



Circular procurement accelerates circular economy

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Agenda

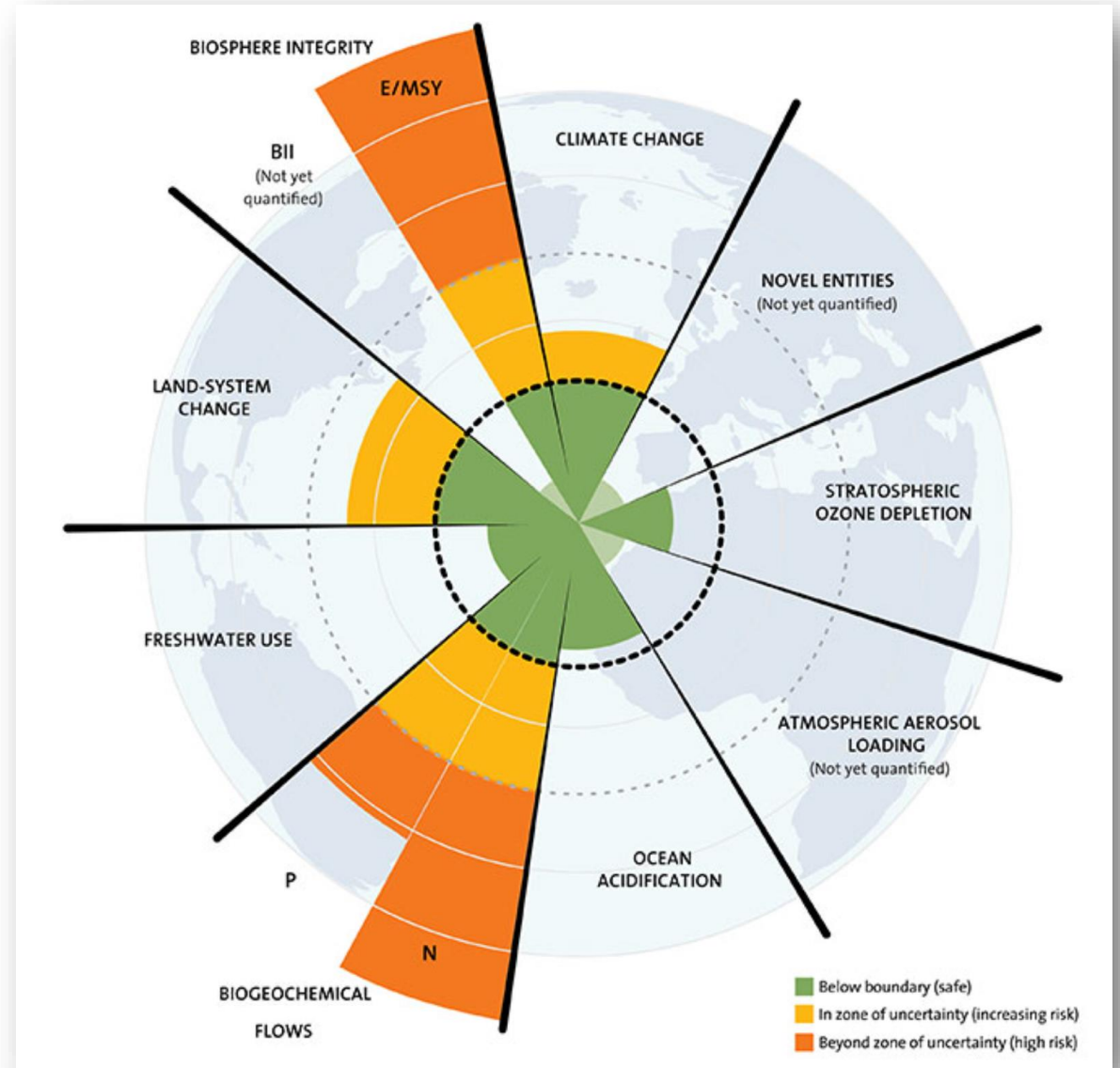
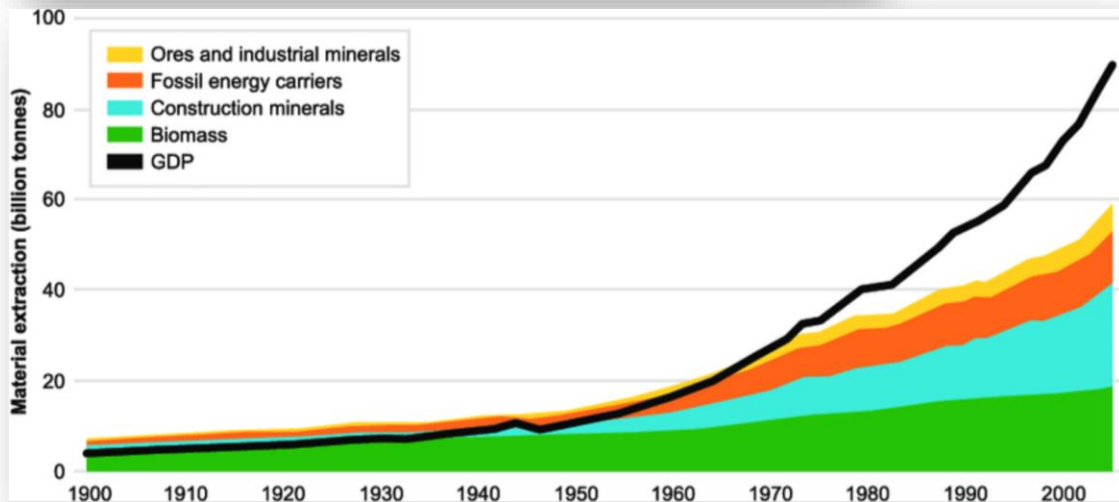
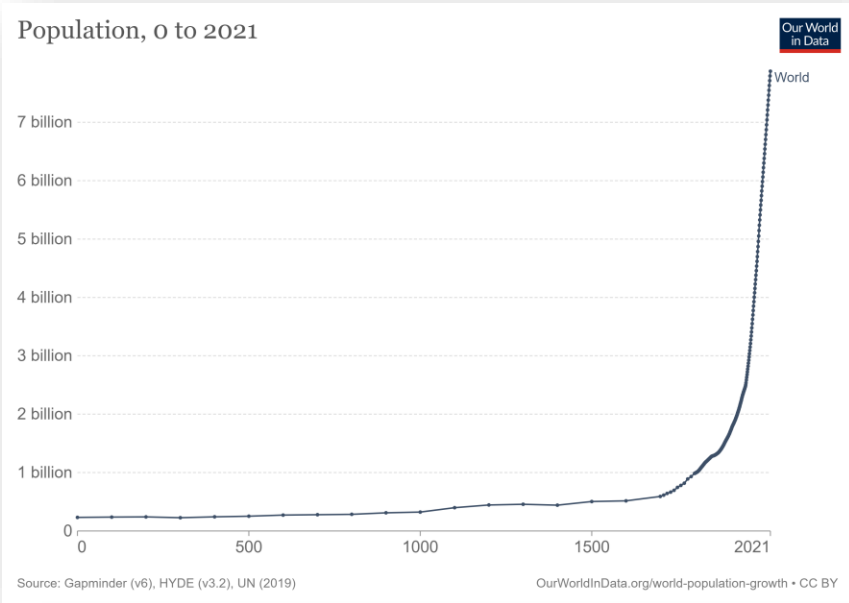
- **Circular economy:
global issues**
- **National Circular
Economy Programme**
- **Circular procurement
in 8 steps**
- **Engage industry:
value chain collaboration**

