

Circular procurement action plan



ESTONIA

2021



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Part I – General information

Project: CircPro - Smart Circular Procurement

Partner organisation(s) concerned: Stockholm Environment Institute Tallinn Centre

Country: Estonia

NUTS2 region: EESTI

Contact person: Evelin Piirsalu

Email address: evelin.piirsalu@sei.org

Phone number: +3726276116

Part II – Policy context

The original policy instrument: Operational Programme for Cohesion Policy Funds 2014-2020. Priority axis 4: Growth-capable entrepreneurship and internally competitive R&D. Specific objective 3. Innovative solutions increase resource productivity of enterprises

The CircPro action plan does not focus on improving the original policy instrument as it was valid only until 2020. The process of developing new operation programme has been slow and it had not been reasonable to focus on the new operational programme. Also, the new policy instruments were chosen as these are more relevant to the ultimate goal of CircPro project– increasing the implementation of circular procurement in Estonia.

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument**

Policy instrument(s) addressed:

Public Procurement Act

The Public Procurement Act (PPA) provides the rules for the organisation of public procurement, the rights and obligations of persons involved in public procurement, the exercise of supervision, the procedure for resolution of disputes and liability for violation of the Act.

The Act transposes EU public procurement directives (Directive 2014/24/EU and Directive 2014/25/EU) into national legislation, including environmental considerations related to public procurement. In addition, a new ordinance adopted in June 2021 makes the GPP mandatory for four product groups (graphic paper, office IT equipment, furniture and cleaning products and services) compulsory.

According to the Public Procurement Act, a public procurement register is established for processing public procurement data and beneficiary purchase data. The purpose of the register is to ensure the publication of public procurement notices; enable the electronic processing of public procurements; indicate the results of review proceedings; publish other relevant public procurement information, and finally ensure the gathering of public procurement statistics, including the statistics on green public procurement. In Estonia all procurements are 100% electronic carried out via the procurement register. The register is operated by the Ministry of Finance.

Green and circular procurement are still relatively uncommon in Estonia even though it has been supported by the law for more than ten years and is now mandatory for several product groups. However, the recent study about GPP system in Estonia revealed that the monitoring of GPP organised via the

Procurement Register does not allow realistic overview of the GPP situation in Estonia. Furthermore, procurers expect the register to provide more support in implementing GPP.

The CircPro action plan (in particular action 2) aims to improve the management of the Public Procurement Act by improving GPP monitoring. In addition, action 2 contributes to the improvement of the register as a facilitator of GPP implementation in Estonia.

Furthermore, the action plan (action 3) will contribute to improvement of the Public Procurement Act by adding support measures that will enhance the implementation of the Public Procurement Act and its relevant sub-regulations. In addition, action 3 contributes to achieving a higher number of green and circular procurements, which is an integral part of procurement policy.

Responsible for the Policy Instrument: Ministry of the Finance, responsible for the GPP: Ministry of the Environment.

Environmental Protection Programme (KEVAD)

The environmental protection programme aims to protect the environment and biodiversity and ensure sustainable and efficient use of the environment. The programme consists of six measures: 1) implementation of climate objectives, ambient air protection and radiation safety, 2) organisation of the circular economy, 3) protection and use of the marine environment and water, 4) protection and use of wildlife, 5) provision of spatial data and weather information, and 6) environmental awareness, environmental education).

The aim of the Estonian Environmental Strategy until 2030 is to define long-term development directions for maintaining the good state of the environment, considering the interrelations between the environment and the economic and social sphere and their effects on the surrounding natural environment and people simultaneously. The environmental protection programme has been prepared to implement the objectives set out in the environmental strategy and various development plans related to the environment.

The environmental protection program focuses on the development of the environment to effectively formulate environmental policy and ensure its implementation and cooperation both within the ministry and between the ministry, its sub-agencies and partners.

Environmental protection programme does not have any reference to circular economy. The CircPro action plan (namely action 1) will contribute to the improvement of the environmental protection programme by adding circular economy as a separate section/chapter or a horizontal topic into programme. Furthermore, the green and circular public procurement will be integrated in the programme important part of the circular economy.

Responsible for the Policy Instrument: Ministry of the Environment.

National waste plan

The National Waste Management Plan is a strategic development plan that organises and directs Estonian waste management. Its purpose is to organise waste management systematically at all levels. The development plan sets harmonised targets for the country and sets goals and tasks for local governments, entrepreneurs, industry, and the population. The strategic objective of the waste management plan is to implement the principle of the waste hierarchy. The emphasis is on developing the necessary measures to break the link between waste generation and economic growth.

Waste management plan must take into account the entire life cycle of the goods. This means planning, designing, producing and importing primarily such products that are reusable or long-lasting. Also, the content of hazardous substances in materials and products must be reduced. The waste management plan includes the management of hazardous waste and packaging waste and county waste management and waste prevention programs.

