by the assessment evaluation that decide who will receive the funding, allowing us to build a counterfactual.

Circular Economy Assessment Criteria

Impact assessment method must be developed to simplify the work of regional authorities while collecting data in a continuous manner.

REPLACE will discuss and agree on, at least, one indicator to gather info from the application stage forward. This allow to check the ongoing level of achievements to closely monitor the transition, while ensuring a certain degree of comparability among regions.

Circular Economy Assessment Criteria

The ultimate goal is to:

**Adopt circular economy assessment criteria
with a common conceptual framework**

**Each REPLACE region will add, at least, a
criterion that will be used for impact
assessment comparability purposes, in order
to confront the results across the
partnership, identifying best practices and
avoiding error replication ➤ **fund efficiency****


How to apply the criteria?

- Try to find the easiest way to insert them in the currently used evaluation grid without overturn the current process: adaptability
- Engage your colleagues with a workshop using your assessment grid: involve the colleagues and/or the managing authorities in order to develop a methodology following all the rules and empowering the target group

The people in charge of the evaluation criteria are our target group, we need to involve them and to have them on board, making them interiorize the importance of the criteria, explaining them the need for such change, engaging them and motivating them in achieving this goal

How to apply the criteria?

 **Bring the result of your workshop to the learning output validation event**

 **The goal is to adopt the assessment criteria for the evaluation of policy instruments dealing with circular economy, it can be the addition of a number of circular economy criteria or the adoption of a single one, this is up to your procedures, the type of evaluation you use and the capability you have to influence of those working on the evaluation; depending also on the focus of the call you will launch: is it circular economy focused or circular economy is an additional value?**

Circular Economy

Assessment Criteria: Let's see an example

The evaluation grid sent by North East Romania for their SMEs instrument

North East Romania Evaluation Grid

▶ maximum score: 100 points

▶ categories of evaluation: 4

▶ criteria categories:

➤ contribution to the achievement of priority objective 54points


➤ quality, maturity and sustainability; financial and operational capacity of the applicant 33points

➤ compliance with sustainable development, equal opportunities and non discrimination 10ponits

➤ strategic concentration of investments 3points

North East Romania Evaluation Grid

1.	The contribution of the project to the achievement of the priority objective			54
	1.1.	Field of activity (NACE code) in which the investment is made (according to Annex 2 "List of eligible activity areas" to the guide)		15
	1.2.	Innovative nature of the proposed investment (see comments below)		6
	1.3.	The proposed investment includes		21
	1.4.	The economic-financial forecasting following the implementation of the project, at the end of the second complete financial year, after the implementation of the		12
	1.4	General solvency rate (Total assets / Total liabilities)		6
	1.4	The rate of Return on Equity - ROE (Net profit / Equity)		6
2.	Quality, maturity and sustainability of the project. The financial and operational capacity of the applicant			33
	2.1.	The economic and financial capacity of the applicant, in the financial year prior to the submission of the application form		18
	2.1	General solvency rate (Total assets / Total liabilities)		6
	2.1	The rate of Return on Equity - ROE (Net profit / Equity)		6
	2.1	Growth rate of operating profit (recorded in N compared to N-1, where N is the fiscal year prior to the application for financing)		6
	2.2.	The quality of Business Plan		15
3.	Compliance with the principles of sustainable development, equal opportunities, gender and non-discrimination.(The measures to comply with the legal obligations of the applicant in these areas will not be scored)			10
	3.1.	The investment includes measures to improve the quality of the environment and to increase energy efficiency:		6
	3.2.	The investment includes measures to ensure equal opportunities and treatment:		4
4	Strategic concentration of investments			3
			Total	100

