



European Union  
European Regional  
Development Fund

# CircPro project at a glance

**Marina Sorokina**  
Kouvola Innovation Oy

25 January, 2023, Tallinn  
CircPro project final conference:

”Enhancing circular procurement practices on the local level”

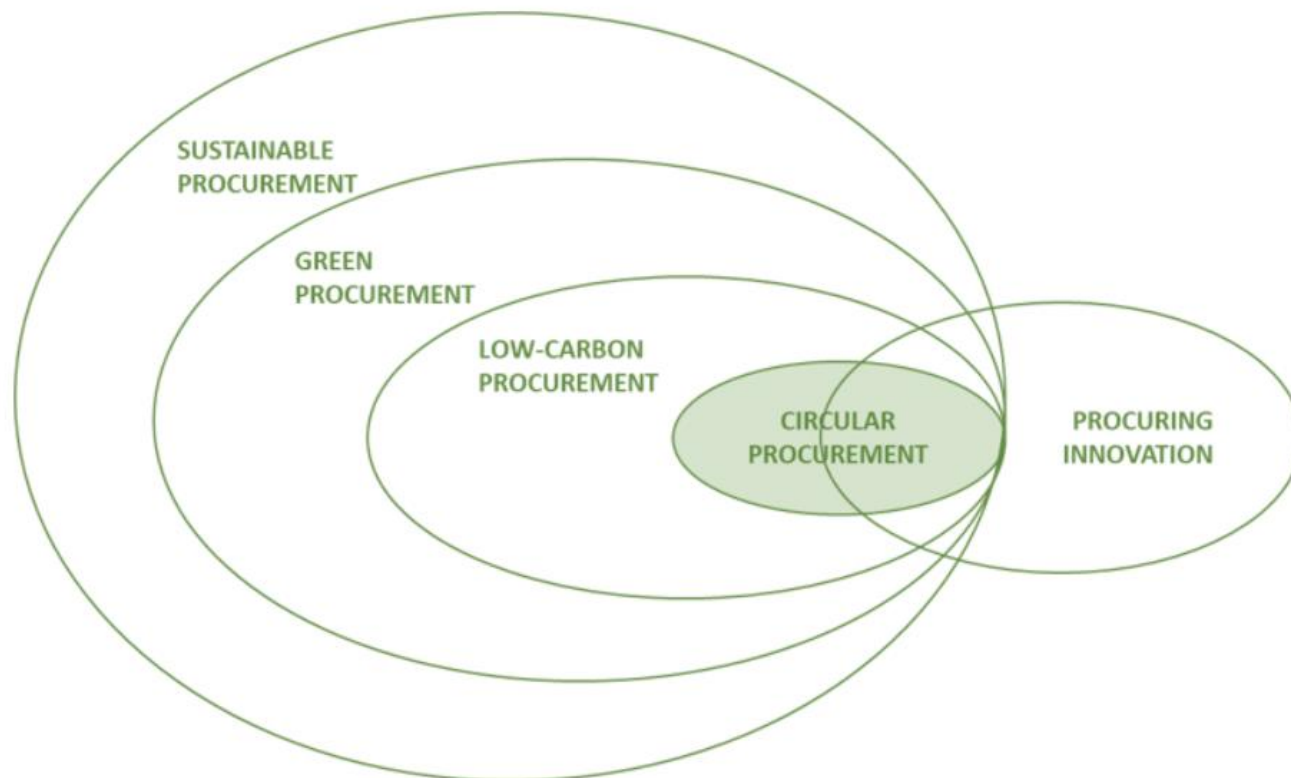
# What is circular procurement? (1/3)

Smart Circular Procurement project (CircPro) aims at promoting the transition to a more circular economy related national and regional decision making by increasing the implementation of the circular procurement.

**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.\***

\* Source: European Commission. 2017. [Public procurement for a circular economy](#).

# What is circular procurement? (2/3)



Linkages between different procurement concepts. Circular procurement is sustainable, green and low-carbon – and often also innovative.

