Interreg Europe
European Union | European Regional Development Fund

SMEPlus – *Improving policy instruments to increase the energy efficiency in industrial SMEs*

ADR SV OLTENIA
Dolj - Gorj - Mehedinti - Olt - Valcea

ACTION PLAN

for the South-West Oltenia Regional Development Agency - Romania

Partner organization:	*South-West Oltenia Regional Development Agency*
Other partner organisation involved (if relevant):	*Inspiration for Action 1: House of Energy – Partner from Germany* *Inspiration for Action 2: University of Gävle – Lead Advisory Partner from Sweden*
Country:	*Romania*
NUTS2 region:	*South-West Oltenia Region*
Contact person:	*Cristina MIHALSCHI – Communication Manager* *Mihai MARIAN – Implementation Manager*
E-mail address:	*cristina.mihalschi@adroltenia.ro* *mihai.marian@adroltenia.ro*
Phone number:	*+40 728 283 529* *+40 740 248 205*

SMEPlus
Interreg Europe
European Union
European Regional
Development Fund

Contents

1 Introduction

Climate change, decarbonisation, slow progress towards energy efficiency and the need for better tackling of measures and policy improvement on energy programs have become in recent decades of great focus. The EU's energy policy has a set of various measures at its core, aimed at achieving an integrated energy market and ensuring security of energy supply and the sustainability of the energy sector. The major challenges for European policies for regional development are territorial imbalances, with policy instruments acting on significant areas for economic and social development, as well as sustainable development, in our case imbalances regarding energy efficiency measures.

The current policy directions are determined by the integrated and comprehensive climate and energy policy, adopted by the European Council on 24 October 2014, revised in December 2018, which aims to achieve, by 2030, the following: an increase of ***at least 32.5% of the energy efficiency compared to the 2005 levels****.*

Also, under a new law agreed between member states and the EU Parliament, it has been set a new target for the reduction of carbon emissions by at least 55% by 2030, compared with 1990 levels, thus setting a neutral free CO2 target emissions by 2050.

As part of the European Environment Pact, the Commission proposed a review of the Energy Efficiency Directive and published its assessment roadmap on the 3th of August 2020. After a public consultation which ended in February 2021, the final feedback, regarding Commission adoption is set to be prepared in the 2nd quarter of 2021.

In this context SMEPlus project partners have shared their good practices over the last 2 years to find the best solutions to contribute to the achievement of the target set using site visits, interregional thematic workshops, being in a position now to formulate an Action Plan for the next phase of the project in which the identified actions and measures will be implemented.

The policy instrument addressed in the SMEPlus project by the South-West Oltenia Regional Development Agency (from here on SWORDA) is the Regional Operational Program 2014-2020 (from here on ROP 2014-2020), Priority Axis 2 „Enhancing SME's competitiveness", SWORDA being the Intermediate Body in charge of its implementation. Targeting the objective to improve the competitiveness of SMEs by adopting energy

efficiency measures through the investment priority's 2.1. "Promoting entrepreneurship, especially by facilitating the economic exploitation of new ideas and encouraging the creation of new business incubators" and also 2.2. „Supporting creation and expansion of advanced production capacities and services development", this is the only Priority Axis in the ROP 2014-2020 that directly tackles SMEs energy efficiency development actions in the region.

In regards to the established goal, respectively to improve the energy efficiency at SME level, the proposed Action Plan aims to implement a package consisting of two measures, out of which the first one will target an update of the monitoring procedure for the implemented measures financed at SME level – this will be done by improved governance – and secondly, after collecting data regarding the impact of the taken measures, an online public data base will be created in order to ensure that the obtained results are accesible freely at local, regional and national level, to any other SMEs that would or could be interested in achieving benefits through energy efficiency specific measures.

2 Regional context

South-Vest Oltenia Region is located in the southwest of Romania and has a surface of 29.212 km^2, 12,3% of the country. It is divided in five counties, namely: Dolj, Gorj, Mehedinti, Olt and Valcea and its largest city is Craiova. In 2018, according to Eurostat (2019) there were 1,949,940 inhabitants. The hydrological network, composed mainly by the Danube, Olt and Jiu rivers, positions South-Vest Oltenia as the main energetic producer in Romania with more than 70% of total hydropower production. The region has a broad industry base as well as high agricultural and tourism potential.

