

Action plan



PORTUGAL

2021



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Part I – General information

Project	CircPro – Smart Circular Procurement
Partner organisation	CCDR Alentejo – Comissão de Coordenação e Desenvolvimento Regional
Country	Portugal
NUTS2 region	Alentejo
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Part II – Policy context

1. The Action Plan aims to impact:

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

2. Name of the policy instrument(s) addressed:

Due to the fact that Alentejo 2020 Operational Program (initial policy instrument considered) are in its ending phase, CCDRA considered for the present action plan the new financial programme Alentejo 2030 (ERFD OP 2021-2027) that is under conclusion and will be available soon.

Alentejo 2030 operational program, included in Portugal 2030 program, materializes the Partnership Agreement to be signed between Portugal and the European Commission, which establishes the major strategic objectives for the application of European Funds in the country for the period 2021-2027.

Name of the policy instrument addressed: ERFD OP 2021- 2027 – Alentejo 2030.

Is programmed around five strategic objectives including goal nº 2: a greener Europe, and more precisely in the following specific objectives:

3.2 Making the economy circular;


3.3 Reducing risks and valuing environmental assets.

2.1. Summary of The Alentejo region context

The Alentejo covers an area of 31,604 km², the estimated population was of 704,934 inhabitants in 2021, representing 6.8% of the total, population density of 22.1 inhab/km² (2020), being the national value of 111.7 inhab/km². Administratively, the Alentejo is composed of 5 sub-regions (NUTS III): Alentejo Litoral, Alto Alentejo, Alentejo Central, Baixo Alentejo and the Lezíria do Tejo.

The development of accessibility and connectivity infrastructure contributed to the reinforcement of the importance of geo-economic positioning of Alentejo in the context of national and international economic relations. The Alentejo is today a sustainable territory with a strong regional identity, more open to the outside, and functionally with conditions for the attraction and location of investment and business, intensifying economic relations and strengthening the integration in wider markets.

In the European context, the Alentejo Region presents a standard of living, measured by GDP per capita, considerably lower than the EU average. Environmental quality, above the national average and competitiveness and cohesion rates below the national value.



Privileged geostrategic positioning as Europe's Atlantic Port, with the potential for uses and activities of transport and logistics.

As a sustainable territory with a strong regional identity, it is sustained by a polycentric urban system, ensuring adequate levels of territorial cohesion and affirming a reinforced integration with other national and international spaces through the valorisation of its geostrategic positioning. Characterised by its significant natural heritage and landscapes, the Mediterranean ecological systems and its agricultural landscapes stand out as focal points of European biodiversity and where Natura 2000 represents about 20% of the territory.

Despite the potential acknowledged, important changes have occurred in the Environment and Landscape, assets confronted with the persistent and announced effects of physical and human desertification and climate change, which reach the quality, economic and social robustness of several regional productive subsystems. Thus, it is intended that territorial sustainability be based on the valorisation of endogenous resources, namely natural and landscape values, and on the development of increased levels of strategic concertation and functional cooperation, capable of generating new opportunities and responding effectively to potential environmental and social risks.

Fostering the transition to a circular economy can help Alentejo to achieve its goal, restoring natural systems, reducing GHG emissions and minimising the loss of natural capital and biodiversity.

The dynamics of *montado* activities system, in particular the production of cork, extensive livestock farming of indigenous breeds and the small productive sectors of forest base (with economic and social expression in the different sub-regions), supported also by knowledge activities and services, has highlighted the importance of maintaining the Mediterranean systems which positions the Region as a territorial mosaic of supply and support (food, photosynthesis, climate and air quality regulation, genetic bank of biodiversity, surface and under-ground resources) and source of amenities and natural spaces.

To these types of activities, investments that depend less on resource mixes and more on attracting companies and structuring interfaces with research and innovation, namely in agri-food, water, electronics, digital economy, renewable energies, among others, can be considered.

Based in the SWOT analysis, in the region, circular procurement is still with a low use in the region. One of the main reasons to this lack of knowledge can be due to market failures which include externalities, information asymmetries, and moral hazards. As a consequence, some socially desirable actions may not be profitable. In such contexts, public norms and standards, circular public procurement regulation, direct public investment, tax measures, among others, can be an obstacle.

