



CircPro Policy Brief

SMART CIRCULAR PROCUREMENT

Key drivers at the EU policy level

The European Green Deal¹ is the main policy initiative and growth strategy of the EU. Presented in December 2019, it sets out the overall objective for the EU to become the first climate-neutral continent by 2050, resulting in a cleaner environment, more affordable energy, smarter transport, new jobs and overall better quality of life. The Green Deal emphasises that public authorities, including the EU institutions, should lead by example and ensure that they procure green products and services.² It provides an action plan to boost the efficient use of resources by moving to a clean, circular economy, restoring biodiversity and cutting pollution. The action plan outlines investments needed and financing tools available to ensure a just and inclusive transition.

Accelerating the transformational change required by the European Green Deal, the Circular Economy Action Plan of the EU³ (2020) announces initiatives along the entire life cycle of products. The action plan targets the product design, promotes circular economy processes, fosters sustainable consumption, and aims to prolong the circulation of resources in the EU economy. In addition, the plan presents a set of interrelated initiatives to establish a strong and coherent product policy framework that will support sustainable products, services and business models and transform consumption patterns to minimise waste generation.

The Action Plan presents measures that make sustainable products the norm in the EU and empower consumers and public buyers. The plan focuses on the most resource-intensive sectors with a high potential for circularity, such as electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water and nutrient.

Public authorities' purchasing power represents 14% of EU GDP and can serve as a powerful driver for market demand. To exploit this potential, the Commission has developed **Green Public Procurement (GPP) criteria** to facilitate green requirements in public procurement for more than 20 product groups. These include 'core criteria' suitable for any contracting authority and focused on key environmental issues and 'comprehensive criteria' for procurements with a higher level of ambition.⁴



EUROPEAN
GREEN DEAL



CIRCULAR
ECONOMY
ACTION PLAN



GREEN PUBLIC
PROCUREMENT

¹ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

² COM/2019/640 final <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1596443911913&uri=CELEX:52019DC0640#document2>

³ https://ec.europa.eu/environment/strategy/circular-economy-action-plan_en

⁴ https://ec.europa.eu/environment/gpp/eu_gpp_en_criteria.htm

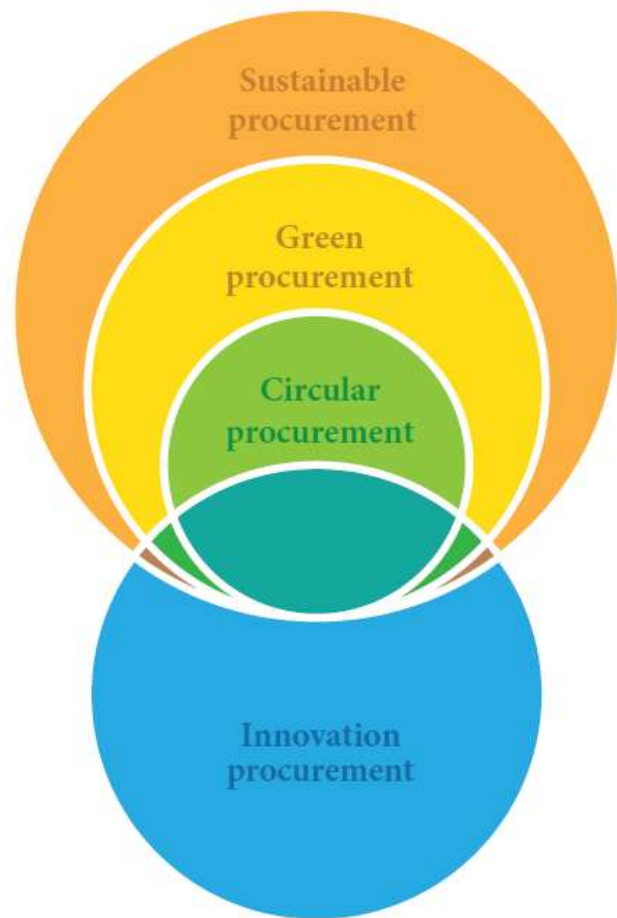


The essence and importance of circular procurement

In light of finite resource flows, economies will no longer be able to rely on today's wasting linear "take-make-dispose" production and consumption models. A circular economy is an alternative to this model. It aims to keep products and materials in the value chain for a longer period and to recover raw materials after the lifetime of products for their next use.

