

Circular PP

WP 2.1

State of the art of public procurement policy and practices in the
Baltic Sea Region

Katriina Alhola and Hanna Salmenperä
Finnish Environment Institute

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Tasks in 2.1

- The combination of
 - expert interviews,
 - in-depth case studies of best practice examples and
 - an overview of circular approaches in existing call for tenders

provides a thorough analysis of the current state of the art of public procurement policy and practices in the Baltic Sea Region, from which a set of recommendations for future actions are provided.

Policy and practises – Country Review on CPP

- Objective of the task was to analyze current policies in place related to circular procurement in the BSR countries and examine the current actions and future lines in the following years concerning Circular economy (CE), Circular Public Procurement (CPP) and Sustainable Public Procurement (SPP).
- Expert interviews in relevant organizations related to public procurement and circular economy on current procurement policy were conducted
 - 18 experts were involved from 7 countries
 - Governmental and local level
- Description of procurement legislation in Russia

Policy and practises – Country Review on CPP

- Question framework on

A) Current public policies and future lines concerning CE, CPP and SPP

B) Support in Circular Public Procurement

C) Market maturity and conditions promoting CPP

D) Search for best practices

Conclusions - Country Review on CPP

- A Challenging Concept – CPP – SPP – GPP?
- Most of the work is done under SPP and GPP.
- PP Legislation allows for more possibilities to take sustainable and circular aspects into account in procurement processes.
- Policy actions and competence are at different level in countries
 - Denmark, Sweden and Finland have worked towards SPP both on governmental and on local level. CPP is in policy discussions.
 - Latvia and Poland have started work to promote GPP. Circular public procurements have not been raised to national policy level. Examples from practise.
 - There is lack of strategic federal concern on the subject of SPP in Russia. Potential for sustainable procurement is high.
- The level of commitment to CPP, SPP or GPP may vary nationally and locally.
 - The high government level commitment does not necessarily lead to activities in local level.
 - Municipalities play important role in implementing CE activities.
- The price is still the most significant criteria in most of the procurements
- Criteria for SPP or GPP have been developed - the data on their usage is not gathered.
- Guidance about CPP for procurers exists.
- Interest among key stakeholders is growing.
- The importance of a dialogue between suppliers and procurers has been recognized.

Recommendations – Country Review on CPP

- CE strategies should have a clear link to the concept of circular public procurement including definition and objectives for CPP
- Countries should examine the possibilities to make sustainable and circular public procurement more binding
- Local level procurers should be encouraged for piloting circular products and solutions through procurement
- Solid circular procurement criteria including eco-design should be developed and included in the EU GPP criteria set
- Market dialogue and networking should be increased between procurers and different actors in order to develop new circular solutions and innovations on the market

Case analysis

- **23 cases** from several sectors:
 - Construction
 - Transportation
 - Waste management
 - Waste water treatment
 - Food and catering
 - Furniture and textiles
 - ICT-devices
- The aim was to examine **to what extent actual procurement cases support and promote circular economy** (circular aspects) at the moment
- Cases indicate **the current state of CPP in practice** (i.e. aspects of CE in procurement) in the participating countries
- Cases show **different levels and means** how circular aspects can be taken into account in procurement process
 - > not only ideal cases were accepted

