



European Union
European Regional
Development Fund



RETRACE

INTERREG EUROPE

POLICY BRIEFS

Piedmont Region, Italy | Bizkaia, Spain |
Nouvelle-Aquitaine, France | Slovenia |
North-East Region, Romania

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INDEX

Introduction	2
Policy Gap Threads	3
Policy Briefs	
Piedmont Region Italy.....	4
1. Overview of Circular Economy in Piedmont	4
2. Current Policy Instrument addressed by RETRACE	5
3. Policy Actions	6
Bizkaia Spain	9
1. Overview of Circular Economy in Bizkaia	9
2. Current Policy Instrument addressed by RETRACE	10
3. Policy Actions	11
Nouvelle-Aquitaine France.....	15
1. Overview of Circular Economy in Nouvelle-Aquitaine	15
2. Current Policy Instrument addressed by RETRACE	17
3. Policy Actions	19
Slovenia	21
1. Overview of Circular Economy in Slovenia.....	21
2. Current Policy Instrument addressed by RETRACE	21
3. Policy Actions	22
North-East Region Romania	24
1. Overview of Circular Economy in North-East Region.....	24
2. Current Policy Instrument addressed by RETRACE	25
3. Policy Actions	26



Introduction

This document aims to present 5 Policy Briefs developed as a result of the RETRACE Interreg Europe project featuring 5 new long-term development frameworks whose primary objective is to foster into Circular Economy (CE) the five partner regions (Piedmont Region (Italy), Bizkaia (Spain), Nouvelle-Aquitaine (France), Slovenia, North-East Region (Romania)).

Through the implementation of the Systemic Design methodology, these regions developed an Holistic Diagnosis (HD) on the current context highlighting as a main outcome their regional potentialities but also the critical points and Policy Gaps to be overcome, which are key on the development of better policies for the regional transition into a CE. After an in-depth analysis, six Policy Gap threads were identified and divided into categories that highlight diverse aspects of the issue related to the transition towards a CE. These gaps address the different areas of intervention that should be tackled to support the CE, starting from the involvement of all stakeholders for the creation of tailored policy measures.

Both elements (Holistic Diagnosis and Policy Gaps) were the basis for the development of the Regional Action Plans (RAPs) one of the main outcomes of RETRACE which describes in detail the proposed actions that each region will execute to tackle such gaps and move towards a CE. To achieve the RAP's each region considered their current Smart Specialization Strategies and development goals, among them a low-carbon Circular Economy which will establish a new foundation for the future sustainable development of Europe.

These Policy Briefs are an effective resume of the actions described more in detail in the Regional Action Plans. Moreover, these documents recognise that such transition to a CE will not be possible without fundamental changes in areas such as; multi-governance coordination and synergies by the different administration levels (local, provincial and regional governments), multi-stakeholder collaboration between different sectors in industries and companies (value chains in priority sectors), consumption and production patterns, resource efficiency preventing the generation of waste and promoting the use of secondary raw materials. Also they provide an overall framework from each region for a better overview of the current initiatives and projects defined within the context of RETRACE that are attempting to support the transition towards a CE. The impact of such policy recommendations will be overseen and monitored in the second Phase of the project (2018-2020) which will be the implementation period of RETRACE.

These Policy Briefs are the result of an in-depth conversation carried along the first two years of the project and research with many innovators, policymakers and managing authorities across Europe who are fostering a new economy in their regions while contributing with diverse points of view, with the purpose to obtain a common ground in the regional scenarios of policymaking. This outcome originates from an inspiring path through different regions by all those collaborators who have shared their experiences to support a better and more sustainable governance.



Policy Gaps Threads

- **Support collaboration between sectors**

This Policy Gap has been reported by 3 regions out of 5. It concerns the eligibility rules of the calls that can enable the participation to projects to stakeholders coming from different sectors: this can lead to the creation of local value chain following the output-input principle and boost technology transfer between actors.

- **Raising involvement and knowledge of operators concerning Circular Economy**

This Policy Gap has been reported by 4 regions out of 5. The lack of activities devoted to raise the involvement, awareness and knowledge through training of operators emerges as one of the key issues hampering the development and success of CE related projects.

- **Policy regulations on Circular Economy**

This Policy Gap has been reported by 4 regions out of 5. The picture emerging from the matrixes provides an image of unclear, incomplete, incoherent and disarmonized policy regulations on different aspects of CE, especially on waste /by-products definitions, at different levels (local, regional, national, European).

- **Tailored policy measures on Circular Economy**

This Policy Gap has been reported by 3 regions out of 5. Even though Circular Economy is a transversal topic in many funding schemes throughout Europe, the need to create tailored policy measures and calls clearly emerges in the analysis.

- **Policy in support to business and market development for Circular Economy activities**

This Policy Gap has been reported by 3 regions out of 5. Besides the development of CE related project, the necessity to support the creation of an appropriate business model for CE activities and the need to stimulate the market towards the reuse of by products and waste has been highlighted as a core issue for the success of Circular Economy.

- **Policy focused on SMEs and micromanufacturing**

This Policy Gap has been reported by 2 regions out of 5. It refers to 2 main aspects reported: on one side the lack of tailored support to SME for their transition to CE; on the other the lack of support for the creation micro-manufacturing processes sized on local context.



Policy Briefs

Piedmont Region | Italy

1. Overview of Circular Economy in Piedmont

The RIS3 (Regional Innovation Smart Specialization Strategy) of Piemonte identifies seven priority areas which Piedmont region is particularly specialized in, considering the enterprises concerned, the technological know-how and the presence of high level research centres, resulting in a strong concentration of innovation activities: Aerospace, Automotive, Green Chemistry/Clean Tech, Mechatronics, Textile, Agrifood and Life Sciences. Moreover, the RIS3 is guided by two transversal trajectories, “Smart” and “Resource efficiency”, the latter intended as “the use of skills and processes to increase efficiency in the priority areas of innovation to support the emergence of a more sustainable regional economy” (source: RIS3), which apply to all priority areas.

Even if the CE paradigm is not explicitly addressed as policy goal, the identification of the “Green Chemistry/Clean Tech” area demonstrates the presence of a regional industrial specialization which is particularly promising for CE and the willing of the Region to support its development. On the other side, the “Resource efficiency” trajectory is a clear indicator of the willing of the Region to promote sustainable productive processes in all priority areas.

The RIS3 is implemented mainly through Axis I (Research, Innovation and Technological Development) of the ERDF Regional Operational Programme (ERDF ROP), with a financial allocation of around 350 m€. This means that a substantial funding support, through different schemes, is delivered to implement the RIS3 objectives. After the first three programming years, many R&I projects related to CE processes have been already funded, but there’s an ample room to improve support in a more systemic way.

Under a more general point of view, the regional situation is characterized by good assets to build on towards CE (e.g. research, innovation and technological development capacities and initiatives, solid economic sectors with leading enterprises, key actors mobilized, networks, solid methodology). On the other side, a critical mass of industrial and research investments towards Circular Economy is still lacking, which calls for further actions.

On the frame of the RETRACE Interreg Europe project was implemented the Systemic Design method to obtain a Holistic Diagnosis (HD) about the current context of Piedmont region. This analysis gave as main outcome the regional potentialities highlights which will be key on the development of better policies for the regional transition in to a Circular Economy (CE). Moreover, the HD performed an analysis on three RIS3 areas (Automotive, Green Chemistry/Clean Tech and Agrifood), showing their potentials in relation to CE, but also critical points to be overcome.

On that approach this were the aspects to be improved with the support of RETRACE:

- **knowledge transfer**: the identification and sharing of main potentials for circular economy in the RIS3 priority sectors, through the identification of business and policy cases in significant industrial sectors, with a high potential of transferability;
- **awareness**: the involvement and engagement of key actors, such as cluster management bodies, enterprises and universities, to be reached through the activities of the Stakeholder Group and a stricter collaboration between relevant Regional Departments;
- **policy action**: improvement of the orientation of regional policies towards circular economy, to be reached through the exchange of Good Practices with RETRACE partner regions, the findings of the HD and the dialogue with stakeholders.