Circular public procurement is an approach to greening procurement that recognises the public authorities' role in supporting the transition towards a circular economy. Circular procurement can be defined "as the process by which public authorities purchase works, goods or services that seek to contribute to closed energy and material loops within supply chains, whilst minimising, and in the best case avoiding, negative environmental impacts and waste creation across their whole life-cycle."⁵

Circular procurement is part of the broader sustainable procurement concept. Sustainable procurement is recognised as a strategic tool to drive innovation. Green procurement and more narrowly focused circular procurement are part of this wider agenda. Moreover, circular procurement is not only for purchasing products. By procuring innovative solutions, green and circular products, and new business models, it is possible to affect the whole product/service system or supply chain. Thus, circular procurement can be seen as a strategic instrument that plays an essential role in the transition towards the circular economy and a low-carbon future.



This policy brief is prepared by Stockholm Environment Institute Tallinn Centre under the Interreg Europe programme project Smart Circular Procurement (CircPro) supported Interreg Europe programme. This publication reflects the author's views only and the Interreg Europe programme authorities are not liable for any use that may be made of the information contained therein.

Smart Circular Procurement (CircPro) project aims at promoting the transition to a more circular economy-oriented national and regional decision-making. CircPro's main objective is to improve the targeted policy instruments to incorporate the circular economy principles and criteria. Furthermore, CircPro targets circular procurement from different approaches and complexity, facilitating closed loops and shifting the focus from better quality products to new and innovative products and new business concepts. For further details, see <https://www.interregeurope.eu/circpro/>.



⁵ European Commission: Public Procurement for a Circular Economy, October 2017
https://ec.europa.eu/environment/gpp/pdf/Public_procurement_circular_economy_brochure.pdf

Green and circular procurement in Estonia

Estonia is one of the few countries in the EU that does not have any strategic document or national action plan for green public procurement. Ministry of the Environment has tried to increase the awareness of GPP, but the implementation has remained relatively modest, especially at the local level. Furthermore, circular procurement is not very well comprehended, and the possibilities and advantages of circular procurement are not widely acknowledged. However, the role of green and circular procurement in achieving a circular economy is increasingly recognised. Therefore, a strategic approach is needed to promote green and circular procurement. Also, measures to enhance the knowledge and skills of implementing green and circular procurement are necessary. Followed by these need the recommendations for enhancing circular procurement in Estonia are provided as follows.

Recommendations for actions and policy measures for enhancing circular procurement in Estonia

This policy brief brings forward the following recommendations to improve the implementation of green and circular procurements:

- 1) It is crucial that policy documents addressing the circular economy also focus on improving circular procurement implementation. Therefore, **circular procurement should be integrated into the national strategic documents** covering circular economy, such as the Circular economy roadmap, a primary strategic document for circular economy developed by the Ministry of the Environment, and national waste plan. This means that green and circular public procurement should be integrated into the circular economy related policy documents as a separate chapter/section or as a horizontal topic. In addition, measures to increase the implementation of green and circular procurement should be clearly indicated. The same should be done at the local level.
- 2) **Strategic approach at the local level** - municipalities should also set goals for green public procurement and develop action plan with measures to support the wider implementation for green and circular procurement
- 3) Improve the procurement register to better support the monitoring and implementation of green and circular procurement. Currently, there are built-in GPP criteria for four product groups available in the register: copy paper, cleaning products and services, furniture, and office IT equipment. However, there are still some gaps that hinder the wider use of the register for monitoring implementation of GPP or as support for procurers. Therefore, improvement of the register is needed.
- 4) Create the **info portal for green and circular procurement**, as this is highly needed and expected by the procurers who lack infomaterials on green and circular procurement.
- 5) **Enhance procurers' capacity on GPP and CP**. For that that the following activities need to be supported at the national and local level:
 - a. Training for both municipalities and state level procurers on circular procurement.
 - b. Development of guidelines and procurement templates for procuring circular products

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Information and examples of various circular procurements can be found in [CircPro best practice database](#).

For useful information about circular procurement and how to include circular criteria in your tender procedures, please visit [Circular Procurement Guidelines](#) (in Estonian).