

## **D.T1.1.1**

# **Capitalisation of existing results**

## **Romania**



CLUSTERO Romanian Cluster Association  
MEEBE Ministry of Economy, Energy and Business  
Environment  
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### Project Information

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<http://www.interreg-danube.eu/approved-projects/godanubio>

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## **Chapter 1: Short description of the region and its economic situation in general**

Due to the financial crisis, Romania endured an economic slowdown, especially in the automobile sector, which is subject to foreign demand. Financial difficulties pushed Romania to seek financial help from the International Monetary Fund, the European Commission and the World Bank. More recently, the Romanian economy was among the fastest growing in the EU, but this economic boom began to fade out in 2018 (4.4%) and 2019 (4.1%). In 2019, an increase in both public and private minimum wages boosted public consumption, together with robust investment supported by European funds and the construction sector. According to the updated International Monetary Fund forecasts from the 14th April 2020, due to the outbreak of the COVID-19, GDP growth is expected to fall to -5% in 2020 and pick up to 3.9% in 2021, subject to the post-pandemic global economic recovery.

Concerning public finances, the government deficit increased to 4.1% due to a higher cost of public officials' wages and an increase in old-age pensions. The latter will be indexed by 40% in September 2020, making the fiscal deficit stable in the next years, 4% of GDP in 2020 and 3.9% in 2021. This expansionary fiscal policy should entail a debt-to-GDP ratio increase from 37.4% in 2019 to 38.6% in 2020 and 39.8% in 2021. Annual average inflation was at 3.8% in 2019, although it cooled off towards the end of the year, with inflationary pressures set to ease this year and in 2021. (2.2% and 1.5%, respectively - April 2020 World Economic Outlook International Monetary Fund).

An aging population, emigration of skilled labour, significant tax evasion, insufficient health care, and an aggressive loosening of the fiscal package may compromise Romania's long-term growth and economic stability and are the economy's top vulnerabilities. With 32.5% of population at risk of poverty, Romania remains one of the poorest countries in Europe (data by Eurostat). Unemployment has decreased in the last years (3.9% in 2019 according to International Monetary Fund estimates), but the country's informal economy remains significant. The International Monetary Fund expects the unemployment rate to be heavily affected by the negative economic impact of the COVID-19 pandemic, the rate being currently estimated to increase to 10.1% in 2020 and decrease to 6% in 2021.<sup>1</sup>

## **Chapter 2: Objectives and identification**

The main objective of this deliverable is to gain good knowledge and, when possible, to capitalize results from a selected list of EU-funded projects and macroregional documents that are related with demographic change, circular bioeconomy and/or sustainable rural development.

The first research batch, focused on Horizon 2020 projects, was delivered by MIZS; BIOPRO made a first selection from this batch and extended the search in October 2020 with a focus on Interreg projects (Danube Transnational Programme, Alpine Space and Interreg Europe, including ARPAF) using the

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<sup>1</sup><https://www.nordeatrade.com/en/explore-new-market/romania/economical-context>

[keep.eu](https://keep.eu) database. Further research related to Horizon 2020 projects was done through [CORDIS](https://cordis.europa.eu/) and the database of the Bio-Based Industries/BBi JU funded [LIFT project](#) that encompasses the results of up to 34 coordination and support actions funded mainly by Horizon 2020.

As search criteria, projects starting from 2016 onwards were considered and it was intended that most of the selected projects had at least one of the countries participating in GoDanuBio in their consortia. From each relevant project, its deliverables and outputs that could be interesting for the development of GoDanuBio were identified using the project websites. In some particular cases, the deliverables were not available and, if relevant, were requested by other means.

The search has delivered 19 EU-funded projects and 12 transregional documents. Only a handful of them have a focus on the deployment of the bioeconomy in the Danube macro-region; some of the outputs can be used as inspiration or even guideline to gain insight in the transnational approach aimed by the project. Complementary to this search, all partners are invited to identify further transregional projects and macroregional documents that are relevant for their regions with regard to the implementation of GoDanuBio and to include them in their reports.