The region has a diverse sectoral specialisation across its counties. The automotive sector has the biggest developing potential in the region, with over 27 local units working in this field, the most important one being Ford Automotive. Dolj has traditional industries (automotive, tractors, cars, airplanes, agricultural and heavy machinery, oil and gas extraction, chemical industry, clothing, textiles, furs, leather, food and drinks) and produces organic agriculture. Olt has a diverse industry where metallurgy (aluminium) stands out. Considering the high number of employees in the manufacturing industry, this field has a great potential for specialisation. Gorj's lead industry is mining and processing of oil, natural gas, lignite and marble, but other industries such as electronics, electrical engineering, automotive, machine tools or food are also present. The county of Mehedinti is also mainly industrial, including activities in shipbuilding, wagon manufacturing, wood processing, inorganic products, wooden furniture, coal mining, and hydro and thermal power generation. Finally, Valcea has a strong chemical and food industry, coal, oil and salt exploitation, wood processing, footwear, textiles and clothing.

The region has non administrative or legal status, as it only represents a NUTS 2 territorial unit for which regional development policies are formulated and implemented, for more efficient use of resources from national programmes and structural funds. The Regional Development Agency is a non-governmental, non-profit organisation, of public utility, regulated by Law 315/2004. Its mission is to facilitate and promote the development of South-West Oltenia by jointly implement the development strategy with the Regional Development Council and the Regional Partners, as well as the National Development Policy, which requires decentralising policies and programmes at the level of the regional structures. Since their foundation in 1999, the RDA's have played the role of Implementing Authorities for the projects financed under PHARE Social and Economic Cohesion Programmes. The Regional Development Agencies currently play the role of Intermediate Body for the Regional Operational Programme.

As a consequence of the increasing importance of supporting innovation in Romanian regional policies, South-West Oltenia approved the 2014-2020 Regional Development Strategy, which focuses on promoting the competitiveness of the regional economy in industry, agriculture and the digital economy sectors, and defines two main objectives: sustainable development and reduction of the economic disparities between the region and the rest of Romania. In view of the specific objective to enhance the regional economic

competitiveness, there are several investment priorities related to innovation:

1) Developing business support infrastructures and supporting cooperation and cluster networks;
2) Consolidating the RDI infrastructure, supporting innovative start-ups and spin-offs and creating economic activities around the regional RDI performers;
3) Increasing SMEs' competitiveness;
4) Reducing the informational disparities in the region.

The main regional policy trends in 2014-2020 are focused on improving the region's performance in job creation, regional investment, infrastructure and tourism, education, research, innovation, support to enterprises and human resources. The main guidelines supporting these objectives were included in the 2014-2020 Regional Development Plan, which also held as general objective the narrowing of the development gap between South-West Oltenia and the other regions of the country. The Plan focuses on six priorities:

- ❖ Economic competitiveness of the region;
- ❖ Modernisation and development of the regional infrastructure;
- ❖ Tourism development, natural and cultural heritage valorisation;
- ❖ Sustainable development of rural area and agriculture and fishing modernisation;
- ❖ Human resources development and social services;
- ❖ Environment protection and energy efficiency growth.

The SWORDA elaborated the Study "Regional Strategy for Innovation and Smart Specialisation" (RIS3) in 2015, which tracks the crossing from factor or investment based competitiveness to the one based on innovation. Based on the socio-economic analysis of the region, and its development potential, the following smart specialization priority areas have been identified:

- ✓ Bio economy;
- ✓ Information and communication technologies, space and security;
- ✓ Energy, environment and climate change;
- ✓ Eco-nanotechnology and advanced materials.

The Romanian Regional Operational Programme (ROP), the Competitiveness Operation Programme (COP) and the Human Capital Operational Programme (HCOP) are the main vehicles for achieving the objectives foreseen in the South-West Oltenia RIS3.