 **circular economy
criterion weights 6%
of the total score**

North East Romania Evaluation Grid

Per category – category 1

1. The contribution of the project to the achievement of the priority objective	54	
1.1. Field of activity (NACE code) in which the investment is made (according to Annex 2 "List of eligible activity areas" to the guide)	15	
a. It is included in one of the divisions 13, 14, 15, 16, 26, 29, 31	15	Manufacturing sector
b. It is included in one of the divisions 32, 58, 59, 63, 71, 73, 74, 91	10	Production sector
c. It is included in one of the divisions 36, 37, 38, 39, 55, 86, 93	5	Services
1.2. Innovative nature of the proposed investment (see comments below)	6	
a. Through innovation / product / service and process diversification	6	
b. Through innovation / product / service diversification	4	
c. Through process innovation / diversification	2	
1.3. The proposed investment includes	21	
a. Internationalization activities- international participation, abroad Romania, at fairs, trade missions, exhibitions, as an exhibitor.	6	
b. Activities of (re) certification of at least one management system	4	
c. Activities of (re) certification of a product / service / process	6	
d. Purchase of intangible assets with an eligible value, excluding VAT, of a minimum of 45,000 lei (patents, licenses, trademarks, computer programs, including in order to ensure visibility in the online environment, implementation of e-commerce tools, other similar assets), whose necessity , in the context of the investment, is sufficiently justified in the business plan.	5	
1.4. The economic-financial forecasting following the implementation of the project, at the end of the second complete financial year, after the implementation of the investment,	12	
1.4.1. General solvency rate (Total assets / Total liabilities)	6	
a. ≥ 4	6	
b. ≥ 3 and < 4	3	
c. ≥ 2 and < 3	2	
d. < 2	0	
1.4.2. The rate of Return on Equity - ROE (Net profit / Equity)	6	
a. $\geq 7\%$	6	
b. $\geq 6\%$ and $< 7\%$	3	
c. $\geq 5\%$ și $< 6\%$	2	
d. $< 5\%$	0	

North East Romania Evaluation Grid

Per category – category 2

2. Quality, maturity and sustainability of the project. The financial and operational capacity of the applicant		33
2.1.	The economic and financial capacity of the applicant, in the financial year prior to the submission of the application form	18
2.1.1.	General solvency rate (Total assets / Total liabilities)	6
a.	>=2	6
b.	>=1,5 and <2	3
c.	>=1 and <1,5	1
d.	<1	0
2.1.2.	The rate of Return on Equity - ROE (Net profit / Equity)	6
a.	>=5%	6
b.	>=3% si <5%	3
c.	>=1% si <3%	1
d.	<1%	0
2.1.3.	Growth rate of operating profit (recorded in N compared to N-1, where N is the fiscal year prior to the application for financing)	6
a.	>=20%	6
b.	>=10% and <20%	3
c.	>=0% and 10%	1
d.	<0%	0
2.2.	The quality of Business Plan	15
a.	The investment costs are sufficiently substantiated, for example by price offers / catalogs / websites, any other verifiable sources (at least 3 sources)	max. 4
b.	The projections of operating revenues and expenses are realistic, sufficiently justified, based on correct data, verifiable sources. Market analysis demonstrates the existence of demand for the products / services offered and bases the growth forecasts of the activity	max. 4
c.	Market analysis demonstrates the existence of demand for the products / services offered and bases the growth forecasts of the activity. In the description of the product / services, special qualities / advantages of the product / service are identified over those of the competitors. Market analysis identifies the main competitors, presenting the similar products / services they offer, their market share, their advantages and disadvantages.	max. 4
d.	The marketing strategy is achievable (identifies suitable and efficient tools) according to the available resources.	max. 2
e.	The business plan is developed in compliance with the minimum requirements, expressly mentioned in the standard model in the guide.	max. 1

North East Romania Evaluation Grid

Per category – category 3

3. Compliance with the principles of sustainable development, equal opportunities, gender and non-discrimination.(The measures to comply with the legal obligations of the applicant in these areas will not be scored)			10
3.1	The investment includes measures to improve the quality of the environment and to increase energy efficiency:		6
	a.	Use of renewable energy sources	max. 2
	b.	Re-technologize / purchase more energy efficient equipment (including lighting efficiency in production spaces). Optimization of the functioning of the installations and of the technological flows	max. 2
	c.	Minimization at source of waste generated. Increasing the degree of recovery and recycling of waste	max. 2
3.2	The investment includes measures to ensure equal opportunities and treatment:		4
	a.	Adaptation of infrastructure, including equipment and equipment for access and operation by persons with disabilities	2
	b.	Employing people from disadvantaged categories (see details below)	2