As opportunities identified we can namely the applicability of the circular economy model to all sectors and productive activities allows it to be easily expanded and for synergies to be used by all sectors.

So, in the region context, the potential of the circular procurement can constitute a complementary instrument of environmental policies, contributing to the promotion

of pollution reduction, the reduction of the consumption of natural resources and, consequently, the increase in the efficiency of the systems.

3. Further details on the policy context and the way the action plan should contribute to improve the policy instruments:

There are currently three action plans in Portugal related to circular procurement:

a) PERSU 2020 - Strategic Plan for Urban Waste 2014-2020;

PERSU 2020 - Strategic Plan for Urban Waste 2014-2020 was approved by Decree No. 187-A on the 17th September 2014. The plan sets national targets for Urban Waste (UW) prevention and presents measures associated with accomplishing this objective. The waste strategy, advocated in this plan, maintains the objective of guaranteeing a high level of protection of the environmental and of human health, through the use of appropriate processes, technologies and infrastructures. It also promotes the minimization of the production and hazardousness of waste and seeks to integrate them in the production processes as secondary materials in order to reduce the impacts of the extraction of natural resources and ensure the essential resources to the economy, at the same time as creating opportunities for economic and employment development.

b) Action Plan for Circular Economy (APCE);

The Action Plan for Circular Economy (APCE) approved by ministers Resolution n.º 190-A/2017 presents actions aligned with the European pillars of Action for the Circular Economy with the aim of establishing a carbon neutral economy with neutral GHG emissions and effective use of materials by 2050, focusing on research and innovation on sustainability. It creates solutions, with emissions and resources integrated into business models that stimulate the creation of jobs, an efficient and effective use of the resources mobilized and their economic duration, enabling inclusive and resilient economic prosperity and a thriving, responsible, dynamic, inclusive, informed, participative and more collaborative society.

c) National Strategy for the Ecological Public Procurement (ENCPE 2020);

National Strategy for the Ecological Public Procurement (ENCPE 2020) approved by Resolution No 38/2016 of the Council of Ministers of 29 July 2016, provides that the inclusion of environmental criteria in public procurement is mandatory. Moreover, it is an instrument which intends to promote the reduction of pollution, the consumption of natural resources and integration of efficiency in the system.

Public authorities, as contracting authorities, have a very important role in the implementation of the circular economy, and it is up to them, among other things, to actively promote in their tendering procedures standards that stimulate the use of the principles of circular economy.

Public authorities should exercise their considerable purchasing power in an environmentally and socially responsible way, without prejudice to the primary objective,

which is to obtain the public work, product or service that enables the achievement of a certain objective of public interest.

The European legislator, aware of the imperative need to implement the circular economy in public procurement, has created tools, through Directive 2014/24/EU of the European Parliament and of the Council of 26 February, which enable contracting authorities to take a circular approach to public procurement.

The path followed by that Directive contributes to minimize prevalence of economic criteria in public procurement in favour of sustainability criteria. Environmental protection is a crucial aspect and should be a selection criterion in public procurement procedures. The challenge for contracting authorities is to take the legal steps that enable including environmental criteria in the range of criteria by which the most economically advantageous tender appears.

In what regards achieving the objectives of circular economy, carrying out an analysis and planning ahead to start the procedure of the purchasing procedure is crucial. When deciding which procedure to be used and which the best way to include criteria of the circular economy, it is useful to have a deep knowledge of the market - for example, availability of companies and resources, cost and possible implications of alternative and more ecological solutions, among others.

In Alentejo, the main initiative related to circular economy is the Circular Economy Regional Forum managed by the CCDR Alentejo which has main goal the identification of opportunities and barriers, to establish the basic conditions for the development of future circular economy projects promoted by the regional entities.

Another point to take into consideration is the access to finance that plays a central role in stimulating innovation in the circular economy, either through European and Structural Investment Funds, operated through Portugal 2020, or even strictly national programs, all of which are managed by a wide range of entities, to which are added emerging forms of financing such as collaborative financing or green bonds.