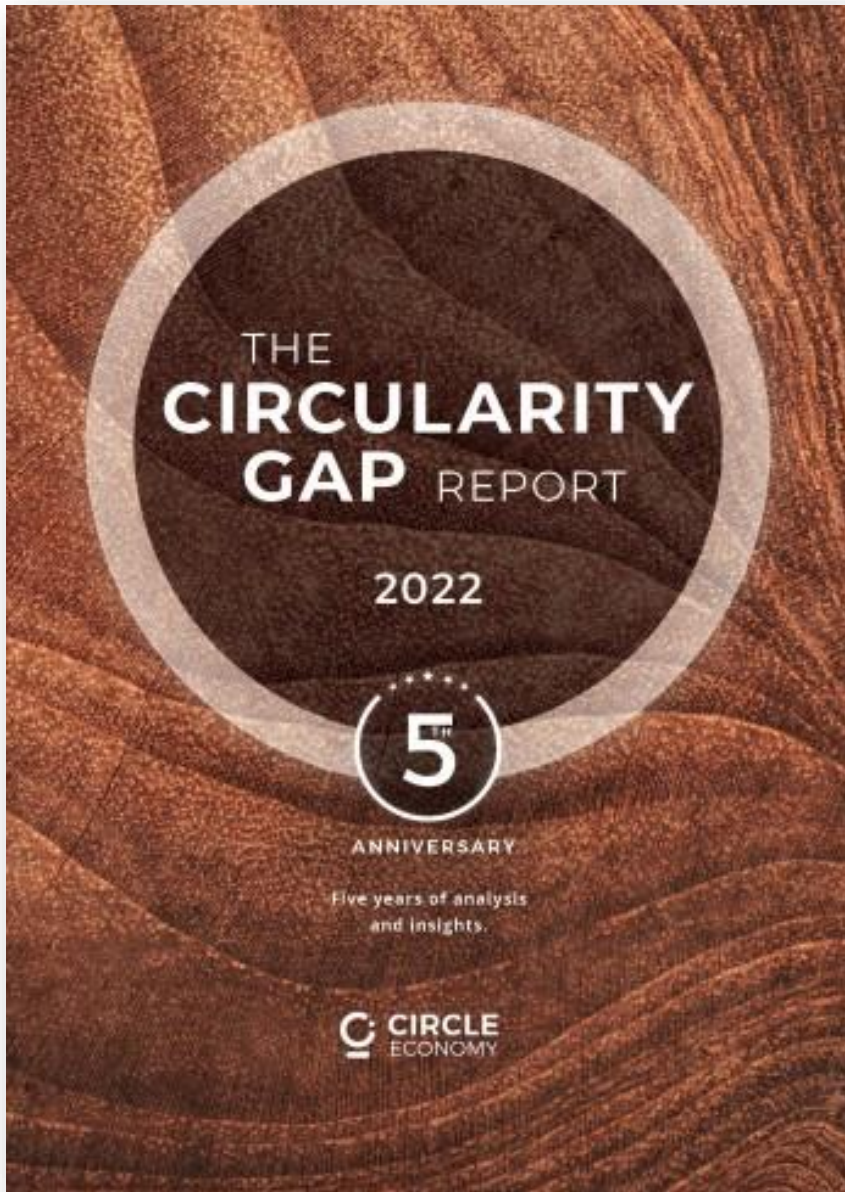


Global issues



Growing population -> growing impact

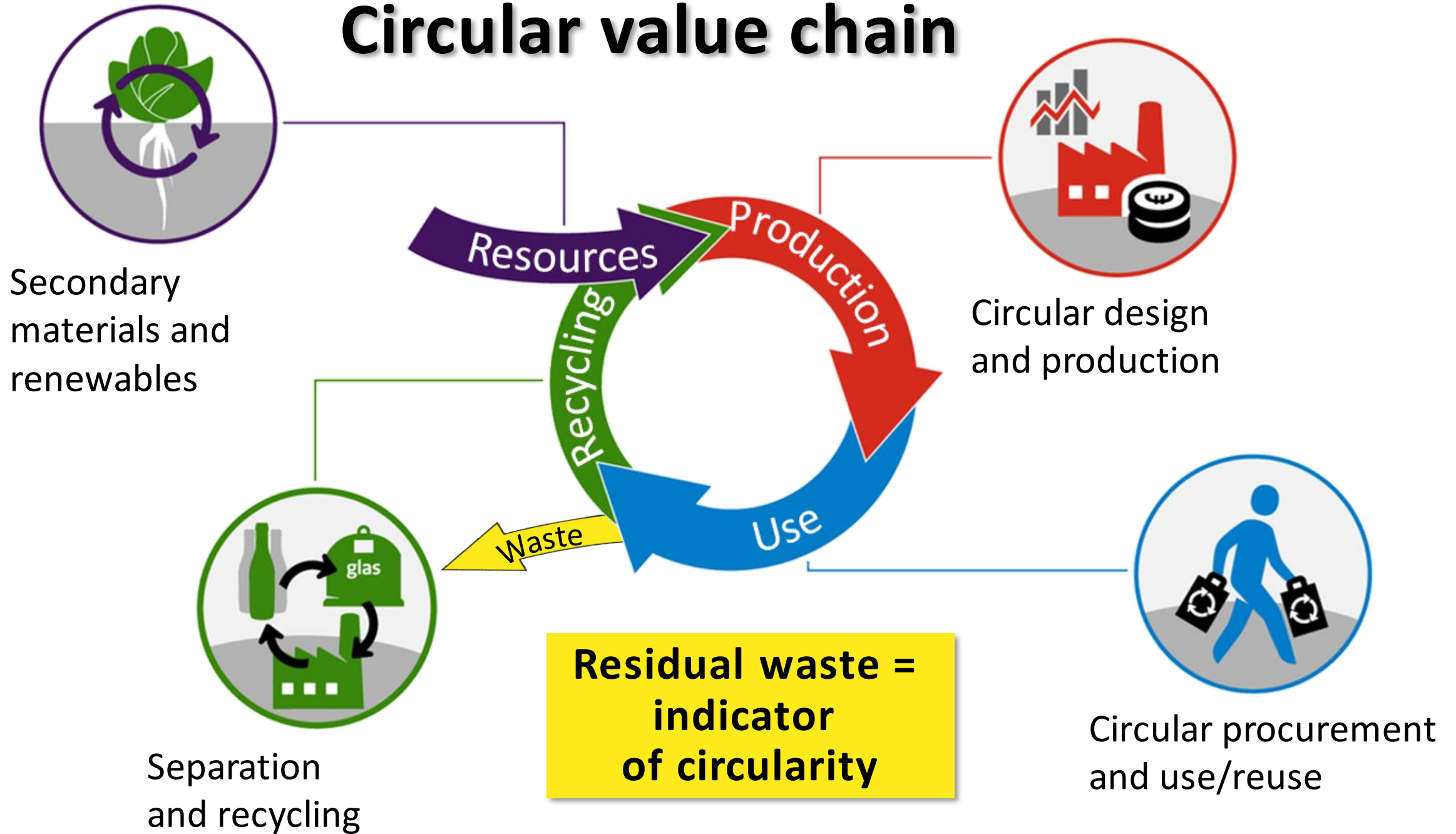




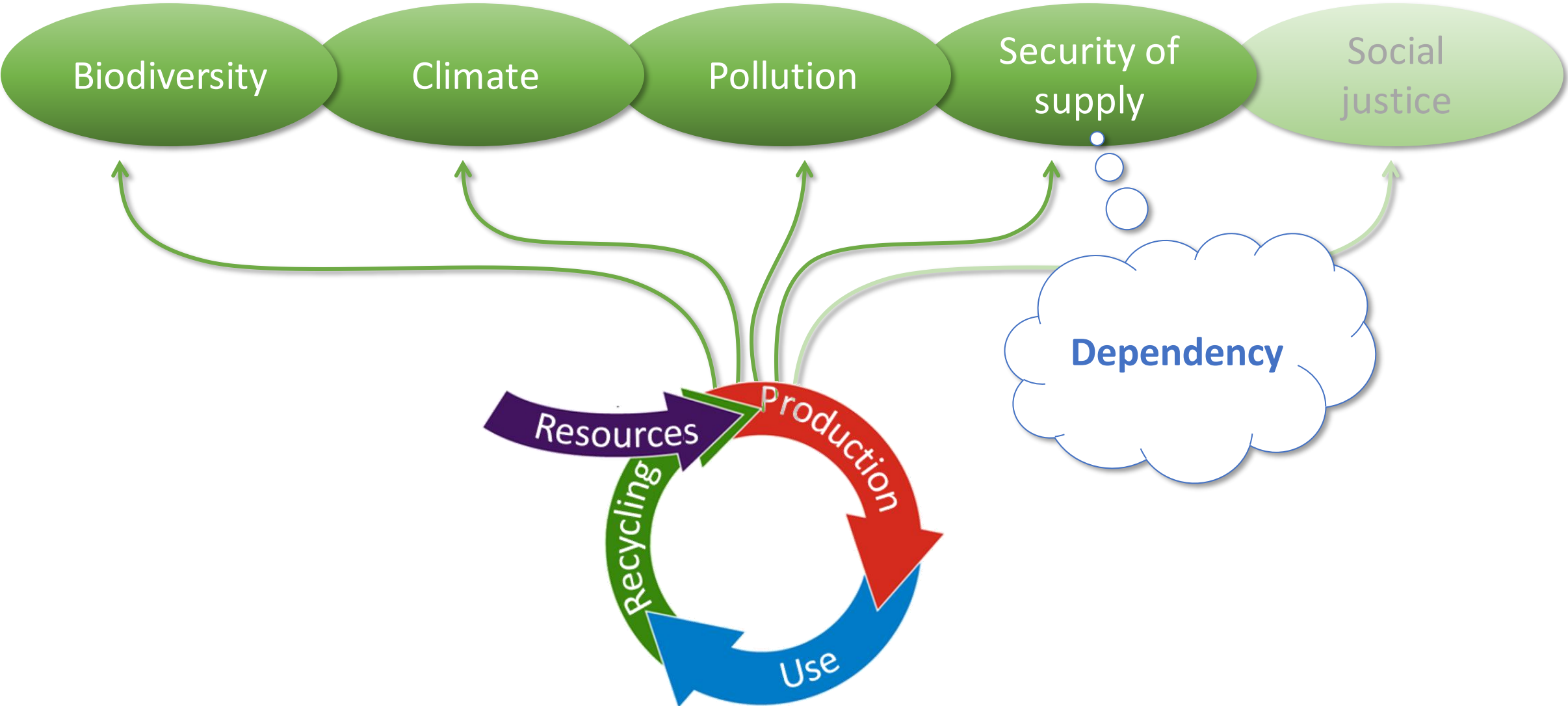
The Circularity Gap Report calculates that 70% of all GHG emissions are generated by the extraction, processing and manufacturing of goods to meet society's needs – the clothes we wear, the phones we own, and the meals we eat.