# What is circular procurement? (3/3)

## Four approaches to circular procurement:

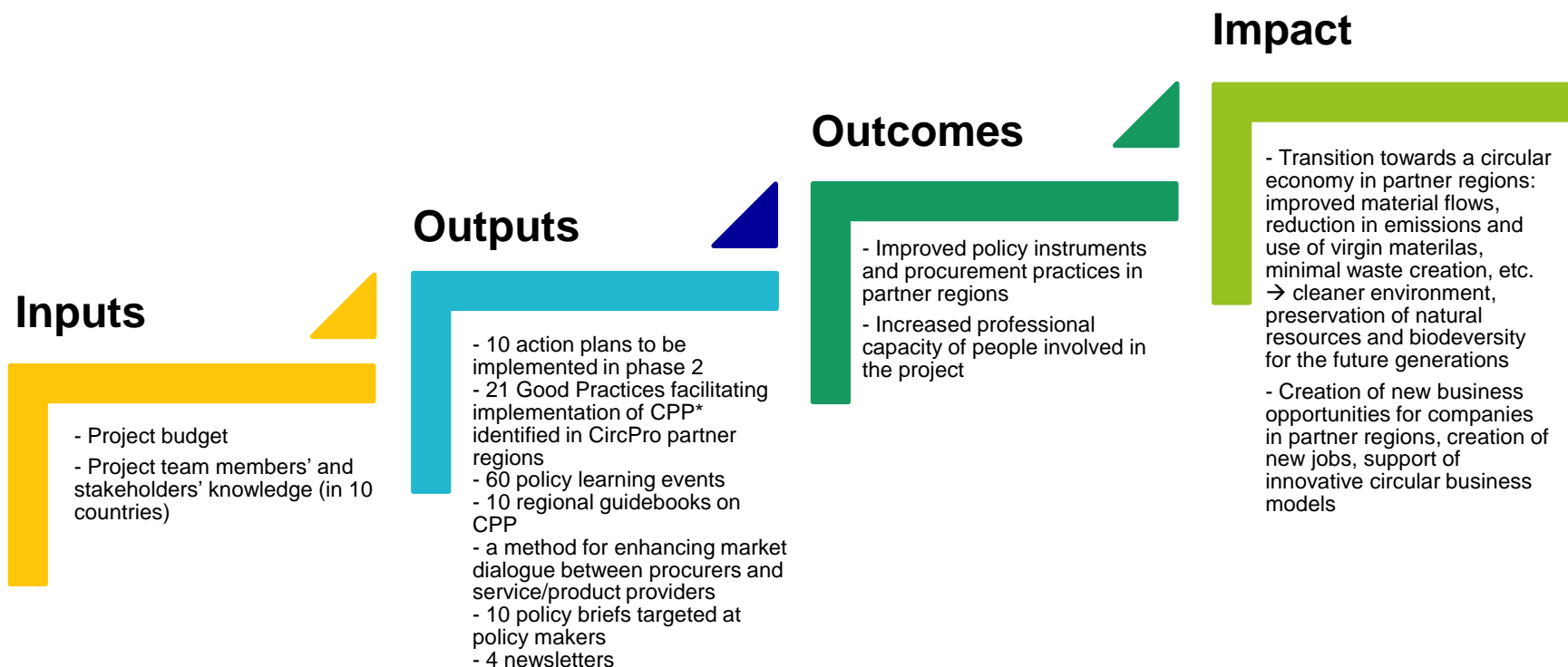
4 APPROACHES TO CIRCULAR PUBLIC PROCUREMENT			
Procurement including GPP based "circular" criteria	Procurement of new "circular" products and materials	Procurement of services and new business concepts	Procurement promoting industrial symbiosis and circular ecosystems
<i>Better products</i> →	<i>New products</i> →	<i>New concepts</i> →	<i>Circular ecosystems</i>
<b>Product level</b>	<b>Supplier level</b>	<b>Service level</b>	<b>System level</b>
Improved products and services are procured by adding GPP and circular criteria to the tender competition: <ul style="list-style-type: none"> <li>• Prevention of waste</li> <li>• Recyclability</li> <li>• Share of recycled materials</li> <li>• Reusability</li> <li>• Avoidance of certain hazardous chemicals</li> </ul>	New products are procured and/ or developed by innovative public procurement: <ul style="list-style-type: none"> <li>• Products that are significantly better in terms of recyclability, share of recycled materials, long lifespan, disassembly, etc.</li> </ul>	Product-service systems are procured, new business models and collaborative networks are developed that promote circular aspects: <ul style="list-style-type: none"> <li>• Combined product service business models</li> <li>• Leasing concepts</li> <li>• Renting</li> <li>• Shared use</li> <li>• Buy-per-use</li> </ul>	Investments are made that stimulate the development of "circular ecosystems" <ul style="list-style-type: none"> <li>• Develop or support closed loops</li> <li>• Create new networks and alliances</li> <li>• "Waste as material"</li> </ul>
Examples: <ul style="list-style-type: none"> <li>• Paper products (e.g., copying paper made from 100% recycled paper fibres)</li> <li>• Office IT equipment and other ICT devices (e.g., avoidance of hazardous substances, product life-time extensions)</li> <li>• Furniture (e.g., providing easy-to-disassemble, repairable and recyclable furniture)</li> <li>• Cleaning products and services (e.g., avoidance of hazardous substances)</li> </ul>	Examples: <ul style="list-style-type: none"> <li>• Building components of recycled materials</li> <li>• Textile products made of recycled materials</li> <li>• Furniture (e.g., redesigned, reused, refurbished furniture and related services to prolong the lifetime)</li> </ul>	Examples: <ul style="list-style-type: none"> <li>• Leasing furniture instead of buying it</li> <li>• Leasing football stadiums (artificial turf) instead of building and owning them</li> <li>• Additional services that enable the prolonged lifetime of used products and services (take-back, maintenance, refurbishing, etc)</li> </ul>	Examples: <ul style="list-style-type: none"> <li>• Buses running by locally produced biogas</li> <li>• Construction projects with closed material loops</li> <li>• Locally managed and produced biomass based renewable energy production systems</li> </ul>