#### **Identification and short description of the regional documents:**

##### **a) Projects:**

##### **1. Title: BE-RURAL – Bio-based strategies and roadmaps for enhanced rural and regional development in the EU**

**- Horizon Europe Program**

**- Coordinator:** Ecologic Institute Germany

**- Start/Finish date:** 2019-2022

**- Main goals:**

The overall goal of BE-Rural is to realize the potential of regional and local bio-based economies by supporting relevant actors in the participatory development of bioeconomy strategies and roadmaps. Specifically, the project has the following objectives:

- To **support modest and moderate innovator countries** in the development of regional bioeconomy strategies and roadmaps.
- To **increase awareness, education and understanding of the bioeconomy**, its potentials and impacts among regional actors by considering stakeholders' and citizens' needs and concerns.
- To **mobilize engagement among regional stakeholders and citizens** in view of the development of inclusive and balanced bioeconomy strategies and roadmaps.
- To **build capacity among regional stakeholders** regarding the assessment of innovative bio-based business models and their potential impacts, the fostering of R&I capacities, the design of a supportive policy framework, and effective utilization of available funding streams.



- To **explore small-scale business models and their market potentials** suitable for realizing bio-based innovations across different bioeconomy sectors.
- To **identify and disseminate good practices and facilitate knowledge sharing** across European regions
- To **generate new knowledge on the effective development of regional bioeconomy strategies and roadmaps** and to make that knowledge available for uptake in policy processes in other regions across Europe.

**- Measures related to demographic change, circular bio-economy and/or rural development**

BE-Rural will create five regional Open Innovation Platforms (OIPs) for the participatory development of bio economy strategies and roadmaps. The BE-Rural OIPs will be established in five regions across the EU with different biomass potentials and will be based on the regional Stakeholder Working Groups (SWGs). Within the OIPs, the main task of the SWGs will be to formulate concrete strategy or roadmap documents by engaging with different actors and opening the platform for a wide range of stakeholders in the region, including civil society organisations and citizens.

**- Did your organization take part in the project? Yes**

**- Specify briefly the results to be capitalized in your region/country**

- Reports on bio-economy potential of OIPs regions (inclusively Covasna county and Romania); Efficiency of the regional Open Innovation Platforms for the co-creation process
- PESTEL analysis – Report on macro-environment in the OIPs regions
- Handbook on regional and local bio-based economies (English and Romanian)
- Stakeholders data base out of which is created Stakeholders Working Group
- Knowledge exchange and capacity building for the bioeconomy in rural areas (seminars, face to face workshops, webinars).

**2.Title: DanuBioValNet - Cross-clustering partnership for boosting eco-innovation by developing a joint bio-based value-added network for the Danube Region**

**-Danube Transnational Program**

**- Coordinator:** BIOPRO Baden Württemberg GmbH

**- Start/Finish date:** 2017-2019

**- Main goals:**

The aim of this project is to develop new methods, strategies and tools to connect Danube actors (SMEs, farmers, universities, research institutes, etc.) in a bio-based industry. The project is focused on three bio-based value chains with high potential, such as Phyto-pharma, Eco-construction and Bio-based

packing (bio-plastics). Moreover, the hemp-industry has been included as well because hemp can be seen as a raw material for all three value chains. The partners developed a long-term strategy, industry driven roadmap for such collaboration, a Joint Bio-Based Industry Cluster Policy Strategy, and created new bio-based value chains in the Danube Region and eco-innovations for supporting regional development. Clusters, as groups of industries that are closely linked by common products, markets, technologies and interests, are chosen to organize and carry forward the needed industry cooperation for the creation of new value chains.

**- Measures related to demographic change, circular bioeconomy<sup>1</sup> and/or rural development**

The Common Action Plan towards better framework conditions for bio-based eco-innovation in Danube Region includes 28 actions in 6 Focus Areas of the Joint Bio-based Industry Cluster Policy Strategy, including the findings and outcomes of the Policy stress testing reports and Policy Learning Arenas on the regional/country level of the project partners. The aim of the Common Action Plan is to foster better institutional and infrastructural framework conditions on the policy level for closing the bio-based value chains and to facilitate bio-based eco-innovations of SMEs.

**- Did your organization take part in the project? Yes**

**- Specify briefly the results to be capitalized in your region/country**

- Joint BioBased Cluster Policy Strategy
- Common Action Plan towards better framework conditions for biobased eco-innovation in Danube Region
- Good practices for some activities; Cluster Tool Box
- Cluster mapping report of Romania;
- Country reports of Romania.