The improvement of the new ERFD OP 2021- 2027 – Alentejo 2030 is through improved governance. CCDR Alentejo is responsible for the execution of the new regional programme and work closely with national governance since is a service supervised by the Minister of Planning and Infrastructures and the Minister of the Environment and due to that the way that a thematic call is organised or the way projects are selected could be improved since its responsible and can integrate circular criteria in the forthcoming calls.

The type of projects that can be financed depend on national priorities and include, for example, energy efficiency projects, promotion of renewable energy, construction and rehabilitation of buildings, rehabilitation and upgrading of key infrastructure such as water and communication systems, support for entrepreneurship and business, nature conservation and biodiversity, combating climate change and implementation of adaptation measures, sustainability of tourism and support for new infrastructure, waste management, support for the agricultural sector, smart development, etc.

Part III – Details of the actions envisaged

ACTION 1: Enhanced capacity for the inclusion of circular and green criteria utilizing Green Public Procurement.

The Background

Following the regional stakeholder's workshop, where Alentejo's public procurement was discussed, some of the main weaknesses identified in the SWOT analysis were:

- Behavioural obstacles;
- Market failures and missing markets;
- Companies and public entities staff lack of knowledge regarding the potential demand for alternative raw materials and the availability of products;
- Lack of knowledge regarding circular and green criteria.

These weaknesses were identified due to the fact that there is more than 87% of the entities with none knowledge about cases where circularity criteria have been applied.

Despite the region presents several initiatives and projects related to circular economy, circular procurement is still with a low use in the region.


Being CCDR Alentejo an entity with responsibilities in the articulation of the various sectorial policies at the regional level, as well as executing the environmental, territorial planning and cities policies, it is important to give specific example and show how can the circular procurement be used.

It is important to work in the definition and applicability of circular and green criteria in concrete contexts.

Relevance to the project CircPro

In the framework of CircPro partnership learning experience and inspired by the good practice presented by the Lithuania Partner, which developed green public procurement technical specification in order to support and facilitate its uptake, the good practice of the Green Criteria in an electronic contract register of the Estonian Ministry of Finance, as well as the Public Procurement & Change Services for Sustainable and Innovative Public Procurement in Kouvola, Finland, the key elements that were considered suitable to be transferred to Alentejo Region from the examples mentioned are the existence of a helpdesk that helps services in what regards the analysis of sustainable and green public procurement criteria.

It is known that in CircPro project we do not have that much procurement incorporating circular criteria but we must adapt the lessons learn in other types of procurements and start incorporating it. That is CCDRA objective.



In Alentejo region circular procurement is yet a poorly established practice and the majority of existing examples are focused only on secondary circularity stages such as consumption, waste collection and recycling, rather than ensuring the initial steps of circular economy with lifelong design and durability.

The inclusion of circularity into new financial programme calls with a prospect of extended life-cycle and the customization of the product can generally be applied to the majority of procurement cases which are related to the development of new sustainable products and services and this is highly related to the specific objective of the OP: “Making the economy circular” and “Reducing risks and valuing environmental assets.”.

Nature of the action

It is intended, through the execution of this action, to contribute to a more circular transition in the region with the inclusion of circular economy criteria into public procurement of project that are candidate to the new financial programme calls.

For this purposes public and private sector informative and educational events will be organized, where the interested bodies will be invited, in order to participate and to be informed and educated about the procedures that should be followed regarding the new programme calls.


To this end, information material will be developed in order to properly inform and educate stakeholders and the regional programme staff. The information material will be based on the CircPro Regional Guidebook, as well as based in information material regarding the project good practices.

The information material will also be worked in order to be available online and to be distributed to all the public and private bodies of the region.

At the end, a circular and green criteria evaluation matrix/list will be available for the preparation of the operational programme first open call. This will allow the integration of circular and green criteria in the evaluation procedures of the calls to be launch under the new programme – Alentejo 2030, since the objective is that organizations that apply for funding, must assure that they will perform circular public procurement. If they don't ensure it, the project have a high risk of not being financed.

For that, training actions is necessary and a support tool as the matrix/list is an added value for CCDR that evaluate the projects and to the entities that apply to funding.

