Circular Procurement
Accelerate circular economy through procurement power, alliance- and capacity building

Background
Every year, over 250 000 public authorities in the EU spend around 14% of their GDP buying services, works and supplies. Hereof, the NSR economy and population consumes 960 million tonnes of raw materials to produce 360 million tonnes of waste and 21 million tonnes of CO2 emissions. Together, this leads to tremendous environmental damage, high costs of processing waste, and lost value of materials. When leveraging procurement for circularity, these investments could lead to an average of 10-20% direct savings in waste. However, there are several challenges that prevent this from happening like linearly structured procurement workflows, limited market size for suppliers, lack of environments for collaboration, and fragmentation of experience in the NSR.

Aim
The CircPro project will harmonise transnational circular procurement in the North Sea Region (NSR) with a collaborative approach to connect procurers investing in areas like construction, buildings and offices. This enables them to scale up and have a greater impact on a circular economy as well as expanding the market for providers. The project will promote the development and adoption of a common circular procurement framework, business models, and roadmap which will accelerate the uptake of more circular procurement of products, services and processes in the NSR.

Approach
CircPro brings together partners representing governments, knowledge organisations and business networks spread over the NSR to improve their procurement processes. CircPro is unique in grouping partners into Communities of Practice (CoPs) to iteratively explore how they can circularise their procurement in an agile way. CoPs will connect buyers and innovators working in similar fields (eg: construction) and from different geographical regions to share and learn from each other. CircPro will build on existing initiatives such as Lifes, REBUS, and the SCALED-UP project, and will provide evidence on successful business cases, circular business models, and will define circular procurement criteria.

Results
- 20,000 tonnes waste prevented by mainly reusing and refurbishing products which normally would be wasted
- 800 000 tonnes virgin materials
- 10 000 tonnes CO2 saved
- 50 project pilots, including road construction, office furniture and ICT
- Creation of 130 green jobs in NSR

Impact
CircPro will validate circular business models through real pilots and facilitate their wider adoption. The project will reduce the complexity for providers to participate in tenders so they can build business models to scale up across regions, and they will be able to develop a standardised indicator measurement system. CircPro will encourage public and private organizations to include more circular practices in their purchases to decrease their environmental impact.

<table>
<thead>
<tr>
<th>Programme</th>
<th>Interreg NSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
<td>3.5 years</td>
</tr>
<tr>
<td>Budget</td>
<td>4 million €</td>
</tr>
<tr>
<td>Coordinator</td>
<td>Rijkswaterstaat</td>
</tr>
</tbody>
</table>

Powered by:
- BAX & COMPANY
- Interreg North Sea Region

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Partners:
- Interreg NSR
- rijkswaterstaat

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TRANSNATIONAL Procurement Practice & Implementation

PHASE I
Initiation

- Set transnational circular procurement min. requirement strategy & roadmap
- Transnational circular procurement framework and tools based on SotA from elsewhere & before
- Create transnational learning & action programme incl. detailed pilot design
- Mobilise existing CoPs and partner ecosystems

PHASE II
Collaborative Demonstration / Joint Implementation

- Transnational Procurement Team & Learning and Action Programme
  - Pilot & CoP 1
  - Pilot & CoP 2
  - Pilot & CoP 3
  - Pilot & CoP 4
  - Pilot & CoP 5
  - Pilot & CoP ...

- Monitoring and Evaluation

PHASE III
Dissemination

- Incorporate circular procurement in investment planning and procurement policy (mainstreaming)
- Transnational roadshow, enriched transnational toolbox and procurer-to-procurer training
- Dissemination and adoption by procurement networks and business networks

Pilot & CoP 1
Bidding & Evaluation
Delivery, Use & Monitoring
Policy, Planning & Strategy
Transnational development & implementation of circular procurement

PHASE I
Initiation

WP3: Circular procurement min. requirement strategy & tools

WP4: Transnational learning and action programme and pilot designs

WP5: Mobilise and transnationally connect existing CoPs and partner ecosystems

PHASE II
Joint development, implementation & testing

WP3: Framework testing & training

WP4: Pilot implementation, replication and scaling

WP5: Transnational market engagement, business modeling & partnerships

Transnational Monitoring and continuous improvement

PHASE III
Dissemination

WP6: Opportunity mapping for circular procurement, business models and new CoPs

Roadshows to demonstrate novel solutions and business cases across NSR

Transnational dissemination among existing networks and platforms

Transnational policy learning and mainstreaming
From a linear to a circular economy

CircPro framework with 4 key objectives

**OBJECTIVE 1**
Test, improve and validate circular procurement practices in pilot projects

**OBJECTIVE 2**
Harmonise and upscale the use of circular requirements in procurement

**OBJECTIVE 3**
Create long-term collaboration frameworks between procurers, suppliers and supply chain stakeholders

**OBJECTIVE 4**
Increase the circular capacity of suppliers and the supply chain
How the feedback from Steering Committee has been addressed