So unless we radically transform how we use materials to satisfy our needs, we cannot meaningfully cut emissions.

Circular value chain



CE addresses societal issues in the value chain





National Circular Economy Programme



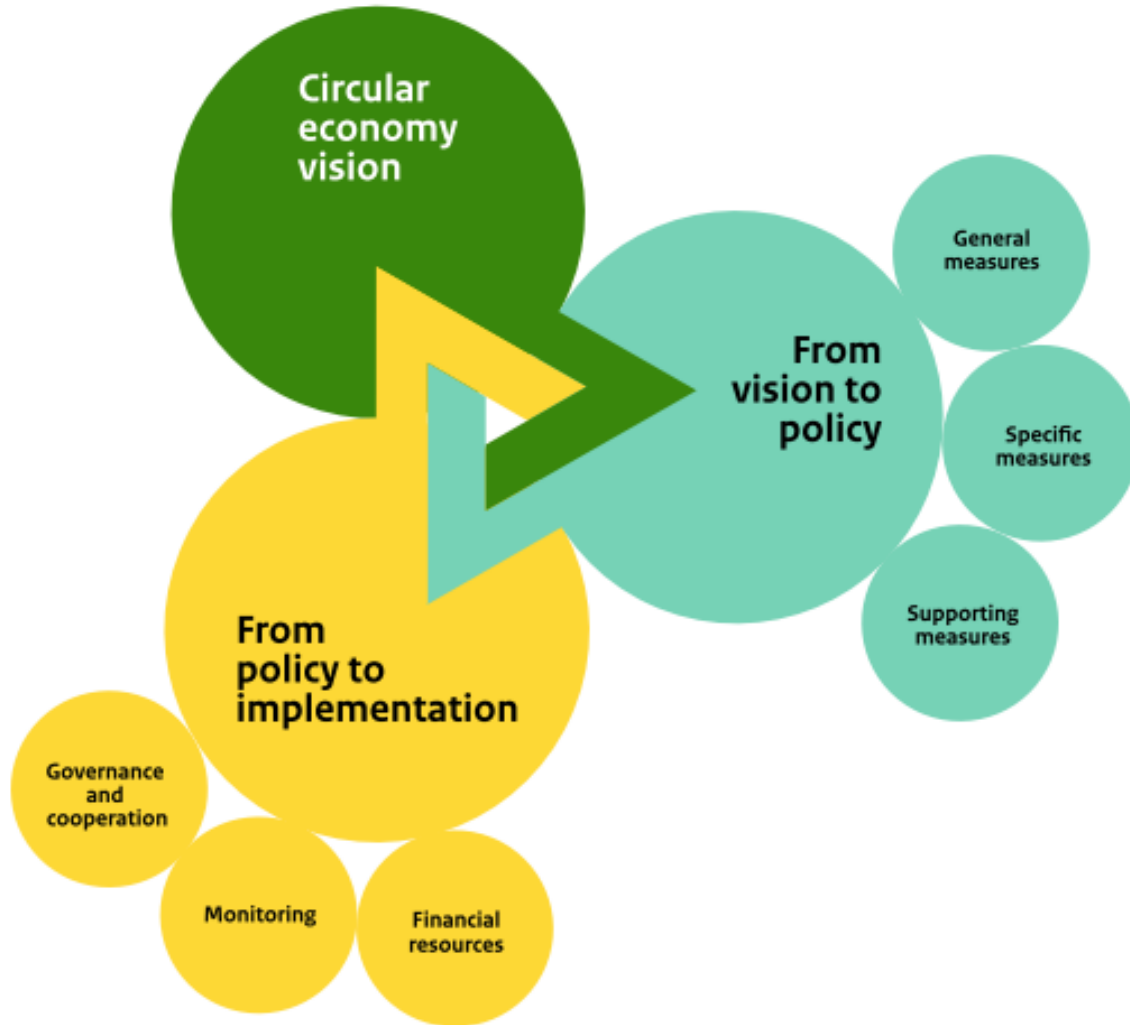
National Circular Economy Programme

2023-2030

Summary



Netherlands - New NPCE *goals and impact*



Effects

- Climate change
- Biodiversity
- Pollution
- Security of supply

General goal 2050

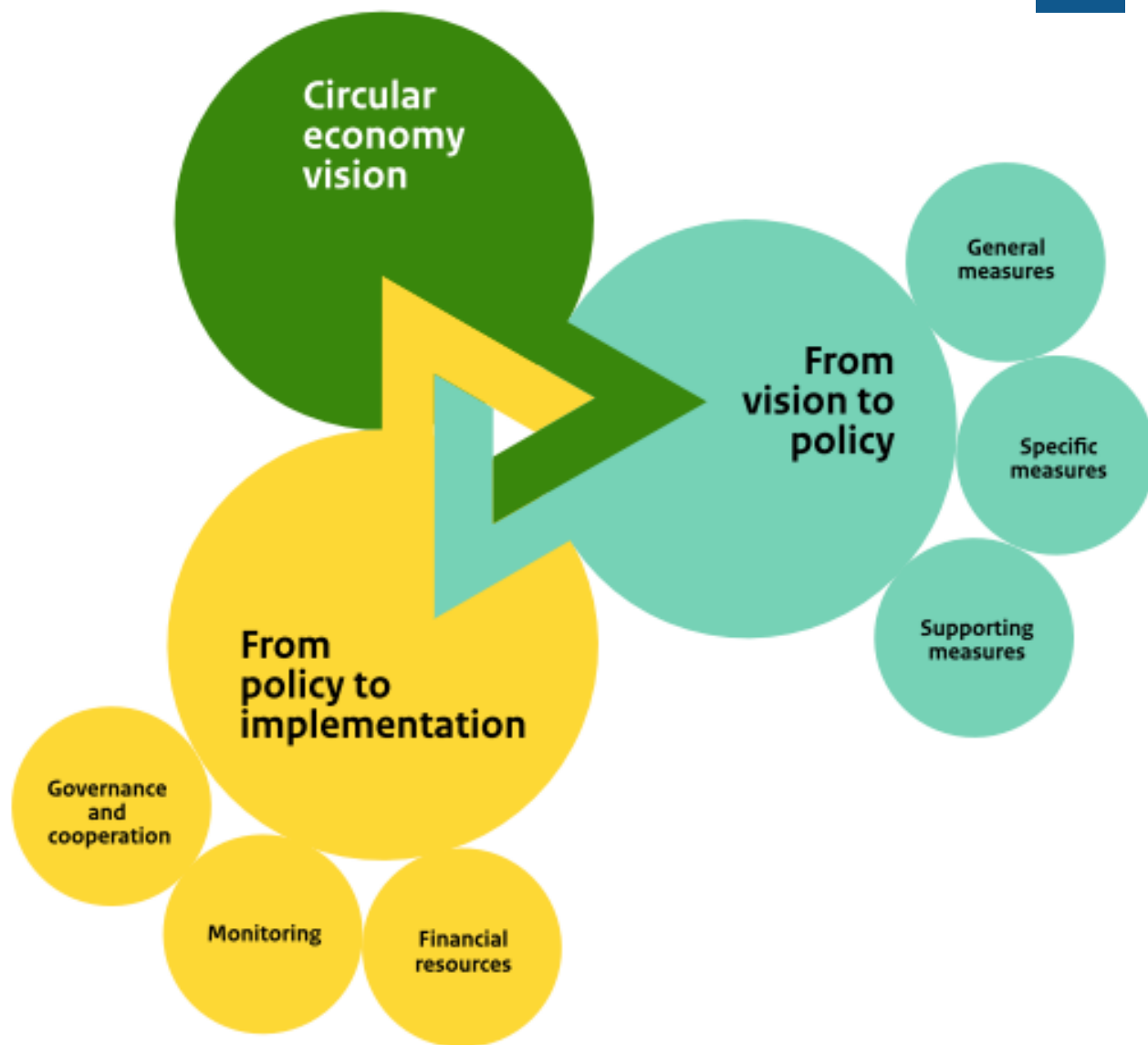
- NL within planetary boundaries

Goals & effects

- 2030/2050: product groups
- National: under construction (2024)

