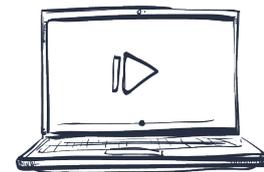


Circular Public Procurement (CircularPP) is a 3-year project (2017–2020) supported by the Interreg Baltic Sea Region programme

Circular procurement is 'the purchase of works, goods or services that seek to contribute to the closed energy and material loops within supply chains, whilst minimizing, and in the best case avoiding, negative environmental impacts and waste creation across the whole life cycle'.

European Commission, 2017. Public procurement for a circular economy

Recommendations to national policy-makers on CircularPP



Read more about CircularPP and the State of art report: <http://circularpp.eu/>

- 1 National Circular Economy (CE) strategies should have a clear link to the concept of circular public procurement (CPP) including a definition and objectives for CPP.**
 CPP is still a new concept and the implementation of CPP is taking its first steps. Many countries are preparing or have prepared a strategy for the CE, in which a link to public procurement should be presented.
- 2 Countries should examine the opportunities to make sustainable and circular public procurement more binding and develop appropriate indicators.**
 The level of commitment to CPP, SPP (Sustainable Public Procurement) or GPP (Green Public Procurement) varies locally and nationally. Also, the policy tools in use may differ. Public procurement directives allow for the use of sustainable criteria in different phases of the procurement process.
- 3 Local pilots of procurement of circular products and solutions should be encouraged.**
 Municipalities play an important role in implementing CE activities, as they can promote the use of circular criteria instead of competing solely on price. Also, small-scale pilot projects can help prepare the market and municipalities for CPP in broader scale in the future.
- 4 Specific CPP criteria should be clearly included in the EU GPP set of criteria.**
 Currently, procurers promote the recycling, repair and reuse of certain parts. Higher expectations could be set towards procurement that aims at reusing products or their elements, eliminating toxic materials, and using energy from renewable sources for production.
- 5 Market dialogue and networking between procurers and different actors should be increased in order to develop new circular solutions and innovations on the market.**
 Interest towards CE among procurers, companies and other key stakeholders is growing in all countries. Cooperation and exchange of information have been identified as important enablers of CPP.

CPP policy and legislation in partnering countries

Sweden

- The national agency for public procurement supports procurers with CPP. However, more attention is paid to innovative and sustainable procurement.
- There is a national procurement strategy that also includes goals for promoting CE.
- The government has appointed a delegation on the CE, with one of the main targets being to support public procurement to be more focused on the reuse of products and prolonging life cycles.
- Number of projects and processes have been going on over the last couple of years, with the aim of supporting public authorities to progress with CPP.

The Netherlands

- There is significant collaboration between government organizations, private companies and NGOs in promoting CE in policy and practice. CE has been acknowledged as a key objective. Policies are developed at national, regional and local levels.
- CPP is a recognized concept and considered to be an important instrument to meet circular policy goals among key stakeholders.
- The PIANOo, the Dutch Public Procurement Expertise Centre that focuses on stimulating markets for sustainable products, provides information and different tools for national and local procurers but also for businesses.
- A lot of work has been done in connection with policy tools, and cooperation between key stakeholders and markets. On a national level there are examples of different initiatives: policies, green deals, research, guidelines, pilots and criteria that can also support the work in other EU countries. Businesses are also developing circular products and services.



Denmark

- Through various efforts made by different actors at all administrative levels, SPP has gained momentum in the last few years.
- At state level, there are three main initiatives for promoting SPP: the Forum on Sustainable Procurement, the Partnership for Green Public Procurement and the Responsible Procurer website.
- Green and sustainable public procurement is built on a voluntary approach. There is a need for stronger political leadership and regulatory instruments.
- Larger municipalities are conducting pilot projects and incorporating CE as part of the municipality procurement strategy. Public Green Criteria are available, but not extensively used. Criteria applicable to specific contracts have been developed on a case-by-case basis.

Poland

- CPP has not been raised to a national policy level as an objective. However, GPP will be included in the forthcoming national procurement policy and there will probably also be elements of CE. In addition, a government road map for CE is under development.
- Upcoming policies and the commitment of key stakeholders will dictate the level of practical work done in the future on CPP.

Finland

- The promotion of CE is included as a significant objective in several national policy programmes and initiatives. CPP as a concept is considered in policy discussions and SPP actions.
- The government has invested in promoting sustainable and innovative public procurement. Regulatory and voluntary tools are in use. The establishment of KEINO – a network-based public procurement competence centre reflects the commitment of government.
- During 2020 Finland is developing a common national public procurement strategy called “Procurement Finland” in order to implement national goals.
- Several CE-related criteria are in use at the local level, but CE based service concepts are still rare. Information on CE/CPP best practices could be made more accessible.