Source: CircPro Regional Guidebook on Circular Procurement. Kymenlaakso, Finland. 2021.

[Circpro Regional Guidebook Finland \(interregeurope.eu\)](http://interregeurope.eu)

(Based on: K. Alhola, H. Salmenperä, S. Ryding and N. Busch. 2017. Circular Public Procurement in the Nordic Countries. <http://norden.diva-portal.org/smash/get/diva2:1092366/FULLTEXT01.pdf> )

# CircPro: from inputs to impact



**Phase 1: 1.6.2018 – 31.5.2021**

**Phase 2: 1.6.2021 – 31.5.2023**

\* CPP = Circular public procurement

# Inputs

- Project budget: **2 050 524 €** (Interreg Europe Programme funds + partners' contribution)
- Interreg Europe Programme supports **policy learning** among the relevant policy organisations **across the borders** with a view to **improving the performance of regional development policies and programmes\***
- **Project duration:**
  - Phase 1: June 2018 – May 2021
  - Phase 2: June 2021– May 2023

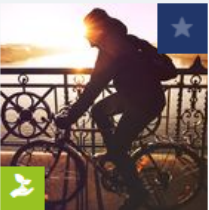





\* Source: Interreg Europe Programme Manual

# Inputs

- Knowledge of project partners and stakeholders (policymakers, public procurers, business sector representatives)
- **12 CircPro partners from 10 countries** operating on different levels (national, regional and municipal):
  - PP1: **Finland**, Kouvola Innovation Oy (Lead Partner)
  - PP2/ PP12: **Spain**, PP2 Ministry of Environment and Spatial Planning, Regional Government of Andalusia → PP12 Environmental and Water Agency of Andalusia
  - PP3: **Italy**, Piemonte Region
  - PP4: **Italy**, University of Turin
  - PP5: **Greece**, Region of East Macedonia and Thrace
  - PP6: **Portugal**, Alentejo Coordination and Regional Development Commission
  - PP7: **Bulgaria**, Bulgarian Association of Recycling
  - PP8: **Croatia**, Development Agency IGRA
  - PP9: **Lithuania**, Lithuanian Innovation Centre
  - PP10: **Estonia**, Stockholm Environment Institute Tallinn Centre
  - PP11: **Norway**, Municipality of Elverum

# Outputs: good practices

- **21 good practices** from the CircPro partner regions that can facilitate the implementation of circular procurement **published** on the project website: <https://projects2014-2020.interregeurope.eu/circpro/good-practices/>
- **18 good practices validated by the Interreg Europe Policy Learning Platform's experts** as inspiring and transferable tested solutions recommended for implementation in other regions.

	<p><b>Buyers' groups for innovative and sustainable...</b></p> <p>KEINO facilitates thematic buyers' groups to support implementation of innovative and sustainable procurement in the Finnish public sector.</p> <p><b>Location:</b> Helsinki-Uusimaa, Finland (Suomi)      <b>Project:</b> CircPro</p>	02/12/2021	
	<p><b>Financial support businesses for applying the...</b></p> <p>Financial support for businesses to cover the expenses of the activities related to the application of European Ecolabel.</p> <p><b>Location:</b> Eesti, Estonia (Eesti)      <b>Project:</b> CircPro</p>	30/06/2021	
	<p><b>Market dialog revealed environmental impact o...</b></p> <p>Collaboration and early market dialog revealed potential cut in environmental impact from procurement of drugs.</p> <p><b>Location:</b> Hedmark og Oppland, Norway (Norge)      <b>Project:</b> CircPro</p>	24/06/2021	



# Outputs: good practices (methodology)

- To facilitate interregional learning and identify good practices, the CircPro project partners first mapped the existing policy and regulatory framework and other measures that support the implementation of circular procurement.