The obligation to draw up a waste management plan arises from the EU Waste Framework Directive, which requires that national waste plans define objectives, appropriate strategies and identify necessary implementation measures.

Activities related to the higher levels of the waste hierarchy, such as reusing and recycling, are essential aspects in the circular economy. Therefore it is crucial to include circular aspects, including circular procurement measures, in the national waste plan. The CircPro action plan (Action 1) will contribute to the improvement of the national waste plan. It will integrate green and circular public procurement into the national waste plan as a separate section/chapter. As such, it will enhance the role of circular procurement as an integral part of the circular economy.

Responsible for the Policy Instrument: Ministry of the Environment.

Part III – Details of the actions envisaged

ACTION 1

Name of the action: Integrating circular procurement into national strategic documents

Connection with the policy instrument:

Action 1 will contribute to Type 3 improvement of the national waste plan and environmental protection programme. It will contribute to integrating green and circular public procurement into the policy documents addressing circular economy as a separate chapter/section or as a horizontal topic.

Relevance to the project:

This action is based on the Norwegian best practice on local strategies <https://www.interregeurope.eu/policylearning/good-practices/item/3246/designing-implementation-plan-for-local-strategies-and-policy-instruments-in-circular-procurement/>

Other partner countries have also included circular economy (e.g. Italy) or GPP strategy (e.g. Lithuania, Greece) in mapping the political framework, which forms a basis for this action.

Nature of the action

Green and circular public procurement is a powerful tool for using public finances in an efficient, sustainable and strategic way and for accelerating the creation of a more sustainable and circular economic system. Public procurement, which seeks a green and circular solution, may lead to further development, which causes the spread of new solutions, products and services and contributes to environmentally sound and circular economic development. Therefore, it is crucial that circular economy policy and roadmap also focus on improving circular procurement implementation. Currently, Estonia is developing a strategic document to enhance the circular economy. It is vital that circular procurement will be integrated into the national strategic documents covering circular economy, such as Circular economy roadmap, which is a primary strategic document for circular economy developed by the Ministry of the Environment, and national waste plan.

Sub-action 1.1 Development of the circular economy chapter, including circular procurement into the renewed national waste plan.

This action involves the development of goals and measures for supporting CP uptake in Estonia. This action requires meeting(s) with relevant stakeholders.

Sub-action 1.2 Development of the circular procurement chapter into the circular economy strategic documents including CP roadmap.

This action involves the development of goals and measures for supporting CP uptake in Estonia. The process requires meeting(s) with relevant stakeholders and with the leading workgroup responsible for developing the strategy – to emphasise the importance of circular procurement in achieving a circular economy.

Stakeholders involved:

Ministry of the Environment – *is responsible for developing environmental legal acts and regulations*

Ministry of the Finance – *responsible for public procurement system in general*

Ministry of Economy and Communication

Estonian Association of Environmental Management (EKJA) – *representing companies and their interests*

Estonian Waste Management Association

Timeframe:

Autumn 2021 - Spring 2023

Costs:

Internal costs of human resources. The measure will not represent a direct cost or expense to the administration involved.

Funding sources:

State budget

Monitoring:

- *The circular procurement chapter in the circular economy strategy/action plan is drafted*
- *The circular economy chapter including CP is drafted for national waste plan.*

ACTION 2

Name of the action: Develop recommendations for the Procurement register

Connection with the policy instrument:

Action 2 will contribute to Type 2 (management) improvement of the Public Procurement Act by improving GPP monitoring of the implementation of the Act and its sub-regulations. The new ordinance by the Ministry of the Environment sets GPP mandatory for four product groups: office paper, cleaning service, furniture and office IT equipment. Public procurement register helps to monitor compliance with this ordinance. For all these four products, the circular criteria are also highly relevant.

Relevance to the project:

This action is inspired by the Finnish best practice - KEINO <https://www.interregeurope.eu/policylearning/good-practices/item/3089/procurement-specialist-services-change-agent-for-sustainable-and-innovative-public-procurement/> and Greece national GPP action plan presented in Greek international webinar on 19.11.2020.

Nature of the action

A new procurement register was launched in October 2018. The new register also includes built-in environmental criteria that can be easily chosen from the drop-down menu to facilitate green public procurement (GPP).¹ The environmental criteria available for use in the Procurement Register are based on the EU GPP criteria. Currently, there are GPP criteria available for four product groups: copy paper, cleaning products and services, furniture, and office IT equipment. However, the new system has some gaps that hinder the wider use of the register for monitoring of the GPP or as GPP support for procurers. Therefore, improvement of the register is needed.

The aim of action 2 is to develop recommendations for Estonian Procurement register with the aim to improve the monitoring of GPP and CP and provide better support for procurers on GPP and CP.