The criteria matrix/list that is proposed to be developed after the training sessions and which take into account the examples obtained through the good practices of the project, is a list of evaluation criteria that the staff responsible for the calls can use, when writing the calls for proposals but also later on in the evaluation of the projects that are applying for funding.



The criteria list may include criteria such as: durability of performance, design for repairability of parts, % energy performance, guarantee of refurbished product, compliance with the technical requirements of the European Union eco-label, among several others. The list is intended to be exhaustive in order to integrate criteria for various types of projects.

The relationship with public procurement is foreseen since the candidate projects must comply with public procurement rules in what regards services and products acquisitions. The procurement procedures for products and services must take into account the criteria defined in the funding call because if they are not taken into account the project may not be financed as its evaluation will be lower. This evaluation will be done by the staff that works directly in launch and the evaluation of the calls

Therefore, this action will respond specifically to the support to the creation and expansion of advanced capabilities since it will allow to have the bases to include circular and green criteria in the new operational programme and to support regional organizations in the development of projects that present the integration of specific circular and green criteria in their procurements.

The preparation of a circular and green criteria evaluation matrix/list, to be available for the first operational programme open call, will be performed between October of 2022 and February of 2023.

- Target

Operational programme staff that monitor and evaluate new applications and the regional entities that apply to new funding calls.

- How


This action will be performed through training actions regarding the inclusion of circular and green principals in the public procurements of projects that will apply to the new financial programme open calls.

The training actions will be performed between April and September of 2022 and will be delivered by CCDRA staff allocated to CircPro project together with circular economy national experts.

The key elements of the identified CircPro good practices are suitable to be adapted and transferred to Alentejo region and the main objectives of this action are to overcome and mitigate obstacles and preconceptions that hinder the systematic implementation of circular procurement in the region through the development, transfer and implementation of knowledge on green and circular procurement practices due to an effective and efficient knowledge exchange at an organisational regional level.

The foreseen activities are the following:

- set up a training group with technical and administrative functions in order to support CCDRA operational programme staff;

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- establish a Working Group within regional stakeholders for training regarding circular and green criteria;
 - best practices sharing and technical assistance shedding light on the difficulties that the regional entities can face,
 - establish a dialogue with potential applicant's and training them regarding the reduction of environmental impacts of their products and services in terms of greenhouse gas emissions, consumption and natural resources used, eco-design solution, extended products life, among others,
 - Inform potential applicants about the intention of the public sector to proceed with greener public procurements.

- **Final objective**

The final objective of this action is to promote a change in management through the adoption of new methods for the increment of CP in the region, changing the evaluation procedure for projects financed under the new programme calls.

It will also increase knowledge of the regional stakeholders on CE and how it's principles could be adapted to public procurement.

This action will contribute for the improvement of the policy instrument by the support that will be available for the implementation of new procedures and projects and by the changes that will occur in the projects evaluation management.

Partners/Players involved

CCDR Alentejo will be the leadership of the implementation of this action with the collaboration of the stakeholders:

- Environment National Agency (APA);
- Municipalities;
- Intermunicipal Communities;
- ADRAL - Alentejo Regional Development Agency.

The main stakeholder's role will be thought the identification of projects and assistance in what regards circular criteria evaluation and specification. Also, the stakeholders will have a special role in what regards communication and dissemination of the development and results of this action.

Timeframe

December 2021 to May 2023

Activity	Date
Identification of the training group.	Jan/Mar 2022
Awareness and information events.	April/Sept2022
Preparation of a criteria matrix for the future open calls - integration of circular and green criteria in the evaluation procedures.	Oct 2022/Feb 2023
Identification of the obstacles and opportunities and development of recommendations for future calls.	Mar/May 2023

Costs

Costs will be related to human resources, organization and hosting of the meetings.

CCDR Alentejo and stakeholders' teams will provide the human resources and that will be around 58.000,00€

Costs with organization and hosting of meetings: none due to the fact that during the pandemic the meetings will be performed online.

Funding sources

Own resources.

Impact expected

Number of staff involved - 4

Number of stakeholders persons involved – more than 6

Calls prepared - 1

Number of circular and green criteria to be applied – at least 4 criteria



Date:

Name of the organisation(s):

Signatures of the relevant organisation(s):