

Summary of research reports

- 1) *State of the art of Circular Procurement policies*
- 2) *Analysis of Circular business models*
- 3) *Circular Procurement practices at municipalities*

Alberto Huerta Morales, PhD Fellow,
Aalborg University.

State of the art of Circular Procurement policies

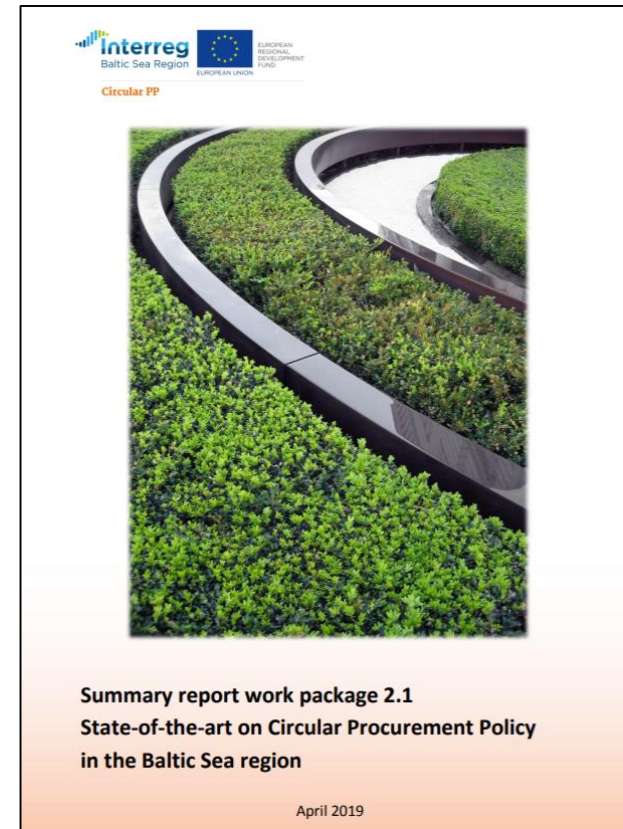


Highlights

- Research led by Katriina Alhola and Hanna Salmenperä from SYKE (The Finnish Environment Institute)
- Most work done under **SPP and GPP** policies.
- **Diversity** in commitment, implementation and competences **across (and within) countries**
- National commitment does not necessarily lead to local implementation (**municipalities are crucial!**)
- Guidance and criteria – **available** Implementation data – **lacking**
- CPP tenders where also analysed and it was found that

There are different ways of CPP: **circular product/service criteria, products as a service , innovative solutions**

The most active sector are **construction, waste and sewage treatment, textiles and furniture, food and catering, ICT.**



Analysis of Circular Business Models



Highlights

Main strategies

- Facilitate a **reduction in consumption**
- Produce based on **secondary raw materials**
- Create** digital or physical **marketplaces**
- Exploit residual value** of used products
- Sell performance** not products
- Collect and **transform waste**

Main advantages

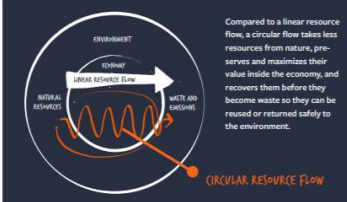
- Lower cost for materials**
- Less materials used
- Less waste generated
- Help consumers reduce consumption**
- Products can be used multiple times
- Used products are appealing for certain customers**
- Waste-based products are unique

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Interreg Baltic Sea Region
Circular PP

Circular Business Models
- creating value through circularity -

By: Alberto Huerta Morales, PhD Fellow at Aalborg University



Compared to a linear resource flow, a circular flow takes less resources from nature, preserves and maximizes their value inside the economy, and recovers them before they become waste so they can be reused or returned safely to the environment.

Activities part of renovation reuse. Photo: Alice Abelle, Passara Mibeles.

Businesses can become drivers of a transition towards a Circular Economy by carrying out a Circular Business Model (CBM). CBM represent a strategy for systematically creating commercial value as a result of:

- reducing resources taken from nature
- reducing waste generation
- maximizing and preserving the value of resources in the economy.

Many enterprises increase material efficiency of their products, send waste to a recycling station, or integrate a fraction of recycled material into their products. These are all relevant activities in a Circular Economy, however, they do not represent a CBM.

A CBM uses circularity as the main mechanism for value creation - not a complementary activity. In order to embed circularity at the core of value creation, enterprises must: (re)design the products and services they supply, the relationships they have with suppliers and consumers as well as their internal operations. Only then, circularity can be placed at the core of value creation of the firm instead of a cost-efficiency measure or a waste handling practice.