North East Romania Evaluation Grid

Per category – category 4

4 Strategic concentration of investments			3
a.	The company proposes a project based on a Local Development Strategy selected in the framework of OT 8 (PA 7)		1
b.	The project is part of an integrated urban development strategy (SUD) that can be financed under the priority axis 4 ROP - urban development		1
c.	the company proposes a project based on another local / national development strategy		1

Example of How to adopt The Criteria

- ➔ **Sub-category**, as the Example of North East Romania, with a score **fully contributing to the ranking**
- ➔ **Additional evaluation category**, giving additional points **not conditioning the threshold** (Lazio Region, Lodzkie Region)
- ➔ **Integrating circular economy criteria** by inserting on each evaluation category a circular economy criterion

North East Romania Evaluation Grid

Possible application – Example one: SUB CATEGORY

1.	The contribution of the project to the achievement of the priority objective		54
1.1.	Field of activity (NACE code) in which the investment is made (according to Annex 2 "List of eligible activity areas" to the guide)		15
1.2.	Innovative nature of the proposed investment (see comments below)		6
1.3.	The proposed investment includes		21
1.4.	The economic-financial forecasting following the implementation of the project, at the end of the second complete financial year, after the implementation of the		12
	1.	General solvency rate (Total assets / Total liabilities)	6
	1.	The rate of Return on Equity - ROE (Net profit / Equity)	6
2.	Quality, maturity and sustainability of the project. The financial and operational capacity of the applicant		33
2.1.	The economic and financial capacity of the applicant, in the financial year prior to the submission of the application form		18
	2.	General solvency rate (Total assets / Total liabilities)	6
	1.		
	2.	The rate of Return on Equity - ROE (Net profit / Equity)	6
	2.	Growth rate of operating profit (recorded in N compared to N-1, where N is	6
	1.	the fiscal year prior to the application for financing)	
2.2.	The quality of Business Plan		15
3.	Compliance with the principles of sustainable development, equal opportunities, gender and non-discrimination.(The measures to comply with the legal obligations of		10
3.1.	The investment includes measures to improve the quality of the environment and to		6
	a.	circular design	max. 2
	b.	secondary raw material introduction	max. 2
	c.	neutral or positive job net balance	max. 2
3.2.	The investment includes measures to ensure equal opportunities and treatment:		4
4	Strategic concentration of investments		3
		Total	100

Circular economy contributes to the achievement of the threshold

North East Romania Evaluation Grid

Possible application – Example two: **ADDITIONAL EVALUATION CATEGORY**

1.		The contribution of the project to the achievement of the priority objective	54
1.1.	Field of activity (NACE code) in which the investment is made (according to Annex 2 "List of eligible activity areas" to the guide)		15
1.2.	Innovative nature of the proposed investment (see comments below)		6
1.3.	The proposed investment includes		21
1.4.	The economic-financial forecasting following the implementation of the project, at the end of the second complete financial year, after the		12
1.4.1.	General solvency rate (Total assets / Total liabilities)		6
1.4.2.	The rate of Return on Equity - ROE (Net profit / Equity)		6
2. Quality, maturity and sustainability of the project. The financial and operational capacity of the applicant			33
2.1.	The economic and financial capacity of the applicant, in the financial year prior to the submission of the application form		18
2.1.1.	General solvency rate (Total assets / Total liabilities)		6
2.1.2.	The rate of Return on Equity - ROE (Net profit / Equity)		6
2.1.3.	Growth rate of operating profit (recorded in N compared to N-1, where N is		6
2.2.	The quality of Business Plan		15
3. Compliance with the principles of sustainable development, equal			10
3.1.	The investment includes measures to improve the quality of the environment and to increase energy efficiency:		6
3.2.	The investment includes measures to ensure equal opportunities and		4
4 Strategic concentration of investments			3
Total			100
5 Additional Circular Economy Criteria			5
a.	circular design		2
b.	secondary raw material introduction		2
c.	neutral or positive job net balance		1
Total			105