Activities linked with Advanced Manufacturing

The region is characterized by diverse industrial structure that includes, among others, metallurgy, energy and chemical industries, car manufacturing, food production or

textiles. The automotive field is highlighted as a clear regional specialization of the manufacturing sector thanks to the location of a Ford Motor factory in Craiova, positioned as a major national automobile producer. However, the region has not defined clear support measures for advanced manufacturing. According to the South-West Oltenia RIS3, the region has defined two priorities that are related with industrial modernization and that can also be related with the thematic areas included in the Smart Specialization Platform for Industrial Modernization. The relation between these priorities and the thematic areas is presented below:

- Bio-economy (related with the thematic area regarding Bio-economy);
- Eco-nanotechnology and advanced materials (related with the thematic area regarding new nano-enabled products).

According to the Regional Development Plan 2014-2020, the industry contributes to the GDP of the South-West Oltenia Region by 35,6% compared to 23,7% at national level (2009). From this point of view the region is being predominantly industrial. The most important industrial fields are: the manufacturing industry, which achieves 47% of the turnover at regional level, energy production, which achieves 18,5% and the extractive industry which achieves 6%. The manufacturing industry is the most competitive and dynamic economic sector of the region, comprising the metallurgical industry (Olt), chemical (Dolj, Vâlcea), machinery building (Dolj, Mehedinți, Olt, Gorj), food industry (Dolj, Olt, Vâlcea, Mehedinți), textiles, pulp, paper and board manufacturing (Mehedinți), car manufacturing (Dolj), shipbuilding (Mehedinți).

According to the RIS3 2014-2020, from the perspective of industrial engineering and transport, there is a need to focus on energy recovery and waste reduction solutions. It is therefore considered appropriate to channel future investments into industrial applications and technologies that minimize energy consumption and exploit, as far as possible, renewable resources or energy produced in high energy efficiency installations. The construction sector is one of the areas that can also contribute to achieving the goals of increasing energy efficiency and minimizing environmental impact by designing innovative building construction systems and the use of recyclable materials.

Regarding the chemical and metallurgical industry, the research activity carried out by the existing profile centers at regional level has developed a series of studies to combat the effects generated by industrial pollution, among them the research in the field of industrial wastewater depollution by advanced oxidation on hydrophilic and hydrophobic catalysts.

One of the measures identified in the field of industrial and transport engineering refers to the efficiency of the production process, which will lead to a decrease in fuel consumption.

From the perspective of environmental aspects, we consider that innovation must be integrated into the activity of SMEs, especially through the implementation of actions to streamline the consumption of resources.

3 Policy context

3.1 General overview

The Regional Operational Program 2014-2020 (from here on ROP 2014-2020) is the successor of the ROP 2007-2013, which enables Romania to access the European Structural and Investment Funds from the European Regional Development Fund (FEDR) in 2014-2020.

The ROP 2014-2020, managed by the Ministry of Public Works, Development and Administration as Managing Authority, was adopted by the European Commission on 23rd June 2015.

The strategic vision on the development needs to be met by the ROP 2014-2020 is based on the analysis of the economic and social situation of the regions of Romania (in the National Strategy for Regional Development 2014-2020), which led to the identification of the main problems:

- Research, development and innovation: limited transfer of research results to the market and low level of assimilation of innovation in companies;
- SME sector insufficiently developed, with a negative impact on the competitiveness of regional economies. The main weaknesses of the SME sector in the national strategic program are:
    - low degree of entrepreneurial culture – reflected by the relatively low business density in all regions;
    - low resilience of new businesses – 2/3 of new businesses disappear from the market in their first year.
- Energy efficiency: unsustainable energy consumption and high potential for saving in public infrastructure, including public buildings and residential buildings;
- Environment: high pollution level in urban areas;
- Urban development: urban areas degraded, vacant or unused in cities of Romania;
- Heritage resources: valuable cultural heritage poorly exploited;
- Tourism: valuable tourism potential, evenly distributed – alternative to revitalizing less developed / isolated areas;
- Road infrastructure: low accessibility of certain areas of the country, resulting in low attractiveness and extremely low investment;
- Social and educational infrastructure: the under-developed infrastructure for education, health and social services prevents social inclusion and human capital development;
- Cadastre: low level of cadastral records affecting the implementation of policies on

socio-economic development of local communities;

- Administrative capacity: the need to strengthen the administrative capacity of the ROP Managing Authority, implementing bodies and beneficiaries, for a good implementation of the program.