2. Current Policy Instrument addressed by RETRACE

In the wider framework of promoting actions to support the transition towards a CE at the Regional level, RETRACE project addressed the Regional Operational Programme (ROP) 2014-2020, co-funded by the European Regional Development Fund (ERDF) under the “Investment for Growth and Jobs” Objective. Among the Priority Axes (PAs) of the ROP, the following are considered to be the most relevant in order to foster the adoption of CE principles into the regional productive system.

- PA1 – Research, Technological Development and Innovation: based on the Regional Innovation Smart Specialization Strategy (RIS3) and is mainly addressed to strengthening the regional innovation system and to increasing the innovation capacity of regional companies. To this purpose, most of the measures are designed to stimulate collaboration and cooperation among companies and research centres/academy. Main policy and funding schemes showing the highest potentials in terms of support to CE processes are the Innovation Clusters (e.g. in the Energy and Clean Tech Cluster circular economy is one of the main pillars of its research agenda, and other Clusters such as Green Chemistry and Advanced Materials, Smart Manufacturing and Products, Agrifood and Textile Clusters are focusing some actions on supporting CE processes) and the Technology Platforms, acting in a limited number of highly relevant and strategic innovation areas (such as the Factory of the Future, the Life Sciences and the new Bioeconomy Platform). Other measures, such as the Industrialization of results of R&I activities, the Research Infrastructures and the Start up measures, can support an overall and systemic process of fostering CE.
- PA3 – Competitiveness of productive systems, addressed to support SMEs development. Among the measures of PA3, the one aimed at supporting investments in SMEs (“Innovazione PMI”) is especially designed to foster innovation and sustainability. Investments leading to improved environmental performance of products and processes receive a reward during the selection process; for example, the improvement of waste management and the use of secondary materials instead of raw materials are positively evaluated.

The ROP, by supporting innovation in relevant sectors and implementing the transversal RIS3 principle of resource efficiency, has already taken some steps in order to foster green growth and has proven that is possible to build on regional strengths in terms of innovation capacities. Nevertheless, the ROP doesn't explicitly identify CE as a policy goal; this of course doesn't prevent from supporting CE under funding schemes, but a clearer focus on CE would be beneficial, also in order to further increase awareness of involved industrial, research and innovation players.

On that regard RETRACE supports the improvement of the ROP especially under the governance point of view, encouraging improved focus for the calls to be launched (see Actions 1 and 2), integrating new evaluation systems further to boost the adoption of resource efficiency and CE concepts in research or in investment measures (see Action 5).

A structural change of the current policy instrument was regarded to be unlikely, mainly due to time constraints; but RETRACE results could support future policy design, e.g. for the next programming period (see Action 4 and 5). The results of the implementation of RETRACE actions are also expected to gain an indirect improvement in the implementation of regional policies towards CE, through an increased awareness and commitment of key regional innovation actors, thanks to a strengthened dialogue all along RETRACE implementation.



3. Policy Actions

These actions are attempts to give concrete answers to the question: how it is possible to stimulate, favor and support the circularity of the economy even in the presence of systemic limitations (for example on the legislative level) or role (the defined number of policy instruments on which one can operate)?

The answers identified aim to affect different levels:

- A level that implies a direct activation of measures through a tool for calls, within the defined framework of the 2014-2020 ROP ERDF and impacting, where possible, on existing measures (Actions 1 and 2);
- A level on governance and policies, in a medium-term perspective and coordinating its action with that of other sectors and departments of the same Region or with other institutions (Actions 4 and 5);
- A level on culture, in collaboration with the Politecnico di Torino (Department of Architecture and Design) in particular, to form a future class of professionals in possession of the technical and critical tools necessary to promote a circular approach to the economy (Action 3).
-

The Regional Action Plan includes 5 Actions that:

- Address a wide range of Policy Gaps;
- Promote the transition towards a Circular Economy in different areas; from governance to education
- Involve a wide range of local stakeholder; from students to enterprises
- Combine impacts on the current and future programming period.

Action 1 - Call 2018 for research projects reserved for companies already associated or not yet associated with Innovation Clusters

Policy gap

- Policy in support to business and market development for Circular Economy activities
- Support collaboration between sectors

Description of the action

Thanks also to RETRACE contribution, the next call for proposals, scheduled for the first half of 2018, will be based on research agendas structured not only per priority area, but also around the two transversal trajectories of the Strategy for the intelligent specialization of Piedmont, the "Smart" trajectory and "Resource efficiency" trajectory. This will make it possible to orientate and bring out more clearly the planning with respect to the processes of resource efficiency and circular economy.

Timing: Launch of the call for proposals: First half of 2018



Action 2 - Bioeconomy platform

Policy Gap

- Tailored policy measures on Circular Economy
- Support collaboration between sectors
- Policy in support to business and market development for Circular Economy activities

Description of the action

For this action the Piedmont Region will launch a call for projects in the first half of 2018 aimed at establishing a new platform dedicated to "Bioeconomy". The areas of intervention identified cover the areas of innovation of S3 related to agri-food and green chemistry/clean tech, and projects that intend to create connections between these areas are explicitly encouraged with reference to the circular economy model.

Timing: Launch of the call for proposals: First half of 2018.

Action 3 – Training activities at Politecnico di Torino

Policy Gap

- Raising involvement and knowledge of operators concerning Circular Economy

Description of the action

This action intends to support the transfer of the Systemic Design method as main focus inside the Open Systems course, the main teaching module of the Master's Degree "Aurelio Peccei" in Systemic Design at Politecnico di Torino, attended every year by about 80 students. The core aim of the course is to perform a Holistic Diagnosis of the Piedmont production chains through the Systemic Design approach. In addition to the course, a one-week workshop organized by the Department of Architecture and Design (DAD) of the Politecnico di Torino will go further on the topic of the Circular Economy in relation to the production chains of building materials and construction sector waste (one of the main material outputs within the region).

In the broader context of the project, the course and the workshop respond the need to promote actions that increase and support the involvement, knowledge and awareness of the operators (potential producers and users) to the Circular Economy. In this sense, both the training experiences and in particular the course, do not only raise a group of users on the subject, but shape a class of designers that will be the future creators of products and services.

Timing: March – June 2018

Action 4 - Review of regional strategies in view of the new programming

Policy Gap

- Raising involvement and knowledge of operators concerning Circular Economy
- Support collaboration between sectors
- Policy in support to business and market development for Circular Economy activities
- Tailored policy measures on Circular Economy

Description of the action

The objective will be to direct the revision of the Intelligent Specialization Strategy of Piedmont, and more generally the regional strategies and instruments for innovation and competitiveness, to explicitly include the promotion of the circularity of economic-productive processes and the reuse of resources. Moreover, this action will also promote the collection of further knowledge on CE processes and potentials at regional level. As part of this Action, a strong synergy will be created with the Pilot Action on Industrial Transition initiative; Piedmont Region has indeed been selected among the 5 European Regions that will receive, in the course of 2018, a dedicated support from the European Commission to strengthen its strategies and policies to effectively face the challenges of the industrial transition.

The action will involve the interlocution with the main regional economic, research and social stakeholders, as well as with other Sectors of the Administration itself that have competences directly or indirectly linked to the promotion of the CE.

Timing: 2018 – 2020



Action 5 - Definition of improved evaluation systems for regional calls

Policy Gap

- Raising involvement and knowledge of operators concerning Circular Economy
- Policy in support to business and market development for Circular Economy activities

Description of the action

This action aims to strengthen regional calls as levers to promote the circularity of economic cycles, through better targeting selection and evaluation systems.

This action runs in parallel with Action 4, thus the new evaluation systems are expected to be applied to new instruments and calls of the future programming period. Nevertheless, their application in the current period, where possible, is not excluded.