**3. Title: DanubeS3Cluster -Transnational Cluster Cooperation active on Agro – food, based on Smart Specialization Approach in Danube region**

**-Danube Transnational Program**

**- Coordinator: South Muntenia Regional Development Agency - Romania**

**- Start/Finish date: 2018-2021**

**- Main goals:**

Danube S3 Cluster aims to:

- have better and coordinated public policies in the area;
- boost innovation-driven entrepreneurial ecosystem in the Danube area by developing smart and coordinated cluster policies;
- enhance innovation management knowledge and skills;
- foster transnational cluster cooperation in Agro-Food sector.

**- Measures related to demographic change, circular bioeconomy and/or rural development**

- Improved cooperation and coordination for cluster policies in Agro-food sector;
  - Development of 2 innovation tools to further allow implementation of 5 regional pilot initiatives in: Market Intelligence; Open Innovation; Business Models for Circular Economy; Healthy Food.
- Development of strategic documents:
  - Danube S3 Cluster Strategy
  - Danube S3 Cluster Policy Recommendation
  - Danube S3 Cluster Programme – transnational coordinated program for cluster active on Agro- food.

**- Did your organization take part in the project?** Yes (Ministry of Economy, Energy & Business Environment as Associated Strategic Partner)

**- Specify briefly the results to be capitalized in your region/country**

**b) Macroregional documents:**

**- Title:** Farm to Fork Strategy – for a fair, healthy and environmentally-friendly food system

**- Author/Publisher:** European Commission

**- Year of publication:** 2020

**- Scope of the publication**

The Farm to Fork Strategy is at the heart of the [European Green Deal](#) aiming to make food systems fair, healthy and environmentally-friendly.

The Farm to Fork Strategy aims to accelerate our transition to a sustainable food system that should:

- Ensuring sustainable food production;
- Ensuring food security;
- Stimulating sustainable food processing, wholesale, retail, hospitality and food services practices;
- Promoting sustainable food consumption and facilitating the shift to healthy, sustainable diets;
- Reducing food loss and waste;
- Combating food fraud along the food supply chain.

**- Measures related to demographic change, circular bioeconomy and/or rural development**

The Strategy proposes several reforms of existing policies in order to achieve the targets: a review of the Sustainable Use of Pesticides Directive and of the Animal Welfare regulation among others. In addition,



the new targets and objectives will also need to be reflected in the Common Agricultural Policy, through ambitious national strategic plans that are currently being developed by each country.

### **Chapter 3: Findings**

As PP within the DanuBioValNet project, the Ministry of Economy and CLUSTERO had the initiative to introduce in the Action Plan of the Romanian Industrial Policy Document (2018) the measure of elaboration of the Bioeconomy Strategy in Romania. "In order to support the smart and sustainable development of the bio-based industry, taking into account the fact that in the current programming period the bioeconomy is an area of smart specialization (mentioned in the National Strategy for Research, Development and Innovation SNCDI 2014-2020 ), it is necessary to involve the Ministry of Economy in the process of elaborating the National Bioeconomy Strategy, through collaboration with the Ministry of Agriculture and Rural Development, Ministry of Environment, Ministry of Waters and Forests, Ministry of Research and Innovation and other ministries, as well as through wide consultation with all representative structures, regional development agencies, research and development institutes, universities, clusters, associations, etc. The identification of the strategic objectives of this strategy must be carried out in accordance with the European strategic documents in this field, taking into account the existing national and European value chains in this field."<sup>2</sup>

The deadline for the elaboration of this document is 2021.

### **Chapter 4: Consequences for GoDanuBio**

The National Research and Development Institute for Biological Sciences prepared in 2019 a Report on the development of the bioeconomy in Romania for the period 2016-2030 which states that "currently, Romania is the country within the European Union with the lowest productivity in the field of bioeconomy. "

In recent years, various institutions and organizations in Romania have participated in projects with thematic from the very diversified field of bioeconomy. Thus, several strategic documents have been developed or are being developed which have, among their priorities, the bioeconomy. Among these documents could be mentioned: National Rural Development Plan (PNDR) 2014 – 2020, The strategy for the development of the agri-food sector on medium and long term 2020-2030 and Romania's Sustainable Development Strategy 2030. All these, together with the National Strategy for Bioeconomy mentioned in Chapter 3, can be a guarantee that the objectives of the GoDanuBio project will be achieved and implemented in Romania.

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<sup>2</sup><http://www.economie.gov.ro/images/politici-industriale/SIPOCA7/Documentul%20de%20Politica%20Industrial%20a%20Rom%C3%A2niei%20forma%20aprobat%C3%AEn%20cadrul%20Comitetului%20Interministerial%20pentru%20Competitivitate.pdf>