These directions of action have been correlated with the strategic direction of the European Commission as regards funding from the European Structural and Investment Funds through the European Regional Development Fund for the period 2014-2020:

- Innovation and research;
- Digital agenda;
- Support for SME;
- Low-carbon economy.

ROP 2014-2020 aims to increase the overall economic competitiveness and improve the living conditions of local and regional communities by supporting the development of the business environment, infrastructure and services for the sustainable development of the regions so that they can effectively manage resources and capitalize on their potential for innovation and assimilation of technological progress.

These objectives are translated into 11 priority lines (plus a technical assistance line), with an estimated total of € 8,25 billion, of which € 6,7 billion represents EU support through the European Regional Development Fund (ERDF), and € 1,5 billion – national contribution.

3.2 Policy objective and measures

Our policy instrument is represented by the Priority Axis 2, Priority Investments 2.1 *"Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and encouraging the creation of new businesses, including through business incubators"* – 2.1A *"Micro-enterprises"* and 2.2 *"Support the creation and expansion of advanced capabilities production and development of services"* from ROP 2014-2020, which targets the improving of the competitiveness of SMEs. The main objectives of the Priority Axis 2 are the following:

- to strengthen the market position of SMEs in the competitive areas identified in the National Competitiveness Strategy and the Regional Development Plans;

- to improve the economic competitiveness through increasing labor productivity in SMEs and also by adopting energy efficiency measures;

- to support the development of SMEs in order to improve their advanced capacity development of products and services and to increase the competitiveness of economies at regional and national levels.

Thus it supports the creation and expansion of advanced production capacities and

service developments by adopting energy efficiency measures.

While Investment Priority 2.1 is dedicated to support the development of micro-enterprises, Investment Priority 2.2 targets small and medium enterprises.

Through Investment Priority 2.2, the ROP aims to support companies that have the potential to develop / maintain their market position by strengthening competencies superior to the competition.

Support will be given to those SMEs that operate in areas with competitive potential, as well as those that intend to adapt their activity to these areas, identified according to the CNS.

The project indicator refers to the realization of an initial investment through one of the following investment categories:

- Creation of a new production / service unit, in the field of activity targeted by the investment;
- Expanding the capacity of an existing unit, by increasing the volume of at least one product / service related to the field of activity targeted by the investment;
- Diversification of the production of an existing unit, through products / services that were not previously manufactured / provided in the unit, in the field of activity targeted by the investment.

This investment priority will support the development of SMEs older than 1 year to improve advanced product and service development capacities, in order to increase the competitiveness of regional and national economies. In this sense, SMEs that are interested in finding an optimal growth model are considered, both in the sense of moving to another dimension category, and in the sense of developing the activity carried out, in order to increase the size of the target market (local market to becomes regional, national or international). Supporting the increasing competitiveness of SMEs in this investment priority will involve measures that will address dependence on low value-added economic sectors, the ability to advance in the value chain, access to finance, assistance and markets, access to know-how and business skills relevant. In order to maintain and develop competitive advantages, the main challenges that SMEs must meet are: fast adaptation to market signals, continuous improvement of delivered products and services - by assimilating technological progress and innovation, services incorporated into products, differentiation by: specific skills, niche marketing, low costs, long-term trained staff, vertical integration in the value chain, etc.

Given that competitive advantage is a combination of factors that condition the competitiveness and performance of a company in business, ROP aims to support companies that have the potential to develop / maintain their market position by strengthening competencies superior to competition. Thus, it is intended to support companies operating in economic fields in which they can develop and / or maintain a competitive advantage. In this regard, support will be given to those SMEs that operate in competitive areas, identified according to the CNS, as well as those that intend to adapt their

activity to these areas. SMEs financed under this investment priority are also able to access more sophisticated financial instruments or products compared to the grant, being economically sustainable. The support provided by the ROP aims to encourage innovative SMEs, which aim to exploit their own innovative or market potential, in promoting business operations.