Type of measure mapped
Policy - strategies
Policy - targets
Planning – action plans
Mandatory requirements/rules
Voluntary requirements/rules (voluntary standards and certificates, ecolabels, sectors/operators applying stricter requirements than required by law voluntarily etc.)
Procurement procedures (e.g. GPP criteria)
Handbooks, guidelines
Capacity building - training
Promotion and awareness raising (web page, etc.)
Monitoring

- A joint database contained approximately 250 different measures.
- The measures of interest to other regions were discussed in more detail and served as the basis for good practices published on the website and other project outputs.

# Outputs: regional guidebooks on CP

- Regional guidebooks are practical guides for public procurers introducing the concept of CP.
- Guidebooks contain the following chapters:
  - CP definition and approaches;
  - Legal and regulatory framework for CP in the EU;
  - National and regional legal and other support measures for CP;
  - Step-by-step guidance for CP.



Ten regional guidebooks: [Library | Interreg Europe](#) → CircPro regional guidebooks

\* CP = circular procurement

# Outputs: guide on market dialogue

## Practical guide on involving businesses in circular public procurement

2022

CircPro  
Interreg Europe

European Union  
European Regional  
Development Fund

### Preliminary market consultations as a way to involve businesses in circular public procurement

16

### What to discuss with the market?

A well-prepared plan for a market dialogue event with potential suppliers increases the chances for a fruitful discussion. The content of the meeting can vary freely depending on the procurement in question and what information the procurers want to learn from the market players or communicate to them. The agenda can include the following items:

- 1. General information about the event**  
All meeting participants must understand the purpose of the meeting, what will be and will not be discussed, how the received information will be used, where to find meeting minutes and other materials, etc.
- 2. Introduction to the procurement case**  
The most important thing is to present the procurers' needs and communicate ambitions related to the circular economy so that market players can think about:

- Where in the production and supply chain is the environmental impact the greatest?
- How to promote the circular economy and close the cycles in the procurement case?
- Where do the suppliers themselves have an opportunity to influence the circularity?
- What forms of cooperation among economic operators can be useful in reducing waste and encouraging recycling and reuse of contract items or waste materials produced?
- Is it possible to encourage the creation of temporary associations in which there is cooperation between those who produce a good or provide a service and those who are to be in charge of disposal or encourage the second use of waste?
- What services available on the market can satisfy the procurer's needs?
- Are the solutions that can meet the needs available on the market, or is there a need to develop them?
- Can cooperation among economic actors foster the creation of innovative solutions?
- How well do the production chains provide comparable information on the life-cycle environmental impacts of a product?
- How can the circularity of the solution be verified?
- How can the circularity of the solution be improved during the contract period? What incentives can be included in the contract?
- What is a realistic percentage of recycled content to add to the procurement requirements?

08

### Why engage in dialogue with the market?

Engagement with the market is worth considering in the following cases:

- procurement is complex and challenging;
- procurement of a non-standard item or new solution;
- new criteria (e.g. related to circularity) are planned to be introduced;
- a procurer is not sure whether the market can deliver desired solutions;
- a new public procurement procedure is planned to be applied;
- a procurer needs better information about services, products and technologies available on the market and their circularity;
- a procurer does not have answers to some questions and needs information from the market to proceed further with the procurement documents.

Market dialogues help all sides to understand each other and, thus, can bring several benefits:

- Procurers get to know suppliers and solutions available on the market, including new ones that have just entered the market. The market is constantly changing, and products and services are evolving. Market players have the best knowledge of those.
- Businesses can familiarise themselves with the procurers' needs through dialogue and, thus, offer solutions that suit the buyers the best.

CircPro  
Interreg Europe

### The legal basis for preliminary market consultations

Preliminary market consultations are a voluntary part of the public procurement process aimed at making the tendering procedure more efficient. Article 40 of Directive 2014/24/EU and Article 58 of Directive 2014/25/EU on public procurement outline that "before launching a procurement procedure, contracting authorities/entities may conduct market consultations with a view to preparing the procurement and informing economic operators of their procurement plans and requirements." Similar provisions have been introduced into the national legislation of the European countries.

