

ROMANIAN CIRCULAR ECONOMY ACTION PLAN



PAEC, 2024-2032

EXECUTIVE SUMMARY

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CIRCULAR ECONOMY ACTION PLAN - The Romanian Government has approved the **Action Plan** for promoting the Circular Economy as an integral part of the National Strategy for the Circular Economy. This Government Decision, no 927/2023, was published in Official Gazette of Romania Part I, no. 918 and no. 918 bis on October 11, 2023¹, and complements the National Circular Economy Strategy (NCES) adopted by Government Decision no. 1.172/2022.

The **Circular Economy Action Plan** (in Romania is abbreviated as **PAEC**) is part of the government's recent efforts to accelerate the transition to a circular economy in Romania. The PAEC (**2024-2032**) can be accessed [here](#).

Circular economy measures offer the opportunity to meet climate commitments and other sustainable development goals, while contributing to economic growth and job creation. The rationale behind PAEC and the mission it aims to achieve in the current context of the circular economy in Romania are explained in more detail in its first three chapters. While NCES provides directions to follow and general objectives to guide the development of policies aimed at advancing the circular economy in Romania, PAEC proposes and describes concrete actions to promote the transition to the circular economy in Romania. The general objectives adopted through NCES are:

- prioritizing local production over imported products and materials;
- strengthening economic competitiveness and the labor force;
- responsible and sustainable supply of raw materials;
- priority promotion of innovation and research in the field of circular economy;
- preservation, conservation and sustainable use of natural resources;
- prevention of waste generation and sustainable waste management;
- promoting responsible consumption and environmental education;
- protection of ecosystems and citizens' health.

To facilitate the achievement of these objectives, PAEC proposes a series of transversal actions, as well as specific sectoral actions. Transversal actions include measures on education and vocational training, research, development and innovation, green procurement and encouraging digitization, which are essential for facilitating circular transformation in the Romanian economy.

Actions for education, training and public awareness of the principles of circular economy can create the necessary skills for the transition to circularity, but can also contribute to changing consumption and production behavior. Research, development and innovation measures can also play an important role in supporting the circular economy, in particular with regard to new materials and products, the substitution and elimination of hazardous substances, the encouragement of business models that follow the principles of the circular economy, the promotion of new production and recycling technologies, development of indicators and data collection, etc. In addition, digitization is an important element of the transition to a more circular economy. Digital technologies can help track the paths of products, components and materials to enable businesses to operate more efficiently, reduce waste, extend product lifecycles and reduce transaction

¹ - <https://legislatie.just.ro/Public/DetaliuDocument/275218>

costs. Digital platforms can also facilitate data flows, collaboration and sharing schemes within multi-stakeholder ecosystems, thus reducing the tight use of existing assets and enabling the accumulation of collective knowledge and the spread of business models based on circular economy principles. Last but not least, the transition to circularity can also be facilitated by green procurement. The purchasing power of public authorities in Romania is estimated at approximately 19% of the gross domestic product. Green procurement can therefore play an important role in increasing demand and providing opportunities for those who market products and services that incorporate circular principles by prioritizing the procurement of works, products and services that contribute to closed energy and material loops, minimizing the negative impact on the environment and the generation of waste.

PAEC also presents actions specific to the nine economic sectors that have been identified through NCES as the areas with the greatest potential for circularity in the Romanian economy. The sectors were selected based on their economic importance, environmental and health impacts, and circular economy issues and opportunities. Thus, the **sectors** are:

- agriculture and forestry;
- automotive;
- constructions;
- food and beverages;
- packaging such as glass, paper, plastic materials, wood and metal materials;
- textiles;
- electrical and electronic equipment, including batteries;

as well as two sectors relevant to the entire economy and society, namely:

- waste,
- water and wastewater.

For cross-cutting actions and for each of the nine sectors, the PAEC identifies at least five priority actions and in most cases introduces a set of additional measures that will also be implemented to accelerate the transition to the circular economy.

The PAEC presents and describes a total of **52 priority actions** in ten areas, one at a transversal level and nine at a sectoral level. For each area, the actions were prioritized according to:

- the feasibility of their implementation,
- the urgency and potential to accelerate the transition to the circular economy,
- the relevance for complying with EU directives and for achieving the objectives set at national level,
- the existence of good practices in other EU member states.

A significant part of around 38% of the priority actions concerns legislative, regulatory and/or policy changes that could facilitate the transition from linear to circular economy. Other actions focus on infrastructure development, including digital - 23%, financial support for the private sector - 11%, education and

professional training - 9%, sensitization and awareness campaigns - 7%, the application and monitoring of legislation and regulations implementation - 6%, and research, development and innovation - 6%².

To establish and develop priority actions, 59 interviews were conducted with stakeholders and representatives from the nine economic sectors, with at least 5 interviews per sector. Interviewees included employers' and professional associations in the industry, private companies, non-governmental organizations, organizations implementing extended producer responsibility obligations, as well as public authorities. This working procedure played an important role in deepening the specific challenges and barriers to the transition to the circular economy and helped design practical measures to overcome these barriers.

The priority actions described in the PAEC are linked to the general objectives set out in the NCES. In addition, in Chapter VII, for each priority action, a detailed description of the challenges addressed by that action, the measures to be taken to address them, the entities responsible and involved, and the time horizon for their implementation is provided. Chapter VIII provides examples of good practices that are relevant for action, while Chapter IX presents tables for monitoring and evaluating progress in the implementation of the PAEC.

Stakeholder interviews also played an important role in building a picture of the main barriers that may arise when implementing actions. Therefore, in Chapter IV "*Objectives, transversal actions and actions specific to each sector*" are presented the necessary elements for the implementation of the PAEC. It addresses trends and opportunities in funding, presents the governance framework to ensure the implementation of actions and the framework for monitoring, evaluating and disseminating progress made and challenges encountered in achieving the objectives.

The three elements that facilitate the implementation of PAEC, financing, governance framework and monitoring, are corroborated with three of the priority actions, included in sub-chapter 4.1 Cross-cutting actions, which refer to the expansion of financial support given to circular initiatives by the private sector, to strengthening the capacity of the public sector in the field of circular economy and developing a digital platform to facilitate the monitoring and dissemination of knowledge relevant to circular economy.

In order to mitigate the risks identified in Chapter VI, the Coordinating Committee for the Circular Economy, established by the Decision of the Prime Minister no. 553/9.12.2022³ with the role of coordinating the implementation of NCES and PAEC, will develop a strategy for the sequential implementation of PAEC, starting with the prioritization of PAEC actions according to the time horizon, available funding sources, responsible entities, and supplementing the actions with additional information provided by technical experts within the entities involved in the governance structure and by private stakeholders with whom their members will consult, as well as with cost estimation, based on a dedicated study.

² - These percentages should be regarded as purely indicative, to give a general picture of the types of actions of PAEC

³ - <https://legislatie.just.ro/Public/DetaliuDocument/262375>.