Timing: 2018 – 2020

Promoting project partners

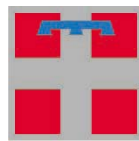
LP – Politecnico di Torino



**POLITECNICO
DI TORINO**

Dipartimento di
Architettura e Design

PP2- Regione Piemonte



**REGIONE
PIEMONTE**



Bizkaia | Spain

1. Overview of Circular Economy in the Basque Country

Circular Economy is acknowledged as a priority sector in Basque Country's RIS3 (PCTI Euskadi 2020). This strategy sets up three priority sectors with established capabilities in the region (Energy, Life Sciences and Advanced Manufacturing), and 3 priority niche areas derived from the territory, in the fields of Ecosystems, Urban Planning and Regeneration, and Leisure & Entertainment. Under the Environmental Ecosystems niche area, Eco-design, Eco-innovation, Green Jobs and Circular Economy are addressed.

Regional Operational Programme (ROP) ERDF Basque Country 2014-2020 sets up a number of measures to support R&I and demonstration projects in the Circular Economy field, under Priority Axis 1 (R&I), Axis 3 (SME competitiveness & entrepreneurship) and Axis 6 (Environment and resource efficiency). In this last one, main programmes and measures supporting Circular Economy are contemplated, mainly managed by Ihobe, Basque Environmental Agency. Under this topic, Ihobe manages grants for eco-innovation and eco-design projects and Flagship and Demonstration Circular Economy projects.

In the framework of the overall Environment Policy of Basque Region, tackling among others Biodiversity and Nature, Climate Change, Renewable Energy and Energy Efficiency, a Circular Economy initiative is considered, with the following goals:

- Foster eco-design as an instrument to reduce the consumption of resources and prevention in waste generation, by increasing the functionality (servitization), durability and recyclability of products.
- Promote process and product eco-innovation to leverage the market opportunities that the environment generates in the global market.
- Support the incorporation of clean technologies and the available technological improvements.
- Set up economic instruments that penalize dumping and the use of natural raw materials and incentivize re-use, recycling and recovery.
- Promote a greener building and construction sector.
- Promote entrepreneurship through new business models that encourage full circles and industrial ecosystems.

Regarding the current policy and the strategy planned for the coming years, there is still ample room for improvement in terms of adopting sector wise and systemic approaches:

- There is still ample room for the development of new products and services in the greening of the economy, so the further **support of R&I efforts** in this field is demanded.
- Adoption of a systemic approach demands embracing new business models by companies, which demands still **wide awareness raising and training efforts**, as well as business modelling support and the access to demonstration grants programmes in this field.
- Systemic approaches also require the **collaboration between different sectors, industries and companies**, which demands 1) access to mapping efforts of Circular Economy value chains in priority sectors, 2) creation of venues and spaces for different sectors and industries to meet, build trust and start collaborating on symbiotic efforts and 3) support to demonstration or pilot initiatives in this field through access to grant programmes or other wider and strategic initiatives.
- **Multi-governance coordination and synergies** by the different administration levels (local, provincial and regional governments). Circular Economy is an emerging and key concept for all of them, so it is necessary for them to take a firm and coordinated commitment through the provision of awareness raising programmes, grants for private companies and a strategic and regulatory framework.
- **Regulation and revision of policies** are encouraged, to effectively support responsible resource and waste management. Among others, speeding up environmental administrative procedures, activation of green public procurement of secondary materials or strengthening inspection and control over unfair competitors. For instance, waste managers role in Circular Economy might be reinforced.



2. Current Policy Instrument addressed by RETRACE

Following the multi-governance levels existing in the Basque Country region, one of the European regions with the highest deconcentrated powers, 3 different policy instruments are addressed:

- Regional Operational Programme ERDF 2014-2020 Basque Country, at regional level.
- Bizkaia Goazen 2030 Strategy, the provincial development strategy of Bizkaia province.
- Lea-Artibai Local Development Strategy, the local strategy of Lea-Artibai “comarca” or area, composed by 12 municipalities.

The 3 policy instruments tackle explicitly the Circular Economy (CE) as a priority for the territory, and provide a number of policies and programmes at the different governance levels:

Regional level: ROP ERDF 2014-2020 Basque Country.

Circular Economy as a topic is addressed in 3 Priority Axes of the ROP managed by Basque Government:

- Priority Axis 1: R&I support plans a number of measures and programmes, mainly grants supporting collaborative R&I, specifically on those sectors identified as a priority in Basque Country’s RIS3. This has identified 3 priorities (Energy, Life Sciences and Advanced Manufacturing) and 3 niche specialization areas. In the latter, under the Ecosystems niche, new Circular Economy models are considered.
- Priority Axis 3: SMEs competitiveness entails a number of entrepreneurship support services, especially on those sectors addressed by RIS3; additionally Environmental and Circular Economy new business models are explicitly mentioned.
- Priority Axis 6: Under this axis, Resource Efficiency and Circular Economy are explicitly addressed, by the provision of programmes and grants aimed at the demonstration of new CE models, the development of eco-innovation and eco-design projects, funded by Ihobe, the Environmental Agency of the Basque Government.

Provincial level: Bizkaia Goazen 2030.

The strategy is managed by Biscay Provincial Council and partially funded by ROP ERDF 2014-2020 Basque Country. Under the strategy focused in Economic Development, a number of grants programmes for innovation and entrepreneurship support are considered, mainly managed by the provincial authority and by BEAZ, RETRACE partner.

Local Level: Lea-Artibai Local Development Strategy.

The Strategy has been identified by the entrepreneurship and innovation ecosystem of the territory, composed by AZARO Fundazioa, RETRACE partner, Lea-Artibai Local Development Agency, Leartiker Technology Center and Lea-Artibai Vocational School. The Strategy has 4 Axes, one of them, named Blue Lab Strategy, explicitly focusing on the awareness raising and promotion of the Blue Economy, Systemic Design and Circular Economy initiatives and projects.



Taking into consideration the common Policy Gap Framework of RETRACE, 3 policy gaps are identified:

- **COLLABORATION** between sectors: Collaboration between companies from different sectors and between public administrations at different multi-governance levels and between public and private operators can be strengthened following bottom-up approaches.
- **ENGAGEMENT AND KNOWLEDGE OF OPERATORS:** Further information, knowledge and training about the paradigm and new models is needed; the role of waste managers might be reinforced in new models.
- **POLICY FOCUSED ON SMEs:** Improvements needed at the multi-governance levels providing actionable information about all available grants to SMEs and a continuum to funded projects among levels.

3. Policy Actions

The Regional Action Plan is composed by 6 actions, a balanced mix in terms of:

- Policy instruments and governance levels addressed, at regional, provincial and local levels.
- Policy Gaps addressed: 3 Policy Gaps mainly: 1) Collaboration between sectors, 2) Engagement and Knowledge and 6) Policy focused on SMEs.
- Improvement areas targeted: Impact is wide, from improved governance at different territorial level of policies (Action 5), to the emergence of new pilot projects and initiatives (Actions 4 and 6), to the delivery of new strategic frameworks (Action 3) and business support services (Actions 1 and 2).
- Stakeholders involved: All of them entail public-private partnerships.
- Implementation time and funding: Some actions are already underway (Actions 1 and 3) and will be dependent on the procuring of external funds (Action 4 and 6), while others will be implemented shortly with own funds (Action 2 and 5).

Nº	Actions	Policy Gap	Governance level	Target Policy Instrument
1	Pilot Programme for Diagnoses and Circular Economy Plans in SMEs	Policy on SMEs	Provincial/ Local	Bizkaia Orekan (Goazen 2030)
2	Mainstreaming awareness raising and training on Circular Economy	Knowledge	Local	Blue Lab Strategy (Local Development Strategy of Lea-Artibai)
3	Circular Bilbao Bizkaia	Collaboration	Provincial	BEAZ Strategy Plan aligned with Biscay Provincial Council's Department of Economic Development and Territory strategy
4	Pilot Project on Food Sovereignty	Collaboration	Local	Blue Lab Strategy (Local Development Strategy of Lea-Artibai)
5	New territorial governance model for Circular Economy	Policy on SMEs	Regional/ Provincial/ Local	ROP ERDF 2014-2020 Basque Country
6	Pilot Project on valorisation of Urban Organic Waste for the production of eco-fertilizers and bioplastics	Collaboration	Local	Blue Lab Strategy (Local Development Strategy of Lea-Artibai)



ACTION 1 – Pilot Programme for Diagnoses and Circular Economy Plans in SMEs

Policy Gap

- Policy focused on SMEs and micromanufacturing.

