



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 services². 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 ambition⁴.



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

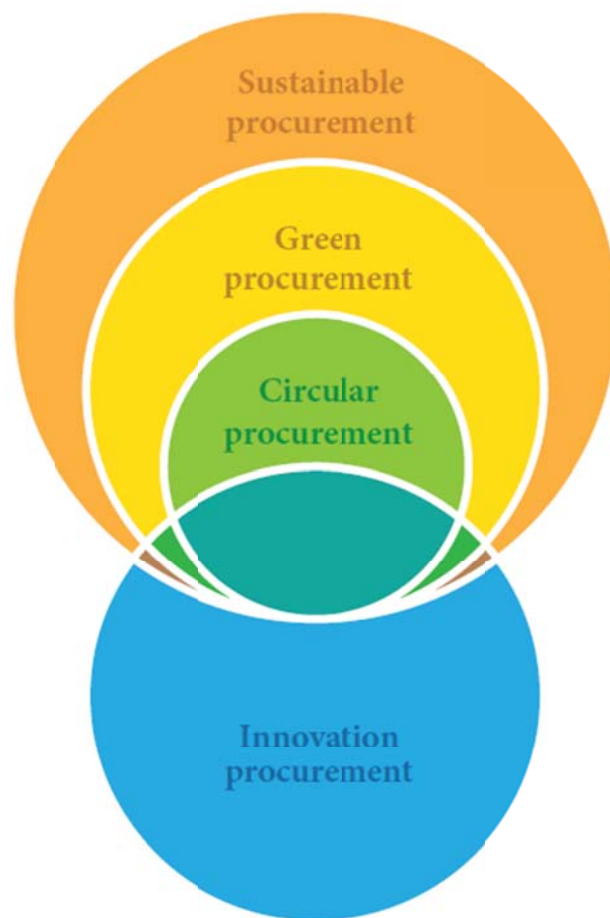


The essence and importance of circular procurement

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-cycle⁵".

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.



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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 Andalusia



Andalusia is currently working on the development of Regional Law to promote the Circular Economy. The **Law for Circular Economy in Andalusia (LECA)** is in progress and aims at addressing, transversally and with a structural scope, many of the changes that, with the rank of Law, are necessary to

encourage and accelerate the transition towards an economy more sustainable, competitive and innovative, which establishes the groundworks to overcome the “use and throwaway” production and consumption model that is already becoming unsustainable.

The objective is to create an proper legal framework for the transition towards an environmental protection model that encourages the rational use of resources, lengthens the useful life of products and minimizes the generation of waste. In this draft Law, aspects related to **Ecological Public Procurement (CPE)** are already included, incorporating environmental and circular considerations in the different phases of the Andalusian public contracting process (articles 12 and 13).

Andalusia, a pioneer in adapting the recent European Strategy to its legislation, is ahead of the State in this legal act, with the added challenge of contributing to sustainable economic growth and job creation. All this supported by three pillars:

- The promotion of the regional and local administrations;
- The company as an engine of change; and
- Society as a whole, from awareness and responsible consumption.

From this perspective, the aim is to put an end to the linear concept of “manufacture-use-throwaway” and take a chance on a cleaner and more competitive economy, capable both of renewing traditional productive sectors and of being decidedly open to new activities demanding of stable and quality jobs. The future law will promulgate the drafting of the **Andalusian Strategy for Circular Economy**⁶ as a planning instrument and will lay the groundworks for the effective development of an Ecological Public Procurement (CPE).

The implementation of the circular economy model in Andalusia will be based on the life cycle analysis (LCA) and, therefore, of the eco-logical footprint of products and services, management of unsold goods, the promotion of repair, fight against food waste and strategic investments in circular economy. This will be done by reinforcing the application of the principle of the hierarchy of waste and establishing the principles of the circular economy through the regulation of certain basic aspects of waste, such as prevention, preparation for reuse, recycling processes and material recovery. For this, special attention is paid to the concepts of “by-product” and “end of waste condition”.

PIRE 2030

PLAN INTEGRAL DE RESIDUOS DE ANDALUCÍA
HACIA UNA ECONOMÍA CIRCULAR EN EL HORIZONTE 2030

As a background, the Integrated **Plan for Waste of Andalusia. Towards a Circular Economy in the 2030 Horizon (PIRec 2030)**⁷.

The PIRec 2030 arose from the need to review waste planning, which has become absolutely obsolete and requires urgently an adaptation to the new EU Directives on waste management. Therefore, it arises from the need to provide the Andalusia region and its local with the legal security necessary for the implementation of investments, new infrastructures and equipment.

⁶ Preceded by the Andalusian Strategy for Bioeconomy: <https://www.juntadeandalucia.es/organismos/transparencia/planificacion-evaluacion-estadistica/planes/detalle/155202.html#toc-informacion-general>

⁷ Approved by Decree 131/2021, of 6 April: https://www.juntadeandalucia.es/medioambiente/portal/landing-page-planificacion/-/asset_publisher/Jw7AHlmcvbx0/content/plan-integral-de-residuos-de-andaluc-c3-ada/20151

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

This Policy Brief brings forward the main recommendations to improve the implementation of green and circular procurements in Andalusia:

MAIN BARRIERS	SOME RECOMMENDATIONS
<ul style="list-style-type: none"> • General lack of knowledge, training, skills and expertise on preparing bids for green or circular tenders; • General lack of knowledge, training, skills and expertise on applying green or circular requirements into business processes; • Procedural and legal barriers. 	<ul style="list-style-type: none"> • Engagement of technical and environmental experts for identifying the right approach and choosing the right solutions; • Market engagement to ensure transparency and the confidence of suppliers, and to understand the potential challenges of certain solutions; • The cooperation between public buyers and industrial and innovation ecosystems can stimulate innovation and increase efficiency of public investment; • Organise education and training programmes to increase environmental awareness and enhance their capability to handle new technologies and innovation; • Create learning materials and open educational resources. For example, a Guidance Tool would be essential to transpose what is written in the policy papers recently adopted at EU level on circular economy and circular procurement. • Check the availability of environmental criteria so that public authorities can insert them directly into new tenders. • Set up a centralised online portal for green tenders where all calls for public tenders will be published in a transparent and accessible manner.



Andalusia is already working on improvement and understanding of the circular criteria inclusion in Public Procurement to overcome the main barriers faced by Public Administration to include, use and implement them. It's working in close collaboration with the main Stakeholders in order to get to know their main needs and expectations and translate them into actions through in the next **Action Plan**.

It is time to take a further step in the regulation of Strategic Public Procurement, moving from a voluntary and programmatic to a legal and compulsory development, which emphasizes the obligation to purchase specific environmental benefits, especially in relation to benefits where it is possible to obtain results of double environmental and economic gain.



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