Analyzed cases

1. Sewage sludge treatment technology – City of Oulu, Finland
2. Service for biowaste and sewage sludge treatment– Porvoo, Finland
3. Multilocker waste collection system and smart sensors – Porvoo region, Eastern Finland
4. Recycling of bricks – Copenhagen, Denmark
5. Construction of housing building – Odense, Denmark
6. Recycled material in construction of infrastructure – Turku, Finland
7. City Hall, C2C inspired building – Venlo, the Netherlands
8. Street lightning - Preiļi , Latvia
9. Biogas buses travelling by locally produced biogas – Vaasa, Finland
10. Procurement of 300 three-section trams – Moscow City, Russia
11. Car pool – City of Lappeenranta, Finland
12. Sustainable public kitchen and catering – Sodankylä, Finland
13. Learning Environment for public schools – City of Aalborg, Denmark
14. Rental nursing beds – Helsinki hospital district and Helsinki city, Finland
15. Inspirational and collaborative workplace – Wales, the UK
16. Innovative procurement strategy to embed circularity – Wales, the UK
17. Bioplastic aprons for hospitals – Skåne, Sweden
18. Bioplastic aprons for hospitals – Skåne, Sweden
19. Protective gloves for public health care– Tampere, Finland
20. Leasing clothes for stewards – The Netherlands
21. Printing equipment for Electronic Procurement System
22. Second hand computers – Gällëvare, Sweden
23. Reused computers – Forssa, Finland



Circular PP

Basis for the analysis:

How well these cases follow the CE principles:

- 1) Extend the product lifespan
- 2) Use the product or service more efficiently
- 3) Improve the cycling of biological or technical materials
- 4) Provide clean and non-risky cycles
- 5) Use of certain tools: eco-design, LCA approach, eco-labels etc.

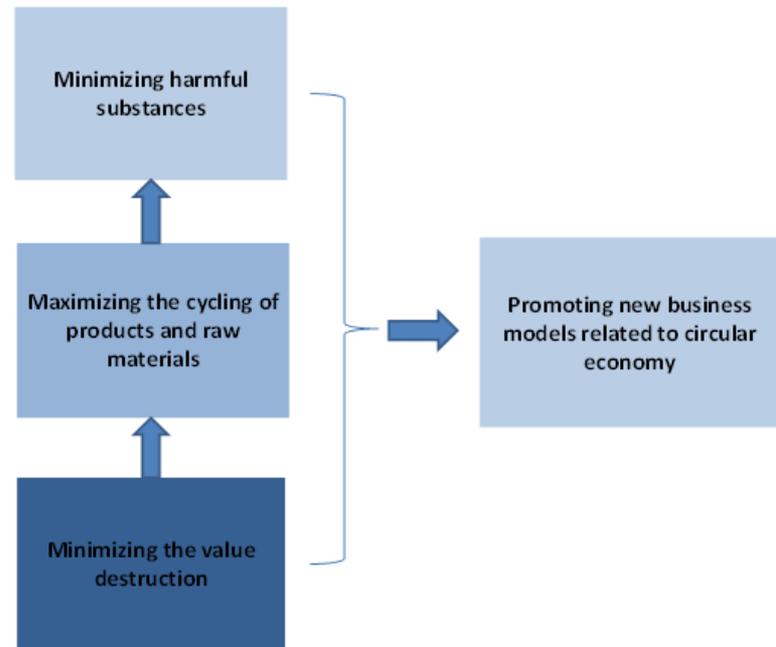


Figure 2. Circular economy principles in procurement (Based on: Ellen MacArthur Foundation, 2015b).

Circular public procurement:

A procurement of competitively priced products, services, or systems that lead to extended life spans, value retention, and/or remarkably improved and non-risky cycling of biological or technical materials, making use of and supporting the circular business models and related networks.

Case study – remarks 1/2

- Common for cases was that they paid attention to recycled material, reuse and maintenance operations, which could support the extension of lifetime, more efficient recycling and closing the circles.
- Circular elements in the procurement may also increase the product and service quality, and lead to economically wise investments in the life cycle perspective. However, the life cycle costs or life cycle approach was not commonly highlighted.
- Examination of the benefits of the cases indicated that the creation of new jobs and business models as well as more responsible supply chains can be promoted by CPP.
- In many cases:
 - the focus was on extended product life time
 - service was required instead of product, or as a part of product-service system.
- Conclusions of the case analysis agree with the findings from the expert interviews , e.g. that the situations vary in different countries and that most of the work is done under SPP and GPP.