Description of the action

The Pilot Programme takes place in the framework of Bizkaia Orekan, a programme managed by BEAZ, following Bizkaia Goazen 2030 strategy. It focuses on supporting the competitiveness of SMEs all along the provincial territory of Bizkaia. To that end, the province has been quartered into 4 geographical areas, each of which has identified priority areas based upon territorial challenges. East Area, where Lea-Artibai is located has identified as one of such priorities/challenges, the promotion of new business models around the Circular Economy paradigm as a means of increasing Growth and Jobs.

This priority is deployed into an Action Plan entailing:

- Training on Circular Economy of BEAZ and local administrations staff of the area, including AZARO Fundazioa.
- Awareness raising activities on Circular Economy on mainstream business support events held in the territory.
- Pilot Programme for the development of Diagnoses and Circular Economy Plans in SMEs. Under this scheme, following presentation workshop of the initiative where 55 SMEs from the area took part, 8 SMEs have been selected (3 from Lea-Artibai) and will be the subject of a Circular Economy Diagnosis, considering energy and materials flows. These will be carried out by an independent consultancy company, who will also develop a Circular Economy Plan with a proposal on how to address improvements on the company's process management.

This Action has been inspired by Amsterdam Smart City and ACP Coop practices in The Netherlands.

Timing:

- Pilot Programme will be implemented between 2017 and 2018 with BEAZ funds.
- Selection of beneficiary SMEs and start of diagnoses took place in 2017. Diagnosis and Circular Economy Plans will be available by mid-2018.
- Bizkaia Orekan programme funded by Biscay Provincial Council will go on indefinitely, so the Pilot Programme might be reedited in following years.

ACTION 2 – Mainstreaming awareness raising and training on Circular Economy

Policy Gap

- Raising involvement and knowledge of operators concerning Circular Economy

Description of the action

Blue Lab Strategy is one of the 4 priority and specialization areas of Lea-Artibai Development Strategy. Under this area, AZARO Fundazioa has developed in the last 2 years, since starting working on this field, an active awareness rising and support activity for pushing up between companies and economic agents of the area, the knowledge about the Circular Economy concept and models. In this field, the Good Practices field visited in RETRACE have been a relevant pool of information and inspiration.

Following the capitalisation of such Good Practices, AZARO Fundazioa has been led to consider that awareness raising activities about Circular Economy can only be limited in its impact, so a further mainstreaming of Circularity on the other services provided by the organisation is proposed. Thus, the following is proposed:

- **Training:** Delivery of a Circular Economy and Creativity Training Module on a brand new training programme offered to unemployed women (EMEekin). Circularity will be integrated on an employment and entrepreneurship oriented training programme, whose training contents might be replicated in others.
- **Entrepreneurship support services:** Several actions are planned, such as the inclusion of Circular Economy business cases in the general entrepreneurship materials for awareness raising events; the use of the Eco-Canvas business model in the support of new business ideas; and the creation of a new category in the annual Entrepreneurship & Innovation Awards called by AZARO Fundazioa, that will award with 6.000 € to the most Circular Business Idea.



Timing:

- EMEekin Training Programme will run between 2017 and 2018 with Biscay Provincial Council funds. It might be replicated in future years if funds are procured.
- The Entrepreneurship & Innovation Awards run every year with AZARO Fundazioa funds. New Circular Economy category will be included in the 2018 edition and on subsequent years.

ACTION 3 – Circular Bilbao Bizkaia

Policy Gap

- Support collaboration between sectors

Description of the action

In the framework of BEAZ's Strategy Plan, this Circularity exercise has been put in place, coordinated by Innobasque – Basque Innovation Agency, and the participation of Biscay Provincial Council, BEAZ, Bilbao Municipality and Bilbao City development agency (Bilbao Ekintza) among others. Facilitated by Dutch Circle Economy company, the definition of a Holistic Diagnosis in terms of energy and materials flows of the Bilbao City – Biscay Province territory is proposed, the so called Circle Scan, as well as a number of Pilot Projects resulting from identified flows.

The initiative is deployed into 4 phases:

- 1: Framework and context analysis: analysis of policies, strategies and sectoral economic data.
- 2: Streams flow analysis: by economic sector, water, urban waste, energy and shipping.
- 3: Roadmap: definition of Visions and strategies following identified flows.
- 4: Action Plan: Stakeholders engagement for the pilot implementation of 3 Projects.

Following the scan, three sectors have been selected upon which to implement pilot projects:

- Food and hospitality: new initiatives in restaurants to avoid food loss.
- Retail: New waste separation systems in big retailers and new shipping schemes.
- Advanced Manufacturing: Support to new Additive Manufacturing shared capabilities and demonstration of new circular metal manufactured prototypes.

This action has been inspired by Circle Scan Amsterdam practice, in The Netherlands, also conducted by Circle Economy company.

Timing: Phases 1 to 3 have been implemented in 2017. Phase 4 focusing on Pilot Projects will run between 2018 and 2019.

ACTION 4 – Pilot Project on Food Sovereignty

Policy Gap

- Support collaboration between sectors

Description of the action:

This Pilot Project falls under the Blue Strategy initiative led by AZARO Fundazioa. It is aimed at building new food short supply chains in the Lea-Artibai area, by building new links between the offer and demand side of local food. It responds to the needs to be more efficient on the consumption of local food, considering the positive impact on the local economy, jobs, energy (lesser shipping costs) and food loss. It is built upon the explicit demand of municipalities of the area to make stronger investments on the primary economy sector and on the success of the Basque Government backed up programme in public schools for the consumption of local and organic food supplies.

The project is promoted by Lea-Artibai Development Agency and Lea-Artibai Rural Development Agency, with other partners from Durangoaldea area. It has 3 phases:

1. Diagnosis of local food supply and demand sides.
2. Awareness raising about the map of supply and demand.
3. Short supply chain pilot programme focusing on restaurants and markets.

This action is inspired on several of the programmes and initiatives in the Food & Drink field managed by Zero Waste Scotland and Scottish Enterprise, in Scotland, UK.

Timing: Project will be implemented in 2018, if the project is selected in the Cooperation Call from the Basque Rural Development Programme 2014-2020 where it has been submitted.



ACTION 5 – New territorial governance model for Circular Economy

Policy Gap

- Policy focused on SMEs and micromanufacturing

Description of the action

This action is aimed at improving the overall performance of the Circular Economy strategy of the Basque Country, backed up by ROP ERDF 2014-2020 and embodied by the Ihobe, Basque Environment Agency. It looks for improving the access by SMEs from all the territory to the programmes and grants by Ihobe by the means of a better coordination of the different authorities and bodies supporting Circular Economy in the territory: Ihobe, at regional level, BEAZ at provincial level and AZARO Fundazioa at Lea-Artibai level. To that end the creation of a work group composed by representatives from the 3 bodies is proposed in order to better coordinate information and joint activities looking for a better and coordinated information delivery to SMEs from all the territories on the scope and conditions of the programmes and grants offered by each body and about the possibilities of requesting subsequent aids to the different levels.

This action is inspired by Zero Waste Scotland, the public agency focusing, among others, in Circular Economy in Scotland, also funded by the regional ERDF and proposing multi-governance level initiatives, such as the Glasgow City Scan.

Timing: Project will be implemented in 2018 and 2019, through annual meetings of the proposed work group.

ACTION 6 – Pilot Project on valorisation of Urban Organic Waste for the production of eco-fertilizers and bioplastics

Policy Gap

- Support collaboration between sectors

Description of the action

This Pilot Project falls under the Blue Strategy initiative led by AZARO Fundazioa. It is aimed at a better valorisation of the urban organic waste managed by the Lea-Artibai Waste Management Body (Mancomunidad de Lea-Artibai).