*In Dutch, **no translation yet** only a brief summary*

New National Programme



*In Dutch, **no translation yet** only a brief summary*

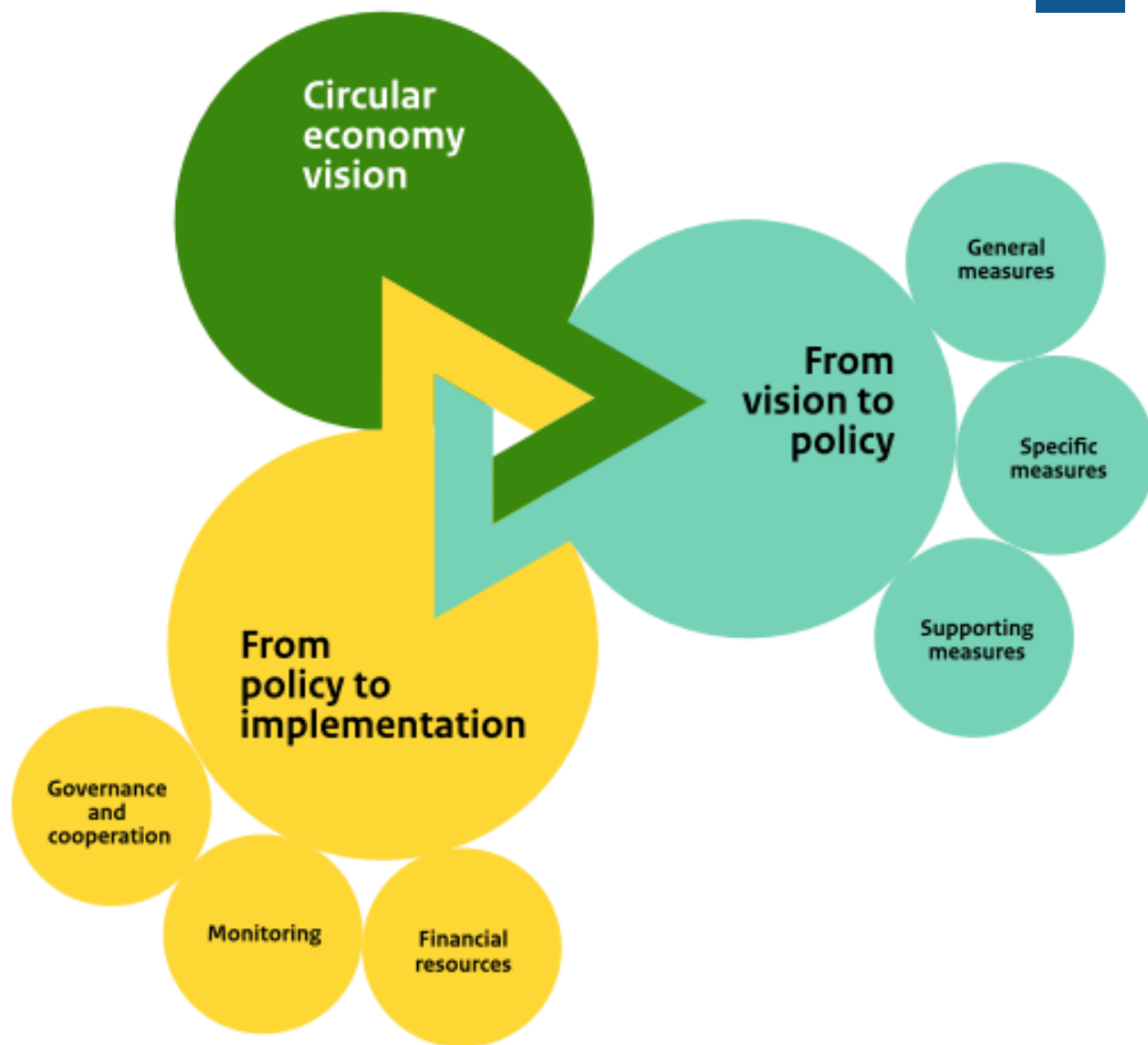
Approach

- International and integral: value chains are international AND Dutch impact is as well
- National goals and targets will be set per sector or category

Priority chains

- Consumer goods
- Plastics
- Construction (incl. infrastructure)
- Manufacturing
- Biomass and food

New National Programme



*In Dutch, **no translation yet** only a brief summary*

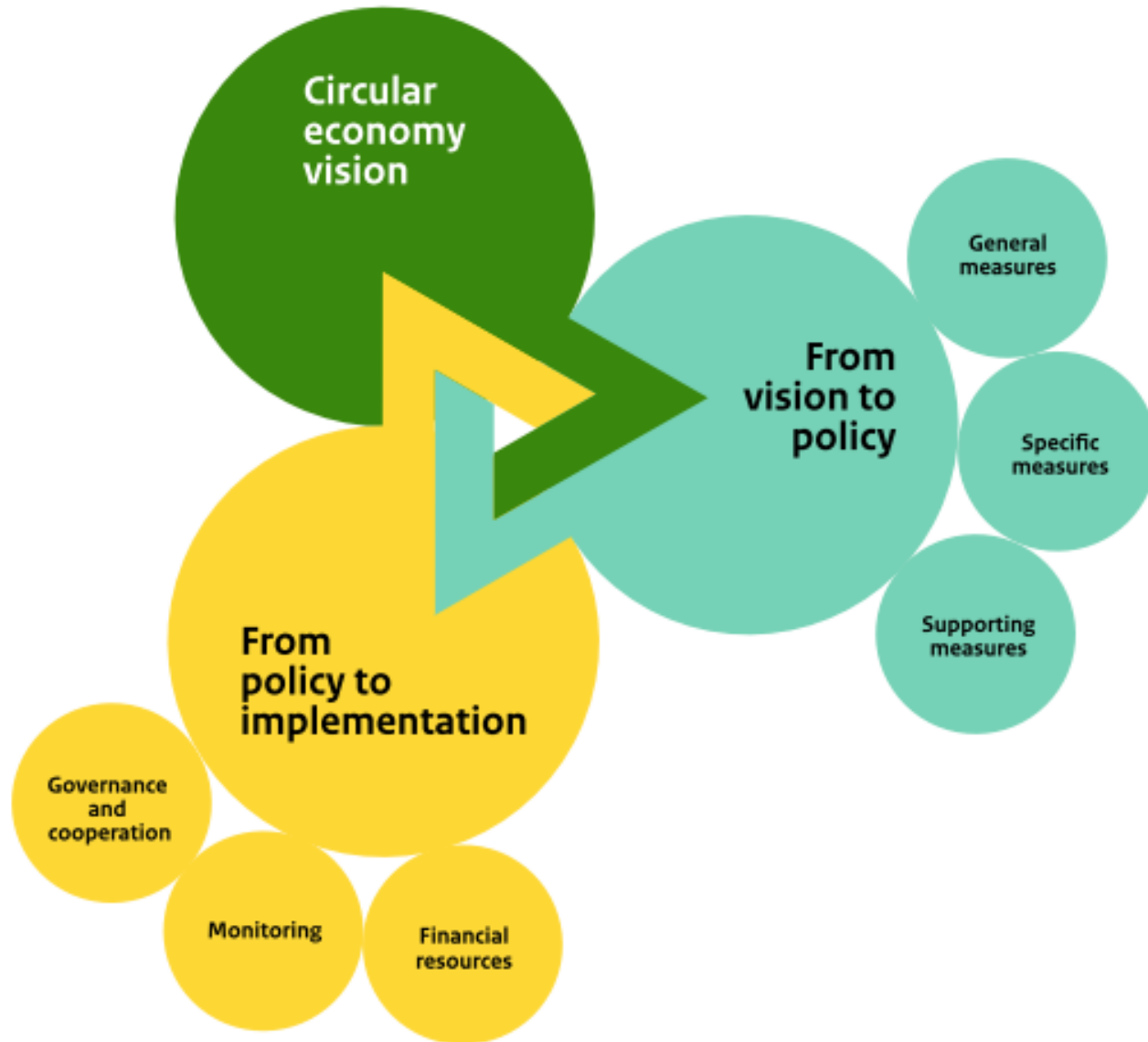
Supportive policies

- Innovation
- Knowledge
- Education
- CE Accelerator (sharing best practices)
- Funding
- Behavioural change
- Regional CE networks