The partnership has thankfully used the feedback from the Steering Committee on the Expression of Interest to improve the Circular Procurement Project and to explain this better in the application. This annex summarises how. The recommendations on overall principles, outcomes/results, links with other projects, work packages, activities and budget are directly linked with the sections C.2.1, C.2.2, C.2.3, C.3.2, C.5 and D.1 in the application. All other recommendations are addressed in the following paragraphs:

Transnationality of pilots:
- The procurement processes of the pilots are embedded in a Transnational Learning & Action Programme (WP4) and supported by Transnational task forces that review and advice on procurement documents and monitoring.
- The pilot procurement processes will use, validate and enrich the Transnational Minimum Circular Requirements and ensuing framework.
- The pilot procurements will be EU-wide and the market will be actively engaged transnationally through cross-border Communities of Practice, as suppliers can come from various countries.
- Logically, the actual assets that are being procured in the pilot projects are often local, e.g. 5 recycling centres in Denmark, or of the redesign of a building into a Circular Laboratory in Belgium. However, many circular procurement challenges are relevant transnationally and across sectors. CircPro partners will not reinvent the wheel.

Include partners from the whole programme area:
- The CircPro partnership has been enriched, particularly with partners from Sweden, Denmark and Belgium, and with important business and city networks for wider uptake. Additional partners that bring their own unique added value are: Municipality of Malmo, Municipality of Kolding, CLEAN, ACR+.
- We like to thank the support from several NCPs herein. We have been in dialogue with other potential partners that are interested in the project results, but will not join as formal partners (several signed Letters of Support), particularly in Germany with: Municipality of Bremen and Region of Goettingen. In addition, there is the Region of Skane and the Municipalities of: Vaxjo, Goteborg, Oslo, and Larvik.

Reconsider the heavily top-down approach and clarify who the end users are and how they will be involved:
- Procurement is traditionally a linear (top down) process, whereas circularity requires active market engagement and collaboration to work together along the entire life cycle of products. This is explicitly organised in the CircPro project design. The Communities of Practice that support pilot projects comprise suppliers, ie businesses and business networks. WP5 is designed to organise for market engagement (incl a TN taskforce) and business model development with suppliers.
- The CircPro partnership comprises of, and has been enriched with business associations and networks, e.g. BitC business network (UK), and CLEAN (DK). Other networks have signed Letters of Support (eg UnternehmensGrün from DE) who will join project events and discuss new approaches with their members.

Measurable indicators and definition of baseline:
- CircPro now includes specific, realistic, durable, and measurable indicators, linked to the pilot projects. They comprise 25% of waste prevented, 20% virgin materials avoided, and 42% of CO2 saved per pilot. The indicators are transferable as these are also being used by the most important environmental think tanks, such as the European Environment Agency, the Dutch Environment Assessment Agency (PBL) and others.
- The baseline will be determined at the start of the project, and this work is explicitly planned for in Activity WP4.3. The baselining work provides the basis for the transnational framework and Minimum Circularity Requirement.

Partners located outside of the NSR - budget spent outside the region:
- The BITC business network is based in London, just outside the NSR. BITC works UK-wide, but within this project their work will be focused in cities within the NSR and with businesses and other organisations with a strong presence there.
- ACR+ is based in Brussels and is an international network of cities and regions sharing the aim of promoting a sustainable resource management and accelerating the transition towards a circular economy. ARC+ can bring in international State of the Art knowledge and is particularly strong and important for dissemination and uptake. ARC+ will focus their work in CircPro on the NSR area, but will also include wider international dissemination.
Budget justification - 84% transnational, 51% implementation

In CircPro, the total budget is €4M with partners’ funds ranging on average between €200-400k, over a period of 3.5 years. Out of that, €3.3M, or 84% of the total budget will be allocated in purely transnational activities and 51% on actual implementation.

The transnational project management, communication, dissemination and uptake make up 37% of total budget, and support the project’s objectives, facilitate knowledge sharing, and inform relevant stakeholders and general public about the project and its results.

19% of the budget is allocated to a transnational procurer-to-procurer action and learning programme and transnationally and cross-industry Communities of Practice (CoP) that support the practice and implementation in pilots by partners.

44% will be invested in transnational market engagement, circular business models and development of transnational task forces made up of experts to support partners with specific ‘pain points’. These pain points consist of organising market research and engagement strategies before pre-tenders, reviewing outgoing tenders, and turning circular procurements into organisational policy. Also an international policy learning group will be convened.
# CircPro Pilot Projects

This table summarises some of the 50 pilot projects which are selected by the partners as use cases for CircPro. The pilots are in different stages of procurement.