Among the eligible investments we can list:

- Construction works for building production halls, including related utilities;
- Procurement of technological equipment, machinery, furniture, computer equipment;
- **Procurement of specific installations / equipment for the purpose of obtaining energy savings, as well as systems that uses renewable (alternative) energy sources;**
- Investments in intangible assets: patents, licenses, trademarks, software programs;
- Investments in the creation of online marketing tools for the applicant's own services / products (virtual-shop).

The types of EE measures that can be financed through the Policy Instrument are the following:

- Upgrade / purchase of specific energy-saving installations / equipment as well as systems that use renewable (alternative) energy sources;
- Optimization of operating installations and technological flows minimizing source waste and increasing level of waste recovery and recycling;
- Use renewable energy sources solar, wind and geothermal energy, hydropower, biomass.

In case of Investment Priority 2.1 *"Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and encouraging the creation of new businesses, including through business incubators"* – 2.1A *"Micro-enterprises"* the following funding amounts and percentages apply (applicable to all launched project calls):

- Eligible value of the project: min 25.000,00 eur;

- Non reimbursable financing request (de minimis aid): max 200.000,00 eur;

- Financing amount –max. 90% of the eligible value of the project;

- Own contribution of the SME – min. 10%.

- Specifically for the EE investments, the SME can receive funding representing 15% of the total eligible value of the project. This rule will only apply in case of IP 2.1A calls for proposals.

In case of Investment Priority 2.2 *"Support the creation and expansion of advanced capabilities production and development of services"*, the following funding amounts and

percentages apply:

1) First call for proposals (4th of May 2020 – 4th of June 2020):

- Eligible value of the project min 200.000,00 eur;

- Non reimbursable financing request max 1.000.000,00 eur, out of which max. 200.000,00 eur represents de minimis aid;

- Financing amount for regional aid –max. 60% of the eligible value of the project for middle-sized SMEs and max. 70% of the eligible value of the project for small enterprises.

- Financing amount for de minimis aid – 90% of the de minimis applicable ceiling.

2) Second call for proposals (30th of October 2020 – 30th of November 2020):

- Eligible value of the project min 1.500.000,00 eur;

- Non reimbursable financing request max 6.000.000,00 eur, out of which max. 200.000,00 eur represents de minimis aid;

- Financing amount for regional aid –max. 60% of the eligible value of the project for middle-sized SMEs and max. 70% of the eligible value of the project for small enterprises.

- Financing amount for de minimis aid – 100% of the de minimis applicable ceiling.

3.3 Allocated funding budget

The allocated funding budget for the Investment Priorities 2.1 and 2.2 in the actual financial framework period is the following:

1) IP 2.1:

Regional allocation (mil. Eur.)	***Projects in selection stage / contracted***
	Non-reimbursable value (mil. Eur.)
First call (27.07.2016 – 04.05.2017)	67,069*
28,02	
Second call (08.07.2019 – 08.11.2019)	
13,03	

**Overcontracting.*

2) IP 2.2:

Regional allocation (mil. Eur.)	***Projects in selection stage / contracted***
	Non-reimbursable value (mil. Eur.)
Second call (04.05.2020 – 04.06.2020)	
17,97	*17,969*
Third call (30.10.2020 – 30.11.2020)	
17,955	*17,955*

3.4 Expected results

The expected results are consisting in the number of SMEs financed through the Policy Instrument. Thus, we are targeting the following:

1) IP 2.1:

Projects in selection stage / contracted	***Number of projects***
First call (27.07.2016 – 04.05.2017)	
	195
Second call (08.07.2019 – 08.11.2019)	
	299

2) IP 2.2:

Projects in selection stage / contracted	***Number of projects***
Second call (04.05.2020 – 04.06.2020)	
	242
Third call (30.10.2020 – 30.11.2020)	
	114

4 Action plan – objectives, measures and expected impact

Economic development associated with the action of energy efficiency is one of the fastest and most effective ways to support regional capital growth under conditions of respect, protection of the environment and conservation of resources.

