



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



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

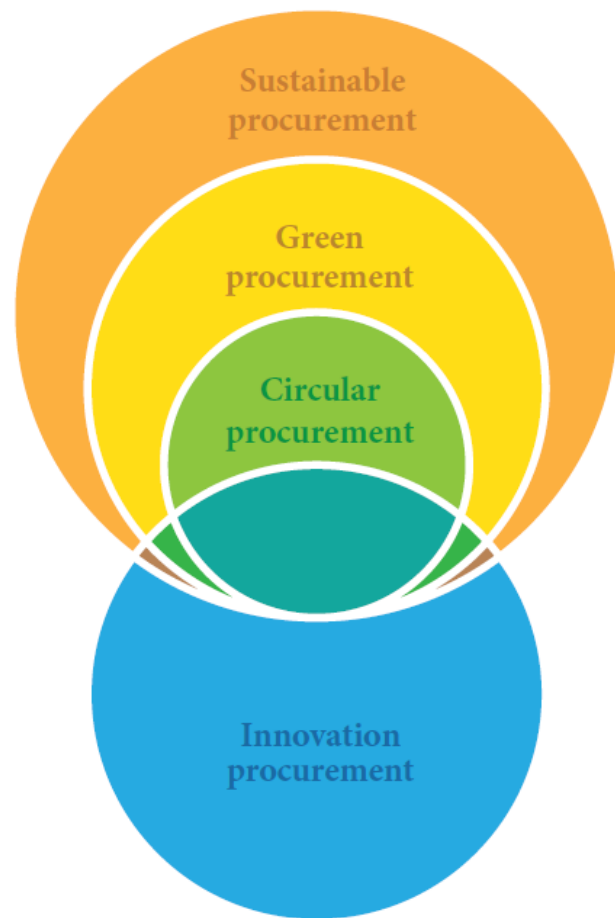


The essence and importance of circular procurement

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.



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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 Portugal

There are currently three action plans in Portugal, related to circular procurement:

1- PERSU 2020 - Strategic Plan for Urban Waste 2014-2020

PERSU 2020 - Strategic Plan for Urban Waste 2014-2020 was approved by Decree No. 187-A on the 17th September 2014. The plan sets national targets for Urban Waste (UW) prevention and presents measures associated with the accomplishment of this objective. The waste strategy, advocated in this plan, maintains the objective of guaranteeing a high level of protection of the environment and of human health, through the use of appropriate processes, technologies and infrastructures. It also promotes the minimization of the production and hazardousness of waste and seeks to integrate them in production processes as secondary materials, in order to reduce the impacts of the extraction of natural resources and ensure the essential resources to the economy, at the same time as it creates opportunities for economic and employment development.

2- Action Plan for Circular Economy (APCE)

The Action Plan for Circular Economy (APCE) approved by ministers Resolution n. ° 190-A/2017 presents actions aligned with the European pillars of Action for the Circular Economy with the aim of establishing a carbon neutral economy, with neutral GHG emissions and effective use of materials by 2050, focusing on research and innovation on sustainability. It discloses solutions, with emissions and resources integrated into business models that stimulate creation of jobs, an efficient and effective use of the mobilized resources and their economic duration, enabling inclusive and resilient economic prosperity and a thriving, responsible, dynamic, inclusive, informed, participative and more collaborative society.

3- National Strategy for the Ecological Public Procurement (ENCPE 2020)

National Strategy for the Ecological Public Procurement (ENCPE 2020) approved by Resolution No 38/2016 of the Council of Ministers of 29 July 2016, provides that the inclusion of environmental criteria in public procurement is mandatory. Moreover, it is an instrument which intends to promote reduction of pollution, consumption of natural resources and integration of efficiency in the system.

Public authorities, as contracting authorities, have a very important role in circular economy implementation, and it is up to them, among other things, to actively promote in their tendering procedures standards that stimulate the use of circular economy principles.

Public authorities should exercise their considerable purchasing power in an environmentally and socially responsible way, without prejudice to the primary objective, which is to obtain work, product or service that enables the achievement of a certain objective of public interest.

ENCPE focuses on the definition of technical specifications for a set of priority goods and services for which there are already European Union GPP (Green Public Procurement) criteria, which will be adapted to the national market by multidisciplinary working groups. There are currently three new Working Groups (WG), addressing: Water Heaters, Graphic Representation Equipment, Printing Consumables and Services and Data Centres, Server Rooms and Cloud Services.

The definition of this technical specifications underlying the priority products always relies on the observation of the principles of public procurement, namely the principles of transparency, equality and competition.

4- Alentejo and the Public Procurement

In Alentejo, the main initiative related to circular economy is the Circular Economy Regional Forum, managed by CCDR Alentejo. Its main goal is the identification of opportunities and barriers, to establish basic conditions for the development of future circular economy projects, promoted by regional entities, including circular procurement.

The importance of the topic in the region is reflected in the participation of different entities in national and international projects and working groups, such as: the WG of ENCPE2020, the CircPro - Circular Procurement project, the PROMINENT MED project and the WG of the iBuy - Fostering the role of public authorities as demanders of innovation through public procurement project. All this participations aims to identify solutions and recommendations for actions and policy measures for enhancing circular procurement in Alentejo.

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

- 1) **Efficient use of award criteria selection:** The award criteria should be the most economically advantageous offer based on the value for money, the Life cycle costing of the product or service, the reference to ecological standards and environmental management systems and utilization of all tender procedures provided by Legislative Framework (open, closed, competitive negotiated procedure, competitive dialogue) and selection of the most appropriate procedure;
- 2) **Strategic approach at a regional and local level** – regional entities and municipalities should also set goals for green and circular public procurement and develop actions to support its wider implementation;
- 3) **Regional and national campaigns for supporting CPP:** All bodies from public and private sector – procurers that receive EU and National funds should have a clear view and knowledge on green and circular public procurement. For that, activities such as training programmes, informative events and webinars, education material and a green and circular procurement dedicated platform should be implemented.

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