Sub-action 2.1 Analysis of gaps of the Procurement register

Procurement register analysis should identify why the register does not function well for monitoring the GPP and the possibilities to improve the monitoring of GPP and CP via register. The analysis should also detect which potential elements of the register could provide better support for the procurers in GPP and CP.

Sub-action 2.2 Development of the recommendations for improving the Procurement register

Based on the results of the analysis of the procurement register, recommendations are developed for improving the monitoring of GPP and CP via register and how the register could better facilitate the implementation of GPP and CP.

Stakeholders involved:

¹ <https://www.interregeurope.eu/policylearning/good-practices/item/3289/green-criteria-in-an-electronic-procurement-register/>

Ministry of the Environment – is responsible for developing environmental legal acts and regulations

Ministry of the Finance – responsible for public procurement system in general and for Procurement Register

The State Shared Service Center – provides national authorities the service of organising public procurements

Procurers of national and local authorities

Timeframe:

Autumn 2021 - autumn 2022

Costs:

The estimated cost of the study analysis is 10 000 euros.

Funding sources:

State budget

Monitoring:

- Analysis of procurement register has been carried out
- Recommendations have been developed

ACTION 3

Name of the action: Enhance procurers' capacity on GPP and CP

Connection with the policy instrument:

Action 3 will contribute to Type 2 (management) improvement of the Public Procurement Act by adding support measures that will enhance the implementation of the Public Procurement Act and its relevant sub-regulations. In addition, action 3 contributes to achieving a higher number of green and circular procurements, which is an integral part of procurement policy.

Relevance to the project:

This action is based on good practices brought forward with the project partners regarding supporting measures of CP and GPP, such as Norwegian guideline for public procurement, Finnish best practice regarding their infosite Hankinnat.fi (Publicprocurement.fi), which provides information on applying the Act on Public Procurement and Concession Contracts and on best procurement practices; and criteria provided by Motiva. In addition, many partner countries have presented during the project examples of supporting schemes of the GPP, such as a info-portals (e.g. Finland, Norway, Croatia, etc.), guidelines, including criteria that are regularly updated (e.g. Lithuania, Greece), and training (all partner countries have mapped some sort of training activities).

Nature of the action

The implementation of GPP is relatively low level in Estonia despite of supporting material available about GPP. Implementation of circular procurement as part of GPP is even lower level. The stakeholder meetings in Estonia have revealed the main shortcomings of the Estonian GPP supporting system. Stakeholders emphasised that interactive and user-friendly guidelines are needed. Even though there have been several training activities in Estonia, these now need to become more specific in terms of circularity and product groups. The current GPP info portal is outdated in terms of technology (not mobile-friendly) and content. A new info portal, which gathers all relevant information on CP and GPP and will be regularly updated, is vital.

Sub-action 3.1 Development of info-portal for GPP and CP

The current info-portal will be upgraded with new developments in GPP and include the topic of CP. The information on the website will be updated and renewed. The info portal will be linked with the current circular economy website. Information will include the links to the EU GPP website and procurement register.

Sub-action 3.2 Develop interactive guidelines for CP and GPP

Development of general guidelines for CP and product-related guides for GPP. These guidelines need to be interactive and user-friendly, not just long text pdf files.

Sub-action 3.3 Provide training of circular procurement

Training is carried out mainly on circular procurement for the local and national authorities. The training is not only for the procurers but also for the officers and mid-level managers who are the actual users of the procured

products and services as often they are the main decision-makers regarding the technical specifications and criteria set in the procurement and the budget allocated for purchases. This training can be organised in cooperation with the ministry of finance who regularly carries out general procurement-related training.

Sub-action 3.4 Develop exemplary procurement documents

All procurements are carried out in the electronic procurement register. The product-related guidelines usually instruct which criteria to use and how but do not consider the procurement register's specific conditions and requirements. Therefore, the procurers need guidance and support on how to set the criteria in the register. Exemplary procurement documents for various product groups would help the procurers to understand how to set the environmental requirements in the register, which would help and encourage procurers to carry out CP and GPP.

Stakeholders involved:

Ministry of the Environment – is responsible for developing environmental legal acts and regulations

Ministry of the Finance – responsible for public procurement system in general and for Procurement Register

The State Shared Service Center – provides national authorities the service of organising public procurements

National and local authorities

Timeframe:

Autumn 2021 – spring 2023

Costs:

The estimated cost of the capacity building activities is 50 000 euros.

Funding sources:

State budget, other sources (European projects or Environmental Investment Centre)

Monitoring:

- Infoportal for GPP and CP is developed
- Interactive guidelines for CP and GPP have been created for at least five product groups.
- At least three training sessions on circular procurement have been carried out for at least 60 participants.
- 5 exemplary procurement documents are prepared and available in the register

Declaration of responsibility:

Date:

Name of the organisation(s):

Signatures of the relevant organisation(s):