To that end, a demonstration project is proposed, led by Neiker, a Basque Technology Center with Lea-Artibai Development Agency and Lea-Artibai Mancomunidad, as well as other technology centers in France and 2 Basque SMEs.

In the project, the technology tested by Neiker will be tested in a real life setting and escalated into 2 pilot plants that will allow to turn the urban organic waste of Lea-Artibai into granular compost that will be transformed into high value eco-fertilizers, and into biodegradable plastics. The 2 participating SMEs, are the experts in the production of eco-fertilizers and the production of biodegradable plastics.

This action is inspired on Hungrybin initiative, in Rotterdam, Netherlands; in this case the organic waste is used for worm feeding with high protein value and the production of fertilizer.

Timing: Project will be implemented between 2018 and 2020, if the project is selected in the LIFE+ Programme Call where it was submitted in September 2017.

Promoting project partners

PP3 – AZARO Fundazioa



PP4- BEAZ





Nouvelle Aquitaine Region | France

1. Overview of Circular Economy in Nouvelle Aquitaine

The territorial reform implemented in France with the NOTRE law (law bearing the New Territorial Organization of the Republic) is translated by a transfer of competence towards the Region for the planning of the waste and by reinforcement of its implication for the development of the economy circular. This new role is part of its overall approach to the ecological and energy transition of the territory, with a challenge to reduce, manage, recycle waste, and promote the reuse of resources.

Beyond the skills common to all regions, Aquitaine has a favorable ground for stimulating a policy in favor of the circular economy. Particularly mobilized in terms of support for innovation, Aquitaine is the French 1st Region for its research and innovation spending relative to its entire budget (about 10% of its budget). Patent applications increased by 75% over the period 2000-2011 (compared with 30% nationally).

The Region has 5 labeled competitiveness clusters and some 20 clusters in the Aquitaine Développement Innovation network. Among them are the Aquitaine Green Growth Club and the Aquitaine Chimie Durable association, which are particularly involved in the circular economy. Aquitaine has world-renowned sectors of excellence, such as aeronautics and space (Aquitaine / Mid-Pyrenees employment basin is the largest in Europe in the sector), agribusiness (world leader in the wine sector, the 2nd largest agricultural region in France), forest-wood (Europe's largest forested massif), the laser.

These channels have begun to integrate the circular economy in different ways. In particular, they can rely on APESA (technological center for environment and risk management) in the field of anaerobic digestion and ecodesign, on DREAL Aquitaine or on ADEME (French Agency for the energy & environment). The Aquitaine Region has been developing actions for the preservation of the environment for several years. Many documents and tools have been put in place in various fields (climate, energy, biodiversity, waste management).

However, Aquitaine still suffers from fragilities, even delays, which require full and rapid commitment to the circular economy. In fact, the region produces more waste than the national average and is experiencing energy consumption per capita. Aquitaine is the first French region in terms of temperature increase, with 1.1 ° C gained in a century. The French institute on statistics predicted in a 2009 study that Aquitaine would be one of the 5 regions with the highest rate of growth of the population between 2007 and 2040, an attractiveness that implies an increase in energy, water and material needs. In this context, faced with supply difficulties and rising costs, several stakeholders in Aquitaine have already started to develop eco-design, pooling and recycling initiatives.

Regarding strengths and weakness and taking in account the particular situation of France (Adopted in 2015, the French territorial reform reduces the administrative complexity of the territory from 22 to only 13 regions), the new Aquitaine region choose to focus on 4 topics

- Wastes “ Build and implement the Regional Plan for Prevention and Management of Waste”

The Regional Plan for Waste Prevention and Management (PRPGD) will set priorities for the prevention and reduction of waste. This plan will be built with the citizens, in partnership with the local authorities and the various stakeholders (consular, EPCI, professional organizations ...). This topic includes household and similar waste, hazardous waste, and construction and public works waste.

- Develop new sectors and a new economic logic

Because of their expertise in economic development, the Regions are at the forefront of the development of the circular economy. The resulting actions are all the more related to territorial action, as coherence is an important issue. The implementation of a circular economy policy is a factor in the development of activities, employment and innovation.

In this perspective, the RECITA network was launched in the New Aquitaine region in April 2016. It is open to all socio-economic actors in the territory (businesses, communities, researchers, networks, civil society), with the following objectives:

- Bring together committed actors for the development of the circular economy in the territories,
- Enhance regional experiences and assets,
- Share a common culture of the circular economy,
- Contribute to the development of collaborative projects,
- Communicating on the news, the initiatives, diffusing spaces of exchanges, tools.



- Act as a lever for economic development

The development of new sectors and support for an emerging industry are key point for circular economy dynamics, consistent with the economic development strategy of the territory. Added to this is the competitiveness gain of the circular economy for industries, which control their flow of raw materials and can be more efficient at all stages of the product life cycle.

Agriculture and agri-food, major sectors of the Region, constitute in this respect an important potential and priority sectors.

- Fight against food waste in institutions in the Region.

In an exemplary approach, the Region is committed to fighting against food waste, particularly in high schools (296 schools in Nouvelle Aquitaine, with more than 200,000 high school students). Several experiments have been implemented in the territories of the region to fight against food waste and contribute to the recovery of waste: awareness programs for high school students, sorting operations, installation of composters or methanizers.

The outcomes of the Holistic Diagnosis in Nouvelle Aquitaine, linked with the region strategy invite us to work on three sectors:

1. Agriculture

Nouvelle Aquitaine is considered as the first agricultural region of France and Europe with a total utilised surface of 3.9 millions of hectares. Thus, all industry generated by agriculture farming and agro-industry represent the 1st economy in Nouvelle Aquitaine. Agriculture has evolved the last 50 years through a concentration of land owners and a specialization of each producer. This evolution has had several consequences in the input and output flows on each exploitation. On the one hand, the specialization has erased the synergies between different activities of former farms; therefore, new activities generally need more inputs which are often imported from other regions. On the other hand, the output of these new type of exploitations can rarely be valorized completely within the scope of the farm and therefore it is often considered as a waste with the consequent cost for the cultivator.

There are several sectors that have been developed in order to give an answer to the valorization of these outputs: incineration, composting or methanisation have been some of the processes that have been tested in order to generate new value and to enhance the circularity of the activities.

In this section, the focus for this topic was made on methanisation which is a strategic sub sector in Aquitaine for the whole agricultural approach. The current situation reveals that almost all of sites in functioning have to deal with unforeseen hazards. For a great majority, it is translated by a profitability lower than expectations.

This noticed gap between the initial forecasts registered in the businesses plans and income and actual costs of sites reveal several specificities and fragilities of the sector:

- Its big diversity, fruit at the same time of the model of methanisation from waste wished by public authorities (by opposition to a model "standardized" from inputs dedicated strongly methanogen like the corn in Germany) but also of the diversity of the project leaders (very diffuse sector) and the reserved choices of conception
- A technological reference table and of costs maladjusted person: the German model of methanisation that was often held is little adapted for the major part of the cases in France.
- A low maturity of the actors of the sector (as well side project leaders as persons receiving benefits) which is translated by non-standardized practices and an absence of quality standards

Besides, methanisation is a process that not only closes the loops for organic materials, but also has a positive outcome from an energy point of view. Indeed, the biogas issued from this process can be valorized into different processes including: mobility, cogeneration or thermal utilizations. Moreover, this gas is also a key vector within the smart grids that are being developed in Europe.

Lastly, French government has recently announced new policies that will be applied into different governance scopes, including regions. These policies include a target of ten thousand units for methanisation by 2050 (there are currently 600 in France).

2. Wood

The wood sector faces a strong national sector. The forest management practices favor provisioning of forest goods and services (e.g. timber, firewood). For several decades, deciduous forests in France, providing products with low added value, have been replaced by coniferous species in some regions like in Nouvelle Aquitaine.