Common for the cases

Close the circle by using recycled material, reuse, maintenance

Increase product and service quality

Extend product lifetime

Present to some extent

Focus on harmful substances and chemicals

Use of eco-design as a basis for procurement

Require service instead of, or as part of products

Shown in few cases

Create new business concepts

Make market / suppliers more responsible

Show life cycle costs of the solution

Case study – remarks 2/2

- The analyzed cases **represent different approaches to public procurement** process, including the procurement of better quality products, use of new business and procurement concepts, procurement of innovative and new “circular” products and systems, and development of circular eco-systems.
- In **some of the cases, the aim was rather to follow and improve SPP or GPP practices**, or to conduct more innovative procurement in terms of product innovation, process innovation or system innovation, than provide “purely” circular procurement. However, the **outcome of the procurement may still be circular** or include circular elements. In addition, these cases give the market a signal that circular (and sustainable) aspects should be paid more attention to.
- The **need for systemic shift** was highlighted only in few cases. Thus, **individual cases may not realize the full potential of circular procurement** that they could at the systemic level. For example, in some cases, as being individual pilots or experiments, the overall CO2 emissions may exceed the benefits of increased material efficiency, but **at the systemic level the benefits would likely to be gained both in emission reductions and material efficiency**.
- These cases should be considered as **good examples of steps towards the systemic shift indicating benefits that could be reached at systemic level**. It is important to highlight that in order to be fully exploited, circular economy needs a systemic shift which can be reached by expanding and multiplying these good and best practice cases.

Analysis of calls for tender

- TED- database
- Altogether 15 calls for tenders (objective 50 → should we collect more?)
- Examples from Finland, Denmark, Sweden, The Netherlands (Latvia?)
- Calls for tender:
 - Furniture for daycare (1)
 - Office furniture (2)
 - Furniture (4)
 - Playground equipment (1)
 - Office textiles (3)
 - Lightning equipment & electric lamps (1)
 - Office supplies (1)
 - Reconstruction (1)
 - City bike system (1)

Most commonly used criteria / requirements

- Requirements for the use of non-toxic chemicals are presented (10)
- Requirements for material choices / safety are presented
- Requirements are presented for recycled material in packaging
- Requirements are presented for recyclable packaging
- The subject matter of the procurement is defined as being respective to circular economy, e.g. "textiles of recyclable material"
- A long guarantee (or guarantee on lifetime) is required or the length of guarantee is awarded
- Guidance for correct use and user manual are requested
- Easy maintenance is paid attention to
- Requirements for durability are presented (4)

Calls for tender - Remarks

- There already exist many requirements and criteria that can be used to increase the sustainability and circular nature of products and services.
- Public procurers can for example require reused materials or renewable energy systems and thus promote regeneration of materials. Especially, criteria concerning recycled materials in products or packaging were commonly used in the sample as well as requirements that ensure a prolonged product life through maintenance, repair and long guarantee.
- Commonly used criteria in the sample were also requirements for the use of non-toxic chemicals and safe material choice. This may be due to the fact that textiles and furniture were focused on in many cases. There also exist eco-label criteria and other GPP criteria for the use of chemicals in textiles and furniture.
- Design for durability and requirements for remanufactured components were not commonly used.
- Public procurers can share assets in terms of joint procurement and reuse.

Calls for tender - Remarks

- Advanced materials and new technology or parts was possible only in few calls for tender.
- Life cycle approach was not clearly shown among the criteria. However, the requirement of material pass would indicate that life cycle must be paid special attention to.
- Based on the analysis of calls for tender, procurers at the moment promote recycling, repair and reuse of certain parts. In the future, they could ensure that the products will be further processed after use, and that they are repairable and can be separated into subcomponents and/or materials and reused at the end of their life cycle, i.e. pay attention to eco-design.
- Higher expectations could be set towards procurement that aims at zero waste and no negative side effects of production, leading to completely reused products or their elements, eliminating toxic materials, and using energy from renewable sources for production.
- Prevention and recovery of waste was seen more of a requirement or duty but there were no indication that it could be considered as a competitive advantage to bidders. This could be illustrated by requiring life cycle cost calculation.

Thank you!



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