Compared to the other steps of the tendering process, preliminary market consultations are not strictly guided by the law. If there are no nationally or locally set guidelines, each public procuring authority decides itself whether and how it wants to engage in a dialogue with the market before launching an official tendering procedure. Nevertheless, engagement with the market must not distort competition or violate the principles of non-discrimination and transparency. The guide's chapter "How to secure transparency, non-discrimination and fair competition" addresses these issues. It is possible to apply preliminary market consultations to any procurement irrespectively of its threshold.



CircPro  
Interreg Europe

# Outputs: action plans

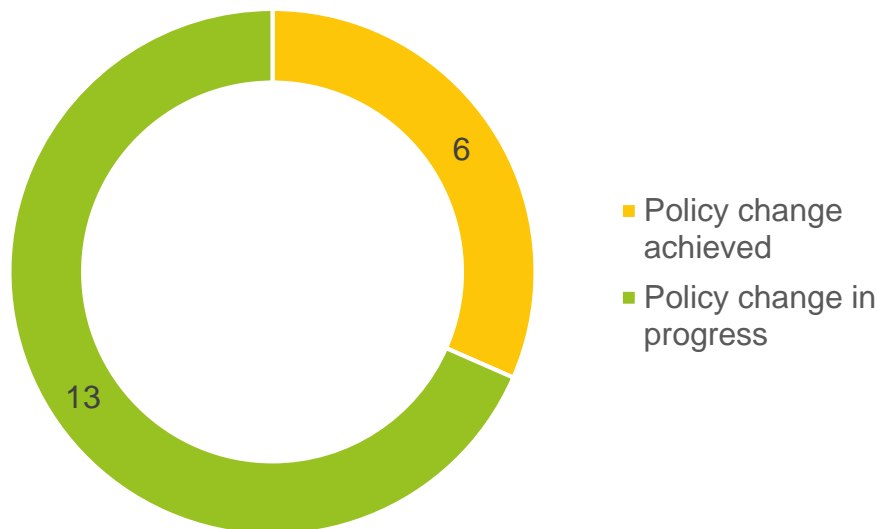
- **10 regional action plans** providing details on how the lessons learnt from the cooperation will be implemented to improve policy instruments addressed within the regions
  
- Main measures foreseen by the action plans:
  - modification of policy instruments
  - changing the way policy instruments are managed
  - capacity building measures (trainings for contracting authorities)
  - measures aimed at awareness raising

Ten action plans:  
[Library | Interreg Europe](#)  
 → CircPro action plans



# Outcomes

- **Policy change:** improved policy instruments and procurement practices in the CircPro project partner regions → CPP is an established practice in partner regions
- **CircPro regional action plans address 19 policy instruments in total.** The project has already succeeded in influencing 6 policy instruments. More policy changes are expected by the end of the project in May 2023.



# Impact

Facilitating transition towards a circular economy, minimising environmental damage, creation of new business opportunities and jobs in the CircPro project partner regions:

- Every year, public authorities in the EU spend around 14% of GDP (around €2 trillion per year) on the purchase of services, works and supplies. \*
- “Public procurement is responsible for the release of 7.5 billion tonnes of CO<sub>2</sub>e into the atmosphere every year, or 15% of total global GHG emissions. The vast majority of these emissions – up to 70% of the total – stem from the activities of just six industries: defence and security, transport, waste management services, construction, industrial products and utilities.” \*\*
- Beign important buyers in many sectors, public authorities can significantly stimulate demand for products and services that are made according to circular economy principles.

\* Source: European Commission, [https://ec.europa.eu/growth/single-market/public-procurement\\_en](https://ec.europa.eu/growth/single-market/public-procurement_en)

\*\* Source: World Economic Forum. 2022. Green Public Procurement: Catalysing the Net-Zero Economy. [WEF\\_Green\\_Public\\_Procurement\\_2022.pdf](https://www.weforum.org/publications/green-public-procurement-2022/) (weforum.org)



European Union  
European Regional  
Development Fund

Thank you!

<http://www.interregeurope.eu/circpro>

***Kouvola  
Innovation***

**Marina Sorokina**  
CircPro Project Manager

Kouvola Innovation Oy  
+358 20 615 9176  
[marina.sorokina@kinno.fi](mailto:marina.sorokina@kinno.fi)