As a consequence, with more than 2.8 million hectares, Nouvelle Aquitaine is the region with the largest forest area in France. One-third of its territory is covered with forest, which ranks it the 4th among regions for the afforestation rate. Therefore, the wood industry is the Nouvelle Aquitaine region is a major economic sector. In 2013, the volume of samples taken in the forests of Nouvelle Aquitaine amounts to 9.7 million m³ (round wood on bark), or more than a quarter of the timber harvest in France. In 2012, companies in the forest-wood sector (excluding businesses and services), of which at least 80% of employees work in the Nouvelle Aquitaine territory, posted revenues of € 9.7 billion or 11% of the national potential of this sector. Moreover, the region Nouvelle Aquitaine benefits of a strong R&D activity (through the development of the Xylofutur pole of excellence) and a strong network (SMEs, university, etc.)

Moreover, current strong European and French policies are related to the wood sector. As an example, France's renewable energy production targets in 2020 are based on 46% of wood energy (wood, logs, wood chips, related sawmill products, end-of-life wood products, pellets). In addition, recent policies enforce the structuration of the end-of-life of furniture products with dedicated structure (for ex. Valdelia) to support the recycling and valorization of wood.

Therefore, this new context challenges the wood value chain and requires the development of new practices to reach the different targets (valorization, renewable energy, etc.)

3. Textile

The textile sector has not been pointed as a priority sector in the New Aquitaine strategy. Nevertheless, we found in the Holistic diagnosis that local waste management authorities have real problem with this topic. Then, we consider that the main challenge to address is to work on the specificity of textile waste and to develop a real local policy on this topic.

In Nouvelle Aquitaine, the sector is represented by diverse sub-industries in departments and a high consumption level. We count:

- A strong leather industry in Dordogne;
- An industry of surf, sweat wear & down-based-products in Pyrenées Atlantique and Landes;
- Poitou-Charentes develops luxury goods underlined by the Pole Grand-Ouest composed by different brands;
- The activity of textile and clothing revalorization has been strongly established in local social economy for twenty years. Emergent models & practices were recently engaged to accelerate the quality and quantity treated in Nouvelle Aquitaine.
- Research in advanced materials is a priority for Nouvelle Aquitaine. Different types of them could be addressed for textile & clothing industry. (bioplastics, waste...) Natural fibers like hems or linen are also cultivated so as to relocate the industry. A cluster "Demain" is in charge of the valorization of hemp in the territory.

2. Current Policy Instrument addressed by RETRACE

The operationnal program for France is PO FEDER FSE Aquitaine 2014-2020.

The OP showcases 2 Priority Axes (PAs), relevant to RETRACE:

- PA1 (R&I): It is aimed at the support of the 11 priority sectors of RIS3, 5 of them with close links and a relevant potential to industrial symbiosis approaches and systemic approaches from a Circular Economy perspective, which includes the specific support of collaborative projects and initiatives for the adoption of such approaches, as well as the creation and growth of start-ups in these fields, through grants and financial instruments.
- PA3 (Education, Training and Employment): There is a specific objective aiming at the increase of employment on the Social Economy field, where the Circular Economy and eco-conception fields are specifically stated as an employment source for the region, to be specifically supported.

The identified gaps that Retrace aims to tackle are in line with the sectors we defined in the HD. We found the nexts gaps:

- Coherence of local governance for circular economy development:
Consistency between stakeholders and scales (regional, local, transversal) needs to be clarified, including the role and means of support structures. Link the actions of the regional waste plan and the



circular economy with local governance as "The label" Zero Waste, Zero Waste "In the Basque Country, a project of local self-shared governance is envisaged to create and distribute the support to the local fabric.

- Reinforcing supports for social entrepreneurship initiatives based on local resources:
Circular economy and social entrepreneurship are strongly connected. Although a set of measures exist to fund the development of SSE projects and that a social innovation AMI is opened every year, there are still many obstacles to undertake and in particular to finance projects in the upstream phase. Repair workshops or recycling and citizen cooperatives are models to promote to boost the circular economy
- Raising involvement and knowledge of operators:
Involving and training locally is essential to ensure the development of circular economy projects. New applications can emerge thanks to the mobilization and involvement of various actors (citizens, students, cultural centers, entrepreneurs, public actors ...) The organization of repair or knowledge sharing workshops, participative and self-learning contributes to the integration of people in difficulty, the transmission of knowledge and the improvement of citizen involvement.
- Supporting circular fashion and textile development:
Improving local sorting from diverse collection points, Facilitating social entrepreneurship for dressing management and upcycling centers. Creation of local supply-chain for wool, hemp, linen and recycled fibers.



3. Policy Actions

Action 1 - Strengthen support for social entrepreneurship projects that seek to leverage local resources, reuse and repair.

Policy Gap

- Support collaboration between sectors

Description of the action

The action presented here is to strengthen the links between social innovation and the circular economy by encouraging the development of strong skills and appropriate infrastructure for reuse / repair.

Timing

- Second semester 2018: Setting up collaborative workshops around product repair
- Second semester 2018: RECITA event: ESS and EC
- Second semester 2018: Establishment of a roadmap for the development of a repair network / research center
- 2019: Development of recommendations for the various actors involved in the repair

Action 2 - Support the development of new sectors around textile recovery and responsible fashion

Policy Gap

- Tailored policy measures on Circular Economy

Description of the action

A new impetus is currently developing in the world of textiles and fashion to tend towards more sustainability and circularity in the modes of production and consumption

There is a strong presence in the New Aachen region of the re-use and SSE structures, which for more than 20 years have sought to collect, sort and facilitate the reuse of used textiles. Clusters and clusters of activities around the sector are also present on the territory, such as the Leather cluster in the Dordogne, and the newly created textile solidarity group, the Eurosima for surfing and snowboarding, and the Pole Grand-Ouest dedicated to luxury products

The textile waste and circular economy roadmap in New Aquitaine should be defined in the spring of 2018. The objective of this roadmap will be to identify priorities for action for the 2 - 3 years to be proposed for the Regional Prevention Plan and Waste Management.

Timing: 28 March 2018 Road map definition meeting in Bordeaux.

Action 3 - Initiate a biogas project adapted to small farms (for example in the French Inner Basque Country)

Policy Gap

- Policy focused on SMEs and micromanufacturing

Description of the action

Systemic design opens the discussion on the size of the optimal infrastructure of industrial and agricultural activities needed to "close loops" and keep a human proportion adapted to the specificities of the territory concerned. For example, in agriculture and methanisation, the inadequacy of the equipment can lead to material failures on the anaerobic digestion process that results in losses of income and additional investments to be made to adapt the design of the anaerobic digestion unit.

Initial discussions took place during workshops held in the territory by the Retrace project in January 2017 and 2018. A more formal meeting is scheduled for spring 2018 to define a specific roadmap.

Timing: Roadmap definition meeting in April 2018 in Bayonne



Action 4 - Develop local skills necessary to ensure the transition to the circular economy and more specifically to the (re) creation of applications based on natural fibers

Policy Gap

- Raising involvement and knowledge of operators concerning Circular Economy

Description of the action

In New Aquitaine, there is a strong potential due to the importance of agricultural land and the agricultural sector in the territory. Several projects have been identified to re-build the sectors around natural materials such as Adour flax, Atlantic hemp, duck down, Pottias poo, oyster shells, sheep's wool. These projects, for the most part, are still in the early stages of development and are looking for support to advance their exploration and / or implementation.

During the period 2018-2020, first accompaniments for project leaders as well as for students and entrepreneurs will be created. The format of the collective action will be defined during the exchanges between the structures involved according to the resources available for the project.