Conditions

- Public and private funding
- Legislative measures (national and European)
- All stakeholders:
willingness to contribute

New National Programme

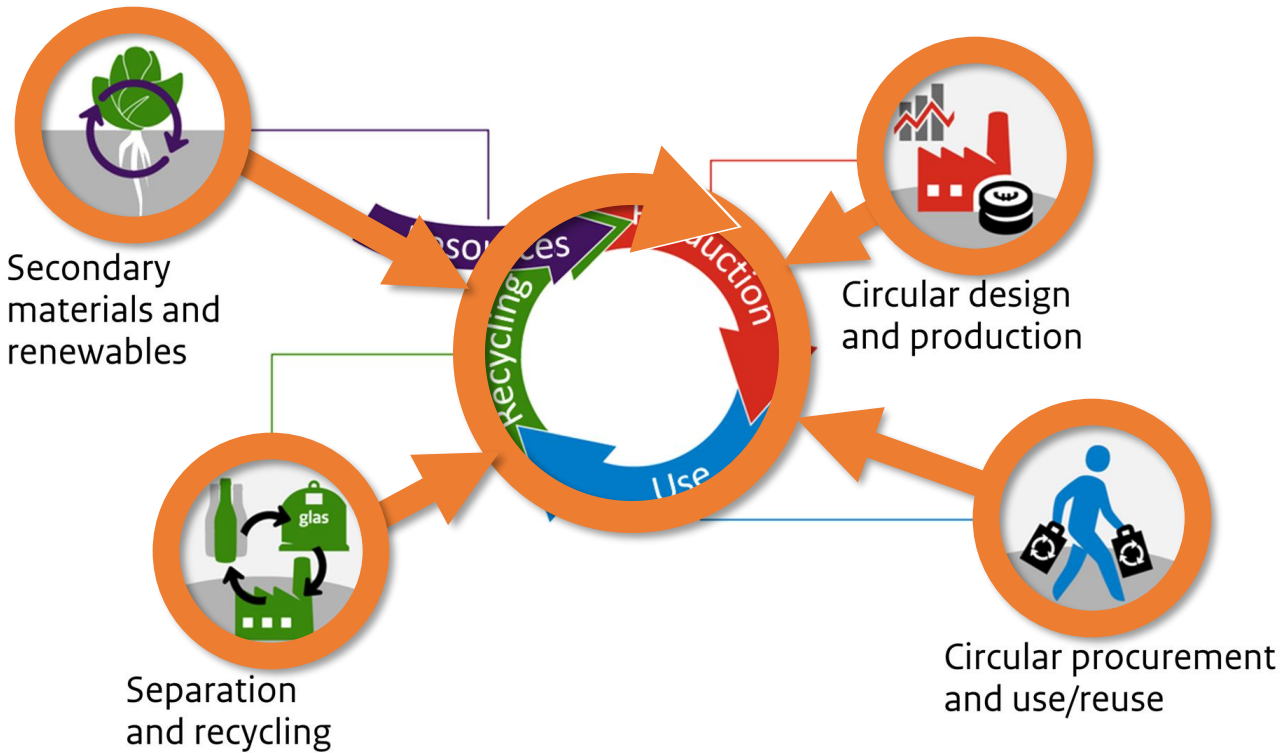


In Dutch, no translation yet only a brief summary

Measures

- From voluntary to mandatory
- NPCE merges circular economy and climate
- 3 types of measures:
 - **PRICING**
polluter pays principle
taxes on incineration and landfilling
 - **STANDARD SETTING**
discourage negative impact with legal norms for the value chain design
right to repair, product passport
 - **STIMULUS**
stimulate circular business models, subsidies, **circular procurement**

Policy interventions: value chain collaboration



- **Improve separation and recycling**
EPR, tax/ban landfill, recycling centers
- **Stimulate secondary materials and renewables**
Deposit & return systems, biobased materials
- **Circular design and production**
Stimulate reduce of materials, reused materials, disassembly, repairability
- **Circular procurement, repair facilities, business models**
Facilitate markets for better products, longer use and end-of-life recycling



Circular Procurement



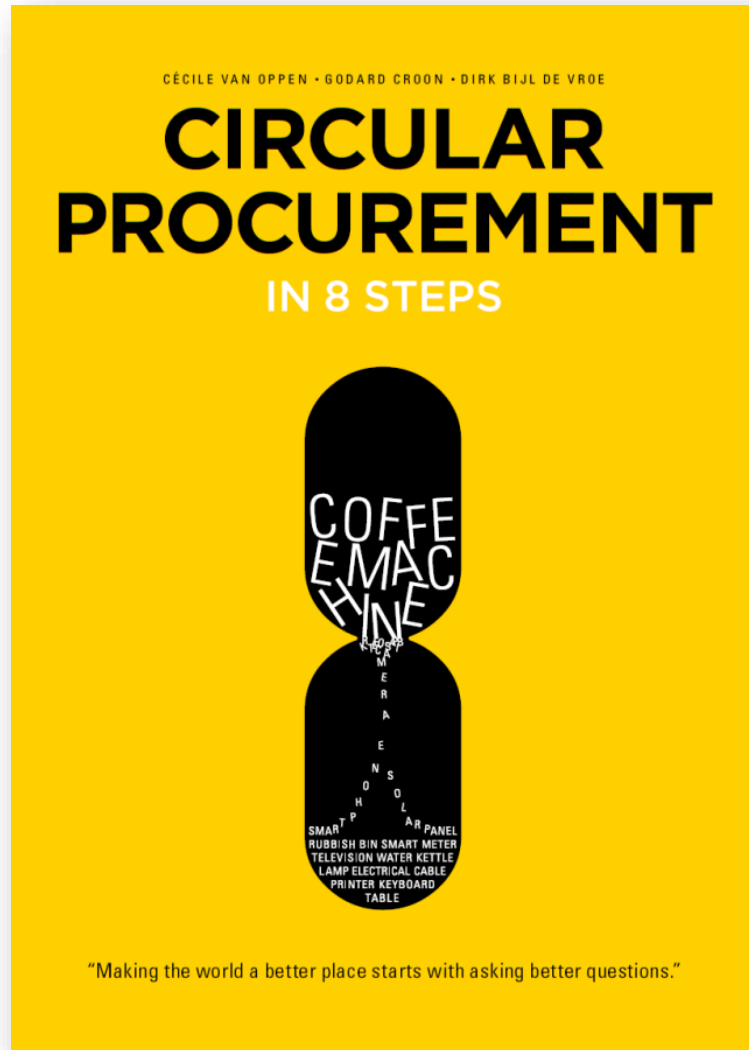


Output is the result of input



Waste is the result of procurement...

Circular Procurement in 8 steps



1. From definition to ambition
2. Internal organisation
3. Defining your need
4. Business models
5. Market collaboration
6. Tender procedure
7. Measuring and awarding
8. Contract management



From definition to ambition

STEP 1

From ambition to action

WHY are we working on this?

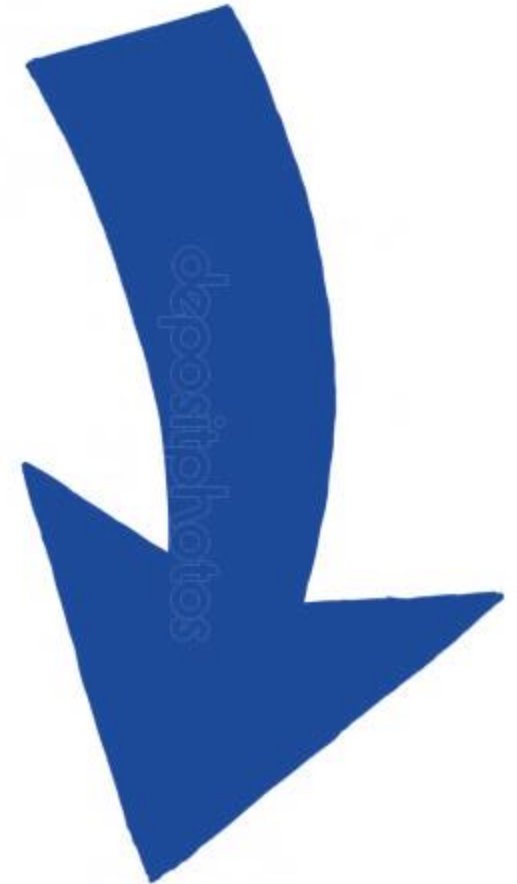
- **Ambition** – what difference do we want to make?