We consider that the shared experience and good practices from the SMEPlus project represents highly added value towards the improvement of our policy instrument, taking into consideration the more advanced type of policies that the project Partners have already implemented / are still implementing.

In this matter the lessons that we have learned so far can be express in the following:

- Each policy instrument and good practice, presented at project level, has its particular way of working that has been created and implemented in specific regions taking into consideration the needs at stakeholder and SME level, legislative framework and also the culture that characterizes the business / industrial community;
- One of the most debated aspects during the project exchange of experience was the fact that each policy has encountered difficulties in monitoring and quantifying the expected results after the measures were taken. In this matter we consider that this is the most important lesson from the SMEPlus project and the way it should be applied it's not as important as the fact that it needs to be applied; in this matter we consider that each policy owner or influencer needs to adapt by specific and feasible actions the way it can be implemented towards the rules and regulations governing at regional/national level;
- The stimulating effect is another important lesson that we have learned (such as the German good practice example) taking into consideration that when offered incentives or financial schemes to SMEs you need to require a certain output result (indicator) that will be directly proportional with the financing offered aid;
- Innovative actions or measures is another key point in order to increase the efficiency of a policy instrument; so after we have seen the good practices from Sweden and Austria, we consider that this is an important aspect that will be complementary to a successful policy instrument. One such action could be the combining of RES with energy efficiency measures.

Starting from the fact that rationalization of energy consumption in the context of efficient management represents the main value of the enterprise, through this project we intend to identify energy efficiency models for the industrial SMEs based on the SMEPlus project´s outputs. At the regional level, we will set up an analysis of the energy efficiency in this sector to foresee regional energy efficiency improvement by the capitalization of the industrial SME's energy-saving potential.

4.1 Action 1 – Improving the competitiveness of SMEs through better monitoring of the energy efficiency measures implemented, by good governance

4.1.1 The background

Improving the competitiveness of SMEs through better monitoring of the energy efficiency measures implemented, by good governance: envisages the improvement of the monitoring procedure of the projects implementation phase regarding the measures taken for increasing the energy efficiency by quantifying the estimated energy savings (as a result of the implementation of the activities of the investment project) having as final goal the reduction of CO2 emissions.

This action was inspired from the good practices presented by the German Partner, respectively: PIUS Invest, *using resources from the EU structural funds ERDF, the PIUS Invest Program is a support funding scheme having as main objective to help SMEs save resources. Savings of energy, water, raw-materials or auxiliary materials will also lead to financial savings and environmental protection. While simple organizational changes can already lead to resource and energy efficiency, major investments are frequently necessary. Therefore, the funding applies to process and organizational innovations, for example improvements and efficiency increases in production and business processes and also investments in environmentally friendly plant engineering. Required are direct actions that lead to a reduction in material and energy consumption and consequently to a reduction in* CO_2 *emissions* – in this case the inspirational aspect was related to the implemented thumb rule which stands for "1 Euro for every kilogram of CO_2 saved". In our case, we've decided to calculate the estimated amount of CO2 saved based on the non-reimbursable funding proportion for the taken EE measures.

4.1.2 Objective and activities

The main objective of Action 1 is to develop a tool that will create the proper framework in collecting data & info regarding the energy consumption at SME level, but also to enable the possibility to perform the conversion from different types of greenhouse gas energy sources used in the equivalent of CO2 amount emissions to be able to quantify the estimated CO2 reductions that will impact their activity.

Specific objectives aim the following:

- improve the policy instrument by introducing a new tool for better monitoring the results after implementing EE measures;

- enable the possibility to estimate the energy impact and reductions at SME level.

The implementation of Action 1 requires the following activities:

1) Establishing the types of energy consumption used at the SME beneficiary, in correlation with the

proposed energy efficiency measures;

2) Elaborating an annex to the monitoring procedure of the implemented measures of EE at SME level, in order to be able to collect data & info;

3) Energy mapping - collecting of data regarding the energy consumption before the implementation of EE measures to help calculate the current energy consumption;

4) Centralization of collected data and their conversion into CO2 equivalent emissions, by using the developed tool;

5) Collecting data regarding the energy consumption after the implementation of EE measures, to help calculate the after energy consumption;

6) Aggregate the collected data and their conversion into CO2 equivalent emissions and compare the results with the initial data in order to estimate the energy savings achieved and the amount of CO2 related.