Timing:

2018 – 2019: Research for funding and opportunities to create training and a multi-stakeholder collective actions; Support of the ongoing projects

2019 – 2020: Initiation of the collective action and training design; Analysis of synergy identification

Promoting project partners

PP5 – Higher School of Advanced Industrial
Technology - ESTIA



PP6 – Association for Environment and Safety
in Aquitaine - APESA





Slovenia

1. Overview of Circular Economy in Slovenia

The overall context for the transition to circular economy in Slovenia has recently been set at the systemic level when the Government adopted Slovenian Development Strategy 2030. This document presents a new long-term national development framework and its primary objective is titled “Slovenia, a country with a high quality of life for all.” With twelve interconnected development goals, among which is also Low-carbon circular economy, it sets a new foundation for the future development of Slovenia. The document recognises that such a transition will not be possible without fundamental changes in consumption and production patterns, improved utilisation of resources which are already integrated into systems preventing the generation of waste, using waste as a source of secondary raw materials and establishing an effective waste management system. Since Slovenian economy depends on imports of raw materials the implementation of measures for a transition to a Circular Economy is essential. This document will provide an overall framework to better connect and intertwine existing numerous initiatives and projects that are striving to support the transition to Circular Economy.

The Holistic Diagnosis, which was prepared by using the principles of the Systemic Design had identified that there is a potential (natural assets, infrastructure, economy, social capital, R&D) that could be further activated in a systematic way towards the Circular Economy. One of the vehicles for this is, as recognised in Smart Specialisation Strategy of Slovenia (S4), also Circular Economy. This is one of the three priority pillars where altogether 9 areas are identified in Slovenia where there is potential for further specialisation. Each of the nine areas of application witnessed an establishment of one Strategic Research and Innovation Partnership, among them is also SRIP – Networks for transition into Circular Economy. Within this cluster focus will be given to sustainable energy, biomass and alternative raw materials, secondary raw materials, functional materials, processes, circular business models.

2. Current Policy Instrument addressed by RETRACE

The policy instrument that was addressed by the RETRACE project is Operational programme for the Implementation of the European Cohesion Policy 2014 – 2020¹ (ROP) is a national document which combines all European Investment and Structural Funds (ERDF, ESS, CF). The document covers two Cohesion regions. The total budget is approximately 3bn of the EU funds. The funds are allocated to 11 priority axes. Among the axes that are the most relevant to enable transition to CE are:

- PA 1 International competitiveness of research, innovation and technological development in line with smart specialization for enhanced competitiveness and greening of the economy
- PA 3 Dynamic and competitive entrepreneurship for green economic growth

The main reason for which the document was selected is the fact that any potential changes that could be initiated, could have relatively high leverage effects.

In terms of Circular Economy the document has all the essential elements in place that allow for preparing relevant instruments to facilitate the transition to the Circular Economy under the PA 3 as well as under the S4.

¹ <http://www.eu-skladi.si/en/key-documents>



At this stage, it would be very difficult to envisage any substantial changes of ROP itself. Improvements could therefore be mainly sought at the implementation level of new projects or call for proposals. For this to happen it is needed to deepen cooperation among various actors and stakeholders that are involved in shaping the content aspect of the implementing process. The aim should be at this stage to mainstreaming the criteria leading to more resources efficient and circular endeavours could be supported in a systematic manner. Since the next programming period for EU funds is approaching quite quickly, the conclusions from the RETRACE project could be another vehicle that will provide an important input for the next programming period.

3. Policy Actions

The actions proposed are trying to remove some of the obstacles identified in the project implementation process and are based on the following main guiding principle: cooperation and dialogue among stakeholders: silos thinking and also very much silos communication still persists among various stakeholders groups and prevent faster transition to the CE.

This main guiding principle will provide a frame for the two additional, more specific guiding principles:

- Systemic change – this principle will reflect itself in improved long term conditions (mainly in terms of legal framework and improved knowledge and capacity among the stakeholders)
- Generating the “quick wins” which will manifest itself in potentially improved call for proposals

Action 1 – Better alignment of legal framework in the areas, related to the waste and by products topic

Policy Gap:

- Policy regulations on Circular Economy

Description of the action

Main aim of this action is to bring together various stakeholders that sometimes do not find appropriate ways to establish dialogue which would improve the understanding among them, improve the trust and support the removal of legal barriers preventing faster CE transition. The elements of this action aim at form a dialogue platform which will provide a space for the:

- Representatives of business community and other stakeholders to prepare a list of possible secondary raw materials that could be valorised or create closed loops.
- Meetings to be planned to debate which of the materials from the list could be used in further productive processes, what are the obstacles to prevent this to happen and how could these obstacles be removed. The relevant regulations will be identified and in the multistakeholders process the changes will be proposed. This will be linked to the transposition of the new EU waste management package into the Slovenian legal framework.

Timing: April 1st 2018 – continuous action

Action 2 – Establishment of appropriate price signals for the transition to Circular Economy

Policy Gap

- Policy in support to business and market development for Circular Economy activities

Description of the action

The action is aimed at stirring the debate on what could be the appropriate financial incentives to stimulate strengthening the secondary raw materials and improve the predictability for the companies on one hand and on the other hand to help to reduce the overall amount of waste that is being landfilled. The main elements of this action consist of presenting solution that has been developed in Scotland (escalating landfilling tax). Also this action aims at preparing the analysis of the current system in place and tries to find the appropriate solutions to improve it. The attention will also be devoted to present other interesting cases of price signals aiming at reducing the overall amounts of waste and increased use of secondary raw materials. Extended producers responsibility will be considered, also by establishing the synergies with related projects.



Timing: April 1st 2018 – continuous action

Action 3 – Strengthening the support environment and designing the measure for the enterprises in the field of Circular Economy

Policy Gaps

- Policy focused on SMEs and micromanufacturing
- Tailored policy measures on Circular Economy

Description of the action

This action aims at improving the support environment to enable smoother transition of companies towards the circular business model. This action consists of two main measures. First one is concerned with improving the knowledge within the support environment through preparing the educational package and to connect various actors in the support environment with the design community. Together with the Centre for Creativity, it is aimed at improving the knowledge of the designer experts in the areas that facilitate the transition to Circular Economy. The other measure consists of the activities that will create more targeted financial support for the companies that intend to work towards the Circular Economy business models. Main elements here will be addressing the development of appropriate selection criteria and their mainstreaming. Also important task in this measure will also be to improve the cooperation among the stakeholders that are involved in preparing and approving operations that are supported via ROP.

Timing: 2018 - 2020, later, continuous action

Action 4 – Low level of knowledge and understanding of of the Circular Economy principles and sustainable development in central government institutions

Policy Gap

- Raising involvement and knowledge of operators concerning CE,

Description of the action

The main aim of this action is to enhance the level of knowledge and expertise in the central administration when it comes to Circular Economy. There are two main elements/approaches how this will be carried out. One line of implementing this action is related to the membership of Slovenia in the initiative of Ellen MacArthur Foundation which provides for its members also an educational programme. Additionally this action predicts development of short educational module, together with the Administration Academy. The main target group for this programme will be the managers in various central government units.

Timing: Second half of 2018 – continuous action

Promoting project partner

PP7 – Government Office for Development and European Cohesion Policy



REPUBLIC OF SLOVENIA
**GOVERNMENT OFFICE FOR DEVELOPMENT
AND EUROPEAN COHESION POLICY**



North-East Region | Romania

1. Overview of Circular Economy in North-East Region

The circular economy concept has been explicitly addressed at the end of 2017 in the Waste Management National Plan, that aligns the principles and targets set by the Circular Economy Package issued by the European Commission, 2 years earlier.

The North-East RIS3 sets the priority sectors with potential for specialization in North-East Region and also identifies a series of value chains treated as economic sub-sectors and for which assessment action will be performed in order to design them in a closed loop. The main aim of developing value chains is to obtain enhanced economic growth with minimum (or optimized) material and social costs, or a maximum efficiency with a minimum impact on the environment. The value chains identified within the RIS3 priority areas are initially cited as:

- Agrofood (with high regional diversity)
- Waste
- Water
- New materials
- Sustainable energy
- Health, demographic changes, healthy life-style

The document also addresses the short value chains that would enable the implementation of systemic design principles for a circular economy at regional level. To this end, the North-East RIS3 also indicates that the implementation method for value chain projects requires the establishment of a specific area/intervention geographic area (living lab), where the RI actors can test the solutions developed in laboratories or in business incubators.