HOW will we achieve it?

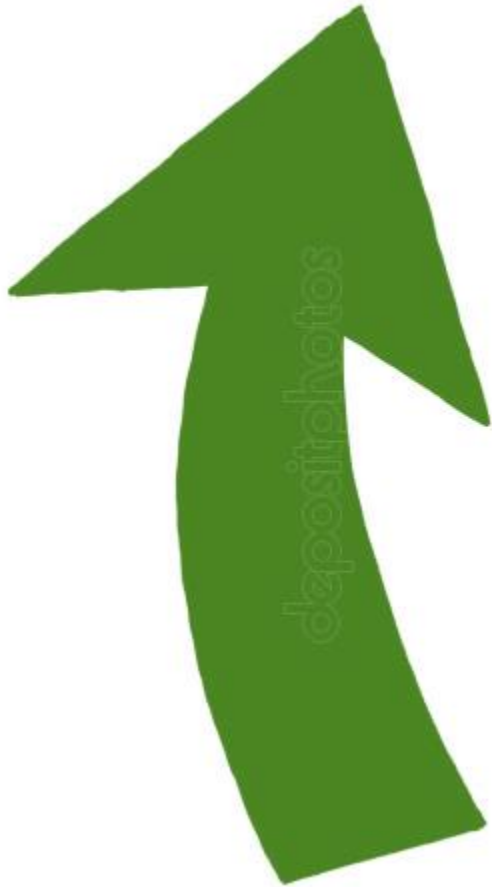
- **Strategy** – what route do we choose to achieve the ambition?
- **Policy goals** – develop activities and indicators of progress

WHAT we will do

- **Operational 1** – actions leading to delivery of policy goals in line with strategy
- **Operational 2** - support practitioners and monitor progress on policy goals



Circular ambition as a steering principle



- CE ambitions translate to CE policy
- CE policy supports CE goals
- Policy makers support budget holders and managers to achieve the CE goals
- Managers and budget holders are clients of procurement
- Procurement results reflect and support CE ambitions

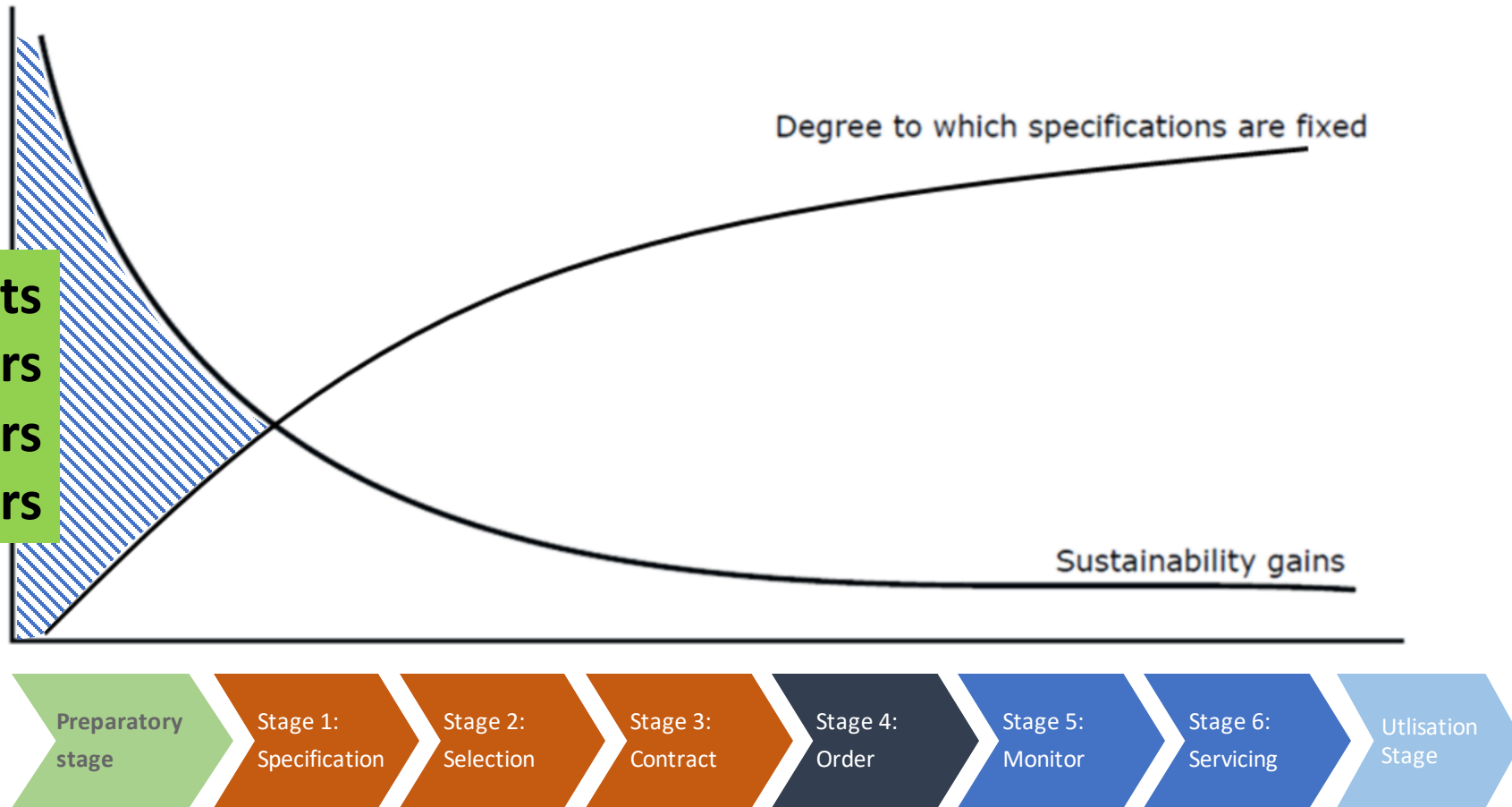


Internal organisation

STEP 2

The biggest impact is BEFORE procurement

**Clients
Budget holders
Managers
Decision makers**



Circular clients

Circular procurement depends on:

- the ambition of the organisation, translated into policy
- the drive and competences of purchasers
- the proactive effort of the clients and budget holders.



Circular procurement needs circular clients!

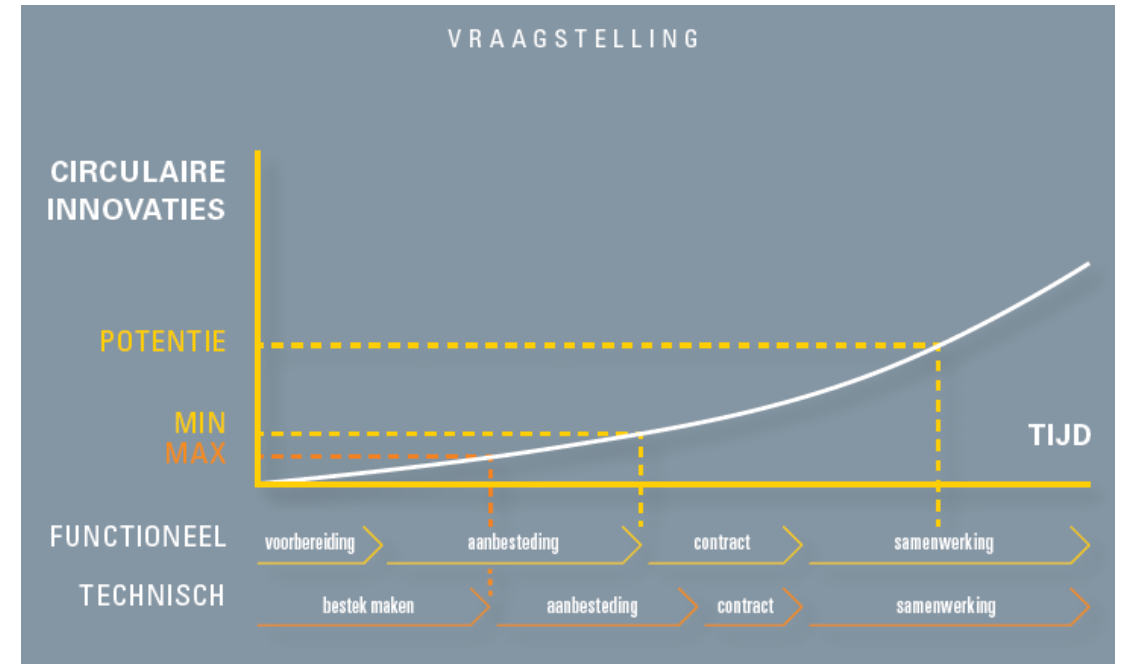


Defining your need

STEP 3

Importance of functional specifications

- Circular procurement is looking for innovation. Functional specifications create opportunity for innovation, including different ways of offering
- Functional specifications challenge the market on knowledge and experience
- A clear ambition document is needed to guide the market
- A clear ambition document is needed to provide the awarding framework