4.1.3 Players / Partners involved and target group

The main player in our case would be attributed to the Intermediate Body (IB from here on) for ROP 2014-2020, as the main stakeholder for the policy instrument that we want to improve. In this case, as the SWO RDA is the Intermediate Body for the Regional Operational Programme 2014-2020 at the South-West Oltenia Region level, it is entirely entitled to manage from the technical, financial and administrative way the whole implementation of the Programme in all its phases, respectively: launching calls for proposals, evaluation of received applications, contracting selected projects, monitoring the implementation of projects and also the durability phase.

Referring to the targeted policy instrument, because we are at the end of the actual financing framework and also because we cannot predict exactly when the next Regional Operational Program will be validated and ready for implementation, we have decided to influence our policy instrument by good governance. This will be done by updating the monitoring procedure of the projects financed through calls under Priority Axis 2, dedicated to SMEs.

Thus, SWO RDA will be able to monitor the results of the investments made by SMEs in efficiency measures of introducing the use of RES in order what will be the real impact in reducing CO2 emissions after implementation phase. This will also help us to compare different scenarios and create new possibilities of improvement of the policy instrument in the future.

4.1.4 Time frame

We expect that the first Action will be implemented in the second phase of the SMEPlus project, during a period of 12 months, between 1st of February 2022 and January 31 2023, as follows:

PHASE 2												
Activity / month	**Month 1**	**Month 2**	**Month 3**	**Month 4**	**Month 5**	**Month 6**	**Month 7**	**Month 8**	**Month 9**	**Month 10**	**Month 11**	**Month 12**
1) Establishing the types of energy consumption used at the level of the SME beneficiary.												
2) Elaborating an annex to the monitoring procedure of the implemented measures of EE at SME level.												
3) Energy mapping - collecting of data regarding the energy consumption before the implementation of EE measures.												
4) Centralization of collected data and their conversion into CO2 equivalent emissions.												
5) Collecting data regarding the energy consumption after the implementation of EE measures.												
6) Aggregate the collected data and their conversion into CO2 equivalent emissions and compare the results with the initial data.												

4.1.5 *Expected costs and funding sources*

Taking into consideration that the IB is the main stakeholder and will improve the monitoring procedure of the projects to be implemented, all of these actions will be done in-house and will require no further costs in order to be performed.

The funding source of our policy instrument will be the ERDF through the ROP 2014-2020.

4.1.6 *Impact and output indicators*

Main output: at least 10 SME's will benefit of this action thanks to the improvement of the monitoring procedure.

Direct output: 1 tool (annex to the monitoring procedure) developed in order to help collect data and improve the monitoring procedure.

4.2 Action 2 - creating a data base that will aggregate the collected data through action 1 for public dissemination as a good practice

4.2.1 *The background*

Creating a data base that will aggregate the collected data through action 1 for public dissemination as a good practice. This will show how different types of measures impact the activity at SME level from the point of view of energy consumption.

The second action was inspired from the good practices presented by the Swedish Lead Advisory Partner, respectively: *Database of real quality-controlled energy efficiency measures – by using energy efficiency measures from previously conducted energy audits, the number of proposed energy efficiency measures could be greatly increased. By procuring a database of real energy efficiency measures emanating from previously conducted energy audits from the national energy audit program, that has been thoroughly quality controlled, a large list of suggested measures from a specific sector/industry using the Nac. Rev. 2-code, enhanced the number of proposed energy efficiency measures to the companies to a large extent. The energy efficiency measures were printed and handed over to the companies participating in the regional energy policy program* - in this case the inspirational aspect was the whole idea of creating a similar data base that will include EE measures, filtered by sectors of activity, production and / or support processes (lighting, ventilation, space heating, cooling, tap hot water, administration etc.). The data base will be published freely to any interested SME, through a dedicated webpage / website.