<table>
<thead>
<tr>
<th>PROJECT NAME + AREA</th>
<th>CIRCULAR PROCUREMENT CHALLENGE</th>
<th>IMPACT OF THE PILOT</th>
</tr>
</thead>
</table>
| Waste handling procurement - Kolding Municipality (Denmark) | ● Procurement of 5 recycling centres that handle more than 40,000 tons of waste  
● Develop valid tools and demands to evaluate circular potentials  
● Formulate sustainable requirements & conditions | ● Reduce CO2 & SO2 emissions  
● Reduce fuel consumption  
● New contract types for investments |
| Potterij Mechelen - OVAM (Belgium) | ● Redesign the Potterij in Mechelen into a ‘circular laboratory’  
● Develop a state-of-the-art example of a circular building | ● Use the building as a showcase model  
● Inspire to start using circular principles in projects |
| City Deal Procurement Pathfinder - Edinburgh Centre for Carbon Innovation, Edinburgh University & Zero Waste Scotland (Scotland) | ● Lead, learn & innovate procurement in Edinburgh through a City region deal  
● Training of procurers and suppliers, investment in innovation and raising awareness on circularity  
● Reduce inequality and deprivation in area housing of 24% of the Scottish population as part of a 1.1 billion pound deal | ● Increase of material circularity of infrastructural and building transformations like with the Royal Infirmary Edinburgh University quarter |
| Circular office framework - BITC (United Kingdom) | ● Bring 120 circular office champions together to collaborate, take action & create business cases for circular procurement  
● Raise awareness & increase knowledge among public and private procurers on alternative solutions of non-circular office furniture | ● Decrease the yearly 15 billion pound associated costs with office waste in the UK |
| Brännare factory to school - City of Malmö (Sweden) | ● Reuse materials of an oil factory that is set to be partly torn down and the remains converted into a new school | ● Decrease material use  
● Increase circularity of materials for new construction |
## CircPro2 Pilot Projects

<table>
<thead>
<tr>
<th>PROJECT NAME + AREA</th>
<th>CIRCULAR PROCUREMENT CHALLENGE</th>
<th>IMPACT OF THE PILOT</th>
</tr>
</thead>
</table>
| Green solutions for artificial turf - DIFI (Norway) | ● Look for and procure alternative solutions for rubber infill in constructing new and maintaining old artificial turf | ● Decrease of environmental impact of rubber granulates  
● Increase of resource efficiency in local communities  
● Business cases on artificial turfs to be shared |
| Circular Procurement in remote island areas - Zero Waste Scotland (Scotland) | ● Collaboration of partners that have remote island communities (UK, Sweden, Norway)  
● Create multiple circular procurements tenders  
● Discuss and share common challenges and best practices of circular products and services in an island community | ● Increased recycling and reduced waste streams on the islands  
● Connection of the islands to (inter-)national loops for waste |
| ICT Client Device network - Zero Waste Scotland (Scotland) | ● Overcome barriers in contractual arrangements, hardware processing speed, and data cleansing requirements, as found in previous tenders  
● Work with suppliers to utilise take-back/buy-back schemes | ● Improve reuse and redeployment within and between organisations  
● Reduction of energy use due to more efficient devices |
| N33 Provincial road construction - RWS (The Netherlands) | ● Reuse of raw materials that will become available when removing existing road sections and bridges  
● Use of regional raw materials such as the use of sludge from the Eems-Dollard as construction material  
● Re-use of a bridge which from another road which will be upgraded | ● Save 40% CO2  
● Create local jobs e.g. through usage of sludge in the area. |
| Circoproniture: furniture for ‘t Centrum - Kamp C (Belgium) | ● Formulate the right proposal to tender fully circular furniture  
● Focus on material, design, business models, financing & a new way of working | ● Increase lifecycle of material  
● Reduce materials used  
● Create jobs for refurbishment & repairs |

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![Provincial road construction](image1)

![Artificial turf in Norway](image2)
Letters of Support (15)

WBCSD - Acting Director

LWARB - Circular economy manager

NNSDP - Programme manager

APUC - CEO

JLL - Acting Head of Sustainability

PWC - Partner sustainability & climate change

VMM - Head of International Cooperation Flanders Environment Agency

Provincie Groningen - Head of department mobility / projects

ICLEI - Global Director Sustainable Procurement Centre

Dear colleagues,

On behalf of the project team, we are delighted to extend our gratitude and acknowledge the invaluable support received from esteemed organizations and authorities. We believe that the collaborative efforts of all stakeholders are instrumental in driving the success of our initiative, and we are grateful for the trust placed in us.

We wish to express our appreciation to WBCSD, LWARB, NNSDP, APUC, JLL, PWC, VMM, and ICLEI for their unwavering support and dedication. The continuous encouragement and contributions from these organizations have been pivotal in shaping our project's trajectory and ensuring its alignment with the broader goals.

We extend our heartfelt thanks to all those who have contributed to the project's development, and we look forward to further collaborations in the future.

Sincerely,
[Signature]

Koning/Koning, Christiaan
Signed on 11 September 2019

PWC - Partner sustainability & climate change

VMM - Head of International Cooperation Flanders Environment Agency

Provincie Groningen - Head of department mobility / projects

ICLEI - Global Director Sustainable Procurement Centre

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Letters of Support (15)

Scotland Excel - Strategic Procurement Manager

NIRAS - Head of Green Procurement

Sustainability Hutskane - Manager of operations

IKEA UK&IE - Circular & Climate Positive Leader

Ellen MacArthur Foundation - Chief Operating Officer

Fondazione Ecosistemi - Director

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