Source: Copper8 (2018) *Circulair Inkopen in 8 stappen*

- *Technical specifications often lead to awarding on price!*

Example



A connection
between A en B



A healthy working
environment
for 1500 employees



Business models

STEP 4

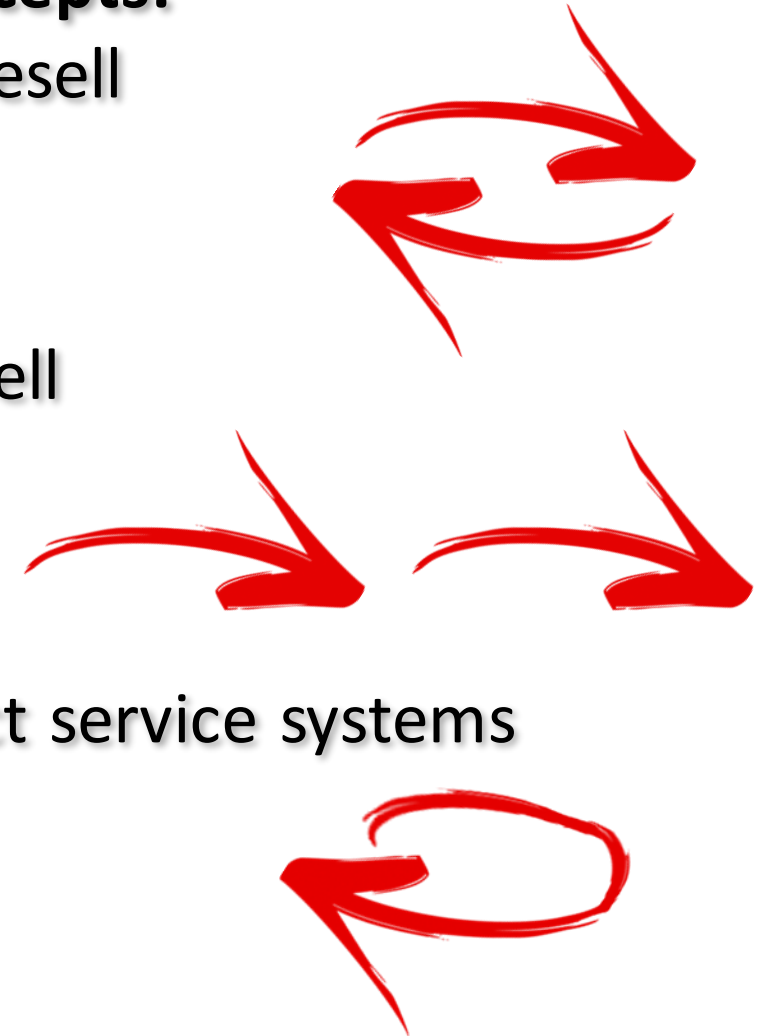
Business models

1. Product Service Systems
2. Product life extension
3. Resource recovery
4. Sharing platforms
5. Circular supply chain

Procurement concepts

3 main concepts:

- buy - resell
- buy - sell
- product service systems



Light as a service Schiphol airport

Example

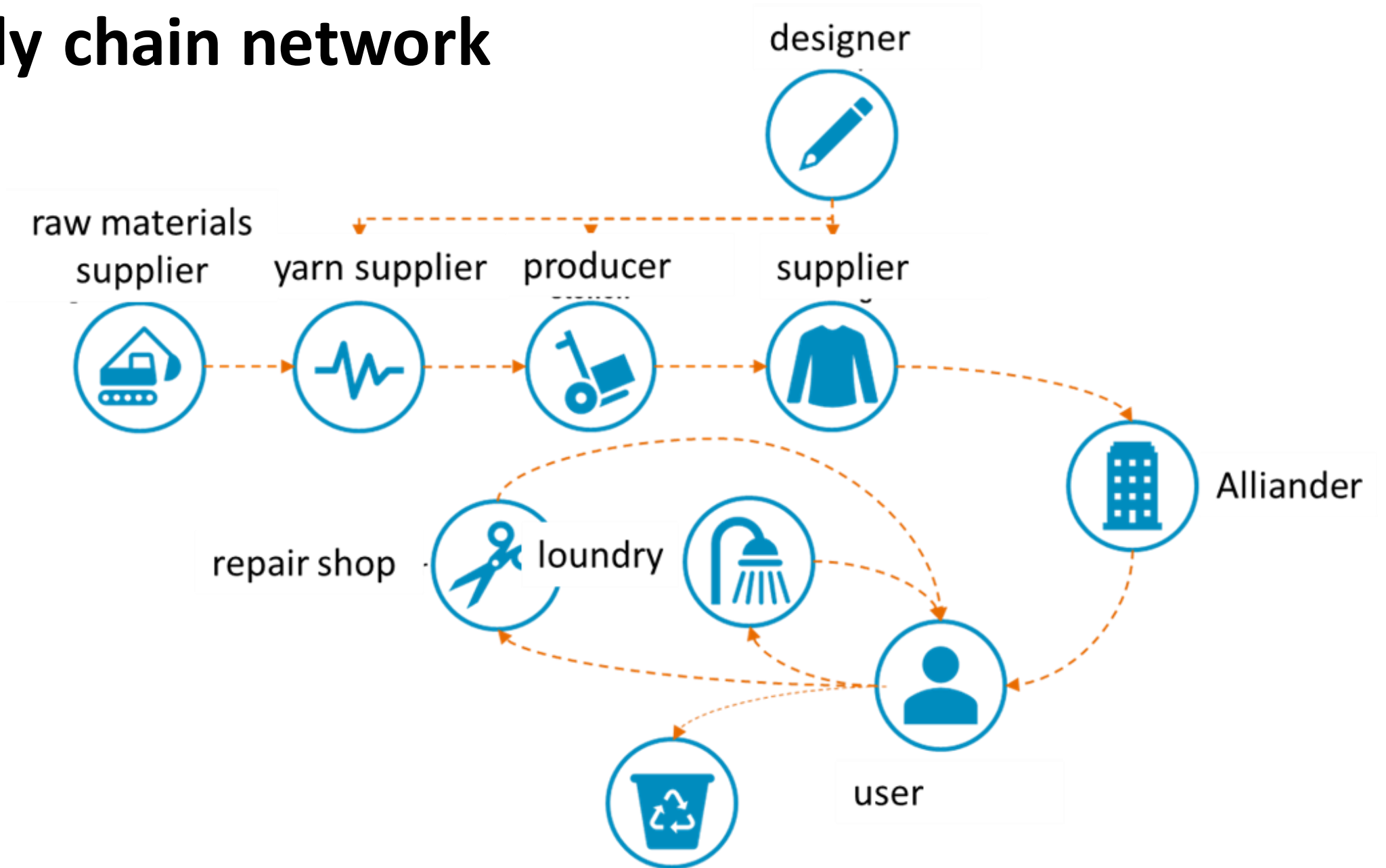




Market Collaboration

STEP 5

Supply chain network



Connect ambitions to opportunities





Lieutenant-Colonel Rob van Arnhem on site

- Dutch MoD collects all their workwear
- People with a distance to the labour market separate the collected textiles
- **Towls: 36%**
Overalls: 14%



Tender procedure

STEP 6

Tender procedure

- Establish a clear picture of what you wish to achieve via this tendering procedure and select the procedure most suited to this ambition.
- Is a call for tenders mandatory or not?
- At what level must your project's tendering process be conducted?

Make sure you establish these facts at an early stage so you know by which rules and regulations you are bound.