The Holistic Diagnosis performed within the framework of RETRACE project was focused on sub-sectors of the economic sectors with potential for specialization identified within the Smart Specialization Strategy North-East (RIS3), elaborated by the North-East Regional Development Agency. The RIS3 envisages industries that are well anchored into the regional economic system and that ensure critical mass along the value chains. The analysis identified the importance of these sectors starting from the traditional industrial concentrations at regional level.

Thus, sectors such as textiles and clothing, agri-food, wood processing and furniture and ICT revealed firstly. Further analysis concentrated upon emergent sectors, such as biotechnologies, and upon critical sectors, such as tourism. These 2 sectors, are limited against the new approach: biotechnologies do not aggregate enough critical mass and fragmentation is well marked, and tourism lacks technology innovation, being a part of the sectors that do not generate technologies, but make use of them.

Following sectoral studies, in response to the need to develop the priority sectors, the first step reconfirmed their importance for the development of the North-East Region. The diagnosis revealed the strengths and weaknesses for the implementation of circular economy and systemic design within our region in the following sub-sectors:

- Forestry & Wood processing industry
- Textiles & Clothing
- Chemical and Pharmaceutical industry (exponent of Biotechnologies KET)

For these sectors and in the context of RETRACE and implementation of the policy instrument represented by the PA2 of the ROP 2014-2020, we can conclude that there is a good availability of valuable resources: natural, human, knowledge, legal (regulatory), but they are neither sustainably nor systemically valorized nor correlated. The improvement potential lays in several actions that should produce exemplary immediate results:



- emergence of circular economy specific funding, as main driver for implementing CE initiatives;
- awareness and knowledge consolidation among the regional stakeholders, as main drivers for behavioral change and barriers removal;
- innovation support through further analysis of the regional potential for CE and SD and highlighting the innovation and economic opportunities.

The latter two directions should play a significant role in fostering collaboration at regional level, aiming at better configuring and exemplifying the systemic design approach.

Further measures should be identified by addressing the major societal challenges that characterize the European and global scene, and that do not by-pass the North-East Region of Romania.

2. Current Policy Instrument addressed by RETRACE

The instrument addressed through the implementation of RETRACE project, is the Regional Operational Programme 2014-2020 (ROP) – Priority Axis 2 (PA2): Improving competitiveness of SMEs

The policy instrument addressed tackles TO3 and envisages mainly the SMEs that develop innovative activities (According to Oslo Manual). The ROP will support the initiatives of innovative companies, except the research dedicated companies, that will benefit of support through other programmes.

The instrument provides support for SMEs that act within the competitive sectors identified at national level (in National Strategy for Research): tourism and eco-tourism, textiles and leather industries, wood and furniture industries, creative industries, ICT, health and pharmaceuticals, energy and environmental management, biopharmaceuticals and biotechnologies, as well as sectors identified at regional levels in RDP and RIS3. For the North-East Region, the instrument supports also: Agrofood, Biotechnologies, Textiles and new materials, Tourism, ICT, Environment.

The instrument foresees in the evaluation grid a criterion for reducing waste at the source. Still, a specific reference to CE is not mentioned. However, introducing the Innovation related criterion, ensures that companies willing to introduce CE in their business model can submit such proposals.

CE is not encouraged explicitly in this instrument and, in the absence of a solid awareness regarding the opportunity represented by this approach, we expected to have few to no initiatives envisaging circular economy model. In fact, following the allocation of all available funding under this instrument, but only after reviewing the results of the first call (for micro-enterprises), there are 3 contracts signed for CE-related projects.

Improving this instrument is needed to offer better support to locally established companies that act within a sustainability development framework, and also better reference to CE and efficient use of resources.

Next steps include systematically investigate the possible connections and complementarities between different sectors and value chains within the North-East Region, to identify possible operational synergies among them and then set up a reference framework for a more efficient use of the EU and regional funds.

There is a need to find synergies correlated to the potentially leading (growing/driver) sectors, markets, value chains, natural resources and relevant societal actors. First steps have been made within RETRACE project, but a deeper analysis, engaging knowledge and industry actors must be undertaken for each sector.

In order to take SD one step closer to implementation, there is a need to identify the most promising cross-sectoral regional value chains synergies that could boost the application of the CE business model.



3. Policy Actions

The three actions proposed by the North-East Regional Development Agency through the Regional Action Plan, aim to tackle the barriers that can be overcome through specific and rapid actions that demonstrate the potential of CE and SD for the local and regional economies.

Throughout the RETRACE experience exchange program, the stakeholders were specifically interested by the “HOW” aspect of good practices. In that perspective we consider that, as project partner, we should focus on ensuring leadership for revealing the mechanisms that stay behind the best practices through customized actions.

Some specific vulnerabilities identified during the holistic diagnosis, that proved to be policy gaps as well, supported by the strengths of the region led to the actions to improve the framework conditions, on three levels:

- Funding policy level: ensuring access to funding for stimulating SD and CE investment projects under ERDF;
- Facilitation of waste reduction (environment policy): knowledge on secondary raw material standardization for reuse;
- Exemplary role of local communities (local policies for social wellbeing): planning for sustainable local development and awareness raising, by example.

These actions are meant to prepare the “4Rs” framework for CE and SD adoption, to facilitate funding the circular economy projects and investments, and to showcase the exemplary role that can be assumed by local authorities for the wellbeing of their citizens and economies.

ACTION 1 – Improving specific funding schemes for fostering circular economy and the systemic design approach

Policy Gaps

- Support collaboration between sectors
- Tailored policy measures on Circular Economy

Description of the action

The aim of this action is to promote the inclusion of the 2nd NACE code among the eligible criteria for investment projects, under the calls for proposals launched for the PA2 of the ROP 2014-2020, a condition that is now not supported under this PA. The North-East RDA has the contractual liability to provide improvement suggestions to the MA, upon its request. The introduction of a 2nd NACE code in the same proposal will enable applicants to reduce their own waste by introducing it to new economic/productive activities.

The ROP 2014-2020 PA 1 creates the framework for ensuring a TT between research organizations and companies to collaborate and to exploit the potential of scientific research results. Our action will focus on encouraging the collaboration for cascade use, reuse, and recycling of materials. A condition to influence this approach is to have the possibility to apply for funding for 2 NACE codes activities. At this moment, the MA agreed to include this provision under PA 1 (North-East RDA proposal), but for PA 2 this is not an option at this moment.

Timing: 2018-2019, upon the launch of a new call for proposals under PA2 of ROP 2014-2020.

Action 2 – Improving the Environment Public Authorities knowledge on secondary raw materials

Policy Gaps

- Support collaboration between sectors
- Raising involvement and knowledge of operators concerning Circular Economy
- Policy regulations on Circular Economy

Description of the action

The problem related to the quality standards of secondary raw materials is a general issue at European level, and also manifests in Romania as well. There are producers whose output are refused as input by



potential partners because of their taxonomy as waste and with no certificate for guaranteeing quality. Large quantities of textile waste cannot be standardized because of their diversification in quality: colour, composition. But this is also the case of construction materials waste that can be used for road construction, but in the absence of quality standards referring to composition and radiation level measurement, this waste stream remains unused and a problem for landfills.

This action will envisage improving of the knowledge of the Environment Protection Agencies in the 6 counties of the North-East Region in order for them to potentially elaborate quality standards and provisions for secondary raw materials.

Timing: 2018-2019 – depending on the availability of the funding source envisaged.

Action 3 – Pilot actions to implement systemic design for Circular Economy at local level

Policy Gaps

- Support collaboration between sectors
- Policy regulations on Circular Economy
- Policy in support to business and market development for Circular Economy activities

Description of the action

This action aims at supporting an association of 7 municipalities to plan the local economic development of their territory on the principles of SD and CE. This action aims at valorising the resources of the territory and to further identify the existing synergies in the local economic tissue, expressed through the elaboration of a strategic document (territorial development strategy).

Timing: 2018-2019

Promoting project partner

PP8 – North-East Regional Development Agency



Agenția pentru Dezvoltare Regională
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