Buying circular – different approaches and criteria

Calls for tender -analysis indicated that there are different ways of buying circular:

- Public procurers can seek out and ask for new and innovative products, services and solutions that stimulate the CE.
- Public procurers can define the subject matter of the procurement as being related to CE, e.g. 'textiles of recyclable material'.
- Public procurers can buy services or product-service systems instead of traditional products, which promotes the efficient use of products. They can, for example, share assets in terms of joint procurement, leasing and reuse.
- **Public procurers can set tendering criteria that increase the circular nature of products and services, for example:**
 - extend the lifespan of products, services and solutions,
 - improve the recycling of materials and thus promote the regeneration of materials,
 - promote clean and non-risky cycles that help guarantee safe circles of materials and substances.



Examples of circular criteria in calls for tender.

Long guarantee
Service agreement
Guidance for correct use
The need for easy maintenance
The use of non-toxic chemicals are presented and documentation/ verification
Recycled materials in products or packaging
Multi-functionality
A description of circular processes
System for quality control

Based on the study of 57 calls for tender, the circular criteria currently used focus on prolonging product lifespan through maintenance, repair and long guarantee, as well as on recycling of packaging materials. However, design for durability and remanufactured components as an option are rarely used. Similarly, the life cycle approach, and the use of advanced materials and new technology are not commonly used, although these requirements could promote circular business models and eco-designed products.

Latvia

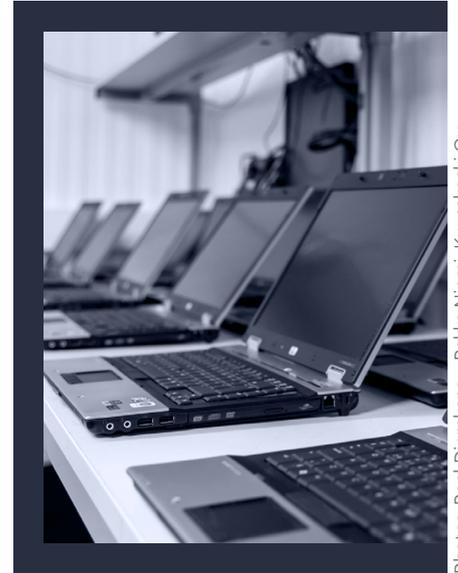
- There exists a national CE action plan, which also includes strengthening GPP.
- Discussion around CE has started. CPP will be regarded as part of GPP (or vice versa), but a decision has not been made. Individual activities on CPP have already commenced at both national and local levels.
- There is a need for more encouraging examples and capacity building, and cooperation between the actors in the procurement process must be strengthened. Latvian municipalities are very small, thus it creates a burden on the administration and for procurers.

Russia

- CPP has not been raised to the national policy level as an objective. There is a need for a clear signal from the government that CPP and SPP are important.
- Sectoral public institutes can be more flexible in the use of the principles of SPP than the public sector.
- Local authorities can introduce some elements of SPP policies. CPP should be developed in parallel with the evolution of innovations as well as the use of recycling and reuse technologies.



Circular procurement in practice



Photos: Roel Dierckens + Pekka Niemi, Kuusakoski Oy

There are opportunities for public procurers to promote the CE and circular business models.

In the **construction of buildings**, circular elements of the procurement include material choices, the reuse and recycling of materials, the efficient use of room space and the planning of multi-purpose buildings. New market opportunities exist in recycled material-based products and building components.

The procurement of circular **waste water treatment** solutions focus on technologies that improve the cycling and intake of nutrients. They also promote the cycling of biological materials instead of burning. The treatment of waste water, biowaste and residual products can be turned into new fertilization products or biogas, which can be used in **public transportation**.

Waste management procurement can promote the CE by more efficient sorting and increasing the recycling rate. Innovative solutions for collection, transportation and treatment procedures

could be used to obtain certain goals for the recycling and recovery of waste material.

In textile procurement, fabrics made of recycled materials already exist in the market, which has already been utilized in public procurement. Circular criteria that have been found in textile procurement include: durability, easy-care and reparability, and free from harmful substances. In addition, the end-use and recycling of textiles have been awarded in an actual procurement case.

In the field of **furniture**, there is the opportunity to require circular criteria or develop concepts and services that are based on a life cycle approach. These include planning, maintenance and repair, modification, recycling and the use of used furniture and parts. It also includes favoring second-hand furniture over new.

In **food and catering**, the circular focus is on reducing the amount of food waste, utilizing by-products, and the recycling of nutrients. Attention is paid to the efficiency of food chains, i.e. how products

and raw materials are stored, processed, packed and delivered. In addition, seasonal and local food, logistics, experiments, new food products and recipes are included in the planning of circular food procurement.

There are also opportunities for CPP in other product groups. For example, in **IT**, it is possible to buy good quality second-hand devices. In addition, reused parts could be allowed, and the proper recycling of devices should be required.

CPP cases pay attention to recycled material, reuse and maintenance operations that support the extension of lifespans and closing the circles. The cases also illustrate that circular criteria in procurement may increase product and service quality, which will further lead to economically wise investments. In addition, some cases show that the procurement can promote the creation of new jobs and business models, which is important in order to utilize the power of public procurement in the systemic shift to a circular economy.