4.2.2 Objective and activities

The main objective of Action 2 is to build up a data base that will allow insertion of the obtained results after the first action in order to expose them (publicly) to the interested parties (industrial SMEs in our case) free of charge. As a positive consequence, this will be considered as a good practice at regional level that could be multiplied in other regions as well.

The specific objectives of Action 2 include:

- increase awareness at SME level by showing them the importance and impact of EE measures;

- stimulating the multiplied effect as a good practice for other interested parties.

Activities to be followed in implementing Action 2 can be considered the following:

1) Aggregate the data collected during Action 1 and transpose it into an xls. file;

2) Creating a data base that will consist in elaborating an online web page open freely to public;

3) Importing the xls. file into the data base and create functions for filtering the data using criteria such as: NACE code and support processes: lighting, space heating, cooling, ventilation, hot water, administration;

4) Displaying the energy efficiency measures taken by SMEs, as well as the energy savings obtained;

5) Free consultancy services offered for other SMEs interested to benefit of similar energy efficiency measures tested, implemented and included in the data base.

4.2.3 Players/Partners involved and target group

Action 2 will be implemented by the South-West Oltenia Regional Development Agency, as being the owner of the envisaged policy instrument. Taking into account the role and involvement of the Agency in the development of the SV Oltenia Region, the premises for its multiplication as a model of good practice in other regions will be created. As a consequence all other stakeholders (such as local public authorities, electrical engineering faculty, clusters and competitiveness poles active in the industrial area etc.) will be involved in promoting and developing the online database.

4.2.4 Time frame

We expect that the 2th Action to be implemented in the second phase of the SMEPlus project, during a period of 6 months, between 1st of August 2022 and January 31 2023, as follows:

PHASE 2						
Activity / month	**Month 7**	**Month 8**	**Month 9**	**Month 10**	**Month 11**	**Month 12**
1) Aggregate the data collected during Action 1						
2) Creating a data base that will consist in elaborating an online web page						
3) Importing the xls. file into the data base and create functions for filtering the data						
4) Displaying the energy efficiency measures taken by SMEs, as well as the energy savings obtained						
5) Free consultancy services offered for other SMEs interested to benefit of similar energy efficiency measures tested, implemented and included in the data base						

4.2.5 *Expected costs and funding sources*

Taking into consideration that the IB is the main stakeholder that will improve the monitoring procedure of the projects to be implemented, all of these actions will be done in-house and will require no further costs in order to be performed.

4.2.6 *Impact and output indicators*

Main output: at least 10 SME's will benefit of this action due to the creation of the EE specific measures database.

Direct indicator: 1 database developed in order to help increase awareness and interest in implementing energy efficiency measures at the level of other SMEs as well at local and regional level.

5 Conclusion

Taking into consideration the industrial profile of the South-West Oltenia Region, we consider that helping industrial SMEs to improve their energy efficiency is a crucial part of meeting the future climate change commitments. The offered support for each industrial sector is to increase the energy efficiency while maintaining international competitiveness.

The expected impact of the Action Plan is to improve the existing policy instrument through good governance targeting the monitoring procedure for projects implemented within the Investment Priorities 2.1 and 2.2 from ROP 2014 - 2020. This will create a synergy with the second action that will raise awareness in other industrial SMEs to acknowledge the importance for reshaping their future development strategies by considering the benefits of implementing EE measures.c

The identification of these actions should represent a first step in preparing the future regional framework in industrial energy effiency measures. All parties / stakeholders involved are committed to working together to implement this action plan, while also meeting future decarbonisation challenges and opportunities as the landscape evolves. So its publication is in many ways a starting point to build on for further collaborative working. By building on the collaborative way of working that has been effective so far, we will ensure this Action Plan makes a significant contribution to the Industrial Strategy's aim of delivering clean economic growth, and that it maximises the economic benefits for the regional industrial SMEs transition to a low carbon economy.

Date: **03.12.2021**

Signature:

Cristina MIHALSCHI – Communication Manager

Mihai MARIAN – Implementation Manager

Stamp of the organisation (if available): –