Threshold remains the same, Circular economy gives additional points

North East Romania Evaluation Grid

Possible application – Example three: INTEGRATED CIRCULAR ECONOMY CRITERIA

1.	The contribution of the project to the achievement of the priority objective	54
1.1.	Field of activity (NACE code) in which the investment is made (according to Annex 2 "List of eligible activity areas" to the guide)	15
1.2.	Innovative nature of the proposed investment (see comments below)	6
a.	Through innovation / product / service and process diversification	6
b.	Circular economy innovation (both process or product)	6
c.	Through innovation / product / service diversification	4
d.	Through process innovation / diversification	2
1.3.	The proposed investment includes	21
1.4.	The economic-financial forecasting following the implementation of the project, at the end of the second complete financial year, after the implementation of the investment,	12
1.4	General solvency rate (Total assets / Total liabilities)	6
1.4	The rate of Return on Equity - ROE (Net profit / Equity)	6
2.	Quality, maturity and sustainability of the project. The financial and operational capacity of the applicant	33
2.1.	The economic and financial capacity of the applicant, in the financial year prior to the submission of the application form	18
2.1	General solvency rate (Total assets / Total liabilities)	6
2.1	The rate of Return on Equity - ROE (Net profit / Equity)	6
2.1	Growth rate of operating profit (recorded in N compared to N-1, where N is the fiscal year prior to the application for financing)	6
2.2.	The quality of Business Plan	15
3.	Compliance with the principles of sustainable development, equal opportunities, gender and non-discrimination.	10
3.1.	The investment includes measures to improve the quality of the environment and to increase energy efficiency:	3
3.2.	The investment includes measures to ensure equal opportunities and treatment:	3
3,3	circular measures	4
a.	circular design	1,5
b.	secondary raw material introduction	1,5
c.	neutral or positive job net balance	1
4	Strategic concentration of investments	3
a.	The company proposes a project based on a Local Development Strategy selected in the framework of OT 8 (PA 7)	1
b.	The project is part of an integrated urban development strategy (SUD) that can be financed under the priority axis 4 ROP - urban development	1
c.	the company proposes a project based on the Circular Economy Action Plan	1
	Total	100

Circular economy criteria fully integrated within the assessment categories, and contributing to the achievement of the threshold in the diverse fields

The Workshop



- ➔ **Work on your evaluation grid (here the one used by Lazio Region)**
- ➔ **Engage your colleagues in finding a way to adapt the circular economy assessment criteria into the current evaluation method**
- ➔ **Discuss and identify which criteria can be inserted in the evaluation grid**
- ➔ **Identify (at least one) criteria to be adopted by all partners to favour impact assessment comparability**

Lazio Region Evaluation Grid

Possible application



Evaluation Criteria	Sub-criteria and evaluation parameter	Sub-criteria Points max	Points min	Points max	Assigned points
Technical validity and feasibility of the project	Clarity and detail of the proposal, definition and description of: objectives, activities, times and results	20	30	50	
	Technical quality -Validity of the objectives, and of the methodologies foreseen to reach them -replicability of the developed knowledge and results -methodological quality of the implementation plan -capabilities and expertise of the project team	15			
	Competitive enhancement -competitive repositioning -industrial enhancement and product/market diversification	15			
Economical and financial viability, potential impact	Expenditure correctness in relation to the activities and the objectives	15	25	50	
	Financial viability -Economic and financial validity: ROI expected from the R&D industrialization -Impact on the employment level -Impact on the sector's market and production diversification -Environmental sustainability and sectoral performance enhancement	35			
Priority criteria	Circular economy -amount of secondary raw materials used -quantity of waste becoming secondary raw material in the same or other processes -energy usage: linear/circular -co2 emission : linear/circular -job created-lost	5		5	

EVALUATION METHODS IN REPLACE REGIONS

- ➔ **To make sure REPLACE results will be replicable, we want to collect info about your evaluation method and the grid you use**
- ➔ **Some have already sent a translated copy of their evaluation grid, PLEASE provide such document to us in order to better understand and demonstrate the outcomes**
- ➔ **The best option is to share the one you use for the internal workshop**



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Thank you!

Questions welcome



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