In order to create value through circularity, SMEs can follow one (or more) of the following strategies:

Sample

- 50 cases:** mostly SMEs
- 7 countries:** BSR plus Netherlands
- 5 product groups:** food and catering, furniture, ICT, built environment, textiles and clothing

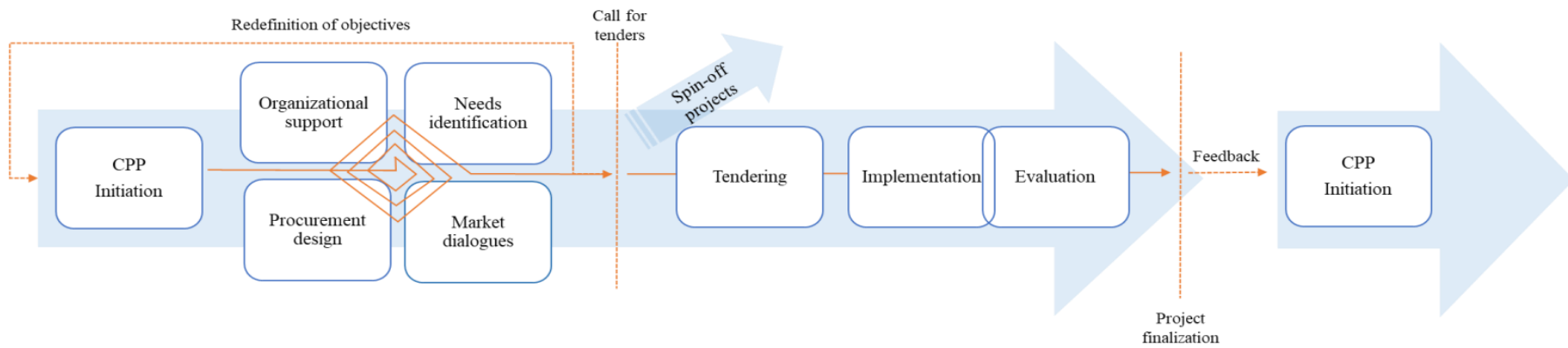
Main challenges

- Higher salary costs**
- Difficulties in standardization**
- Restrictive regulations**
- High transaction costs**
- Misconceptions from consumers (old, broken, needs to be cheap)**
- Redesign of used products, Hibernation effect**

Circular Procurement practices at municipalities



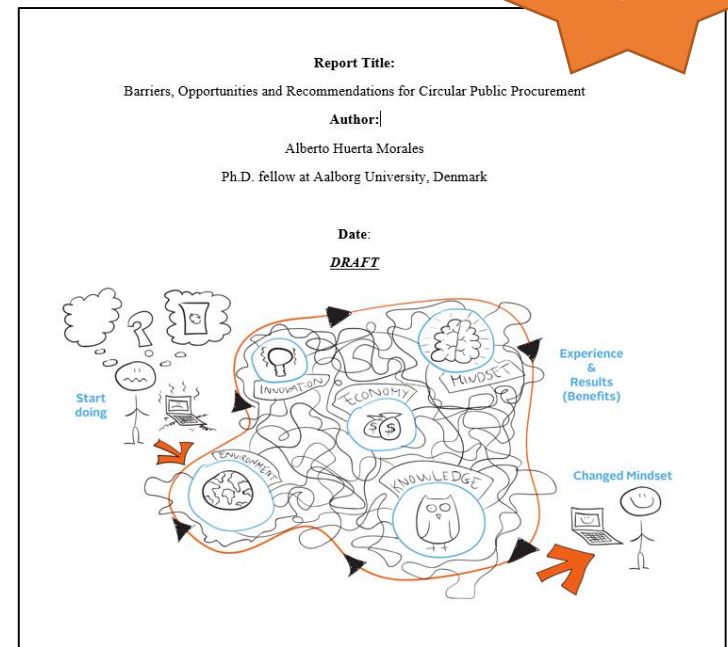
CPP Process diagram



How to improve Circular Procurement practices at municipalities

- **Widespread training** to all relevant personnel
- Stakeholder engagement **flexible methodologies**
- **Synergies** between **internal and external service provision**.
- **Include Socio-economic and small enterprises** in market dialogues
- **Campaigns for behavioural change** (framework agreements)
- **Verification mechanisms** for long-term and ongoing circularity
- Use existing green criteria AND **develop ad-hoc circular criteria**
- **Avoid** lowest price, **promote** life-cycle costing
- Balance cost with **quality, environmental and social** criteria

Based on
6 CPP
projects





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Thank you for your attention!

For **more information** go to
CircularPP website > Activities
> State of the Art research.

Full reports are made
available for download as
soon as they are concluded

Alberto Huerta Morales
PhD Fellow Aalborg University
ahm@plan.aau.dk