Tender procedures

Type of procedure	Proportionality		Collaboration		Innovation	Certainty of results
	Number of tenderers	Transaction costs for Suppliers	Between client and contractor	Between supply chain partners		
Public procedure	Low	Low	--	--	Low	+
Restricted procedure	High	Medium	-	-	Low	+
Competitive dialogue	High	High	+	+	High	+
Competitive procedure with negotiation	High	High	+/-	+/-	High	+
Innovation partnership	N/A (product doesn't exist)	High	+	+	High	-



Measuring and awarding

STEP 7

Requirements & criteria

- Requirements and criteria are set by the tendering organisation
- Requirements must be met by all tenderers
- **Criteria provide possibilities for distinguishing:** tenderers can determine how to meet these



**Back to step 1:
(functional) criteria based on ambitions**

	DETERMINANT
REQUIREMENTS	YES / NO
CRITERIA	GOOD-BETTER-BEST

Measuring & awarding

Determine how you will measure and assess the circularity of the tender

- **Technical specifications**
Measure/count
- **Functional specifications**
Assess how the offer contributes to your ambitions

Determine how you will incorporate the price aspect into the assessment and what weighting will be assigned to it.

- **Price:Quality ratio ->**
80:20 or 30:70?





Contract management

STEP 8

Circular procurement is NOT just about purchasing...

- Most of the desired impact as put in contract will actually happen using the products and services:

Contract management is key for delivering!





Value chain collaboration



Two important steps to build engagement



Defining your need

STEP 3



Market Collaboration

STEP 5

Functional specifications

@Home

If you want to make optimal use of knowledge and experience of the market and create opportunity for innovation, you can use functional specifications.

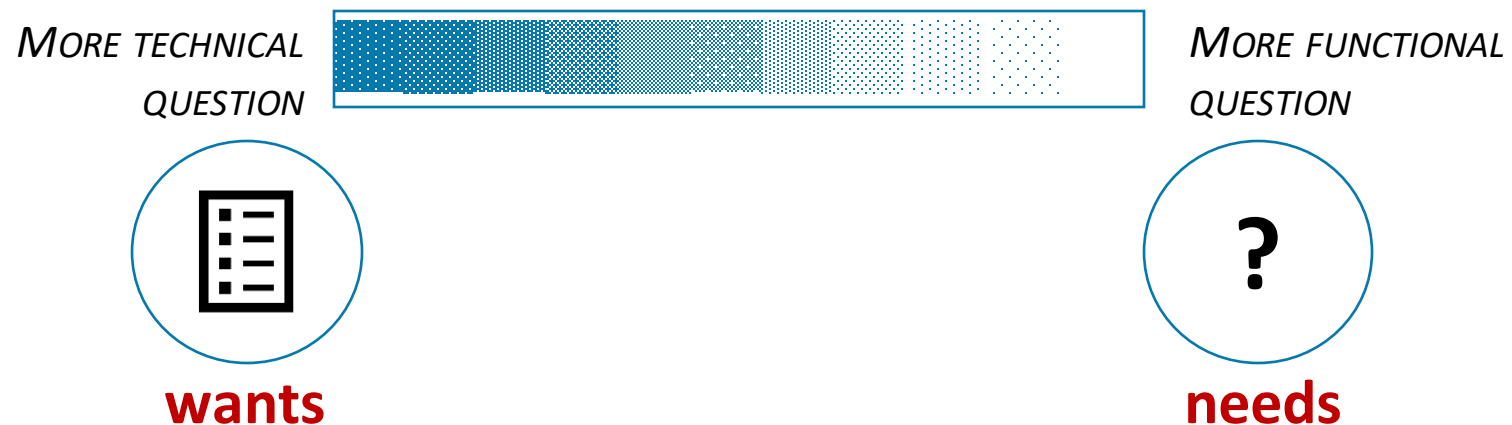
This means describing the use and purpose of a product or service, or the intended result. To use functional specifications you need to describe the need of your client, being 'a solution for an issue'. The tenderer describes how the result will be achieved.

Awarding functional tenders might take more time because it's assessing statements from tenderers according to your functional needs instead of counting and rewarding technical specifications. You will need to create an awarding framework based on ambitions.

Most often a combination of functional and technical specifications is used.

Different types of questions

- There are different types of questions: more technical and more functional
- There is no black or white, only lots of grey
- The degree of functionality depends on the context of the product group, and on your organisation and ambitions



Market collaboration: 2 levels

1. Supplier collaboration

Collaborate during the contract to improve your selected supplier's performance on your ambitions

Result: optimal performance during the use phase of the product

2. Supply chain collaboration

Discuss ambitions and possibilities with supply chain partners of your product (designer, producer, user, waste manager)

Result: every partner knows their role and responsibility

Market analysis

Study and analyse the market using desk research and physical meetings:

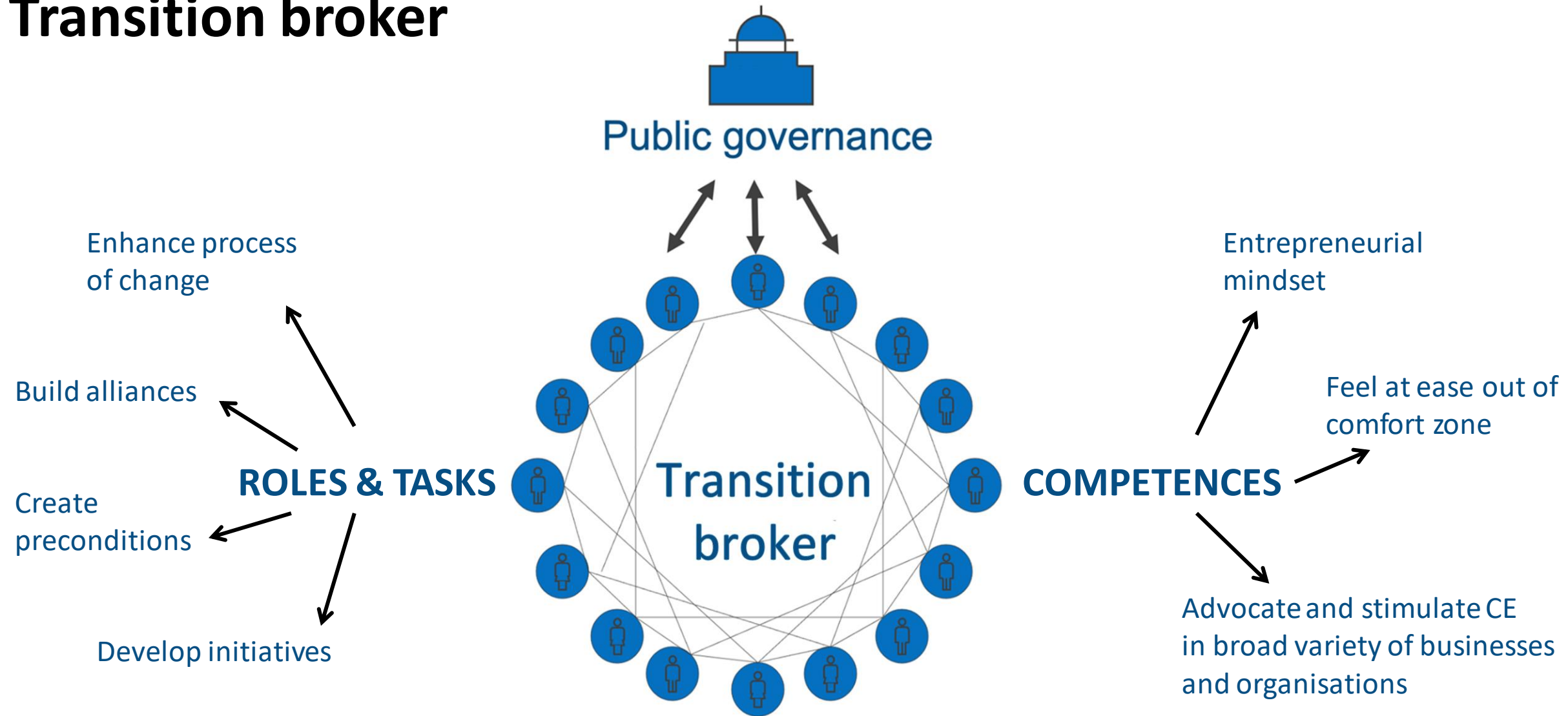
- Who are the actors?
- What do they already know and/or achieve on circular solutions?
- What is of interest for circularity in your product?

Market consultation

Consult the market to compare your ambitions with their possibilities and opportunities to solve your need with circular solutions.

- What optional solution can you think of together?
- What alliances can provide the possible solutions?

Transition broker



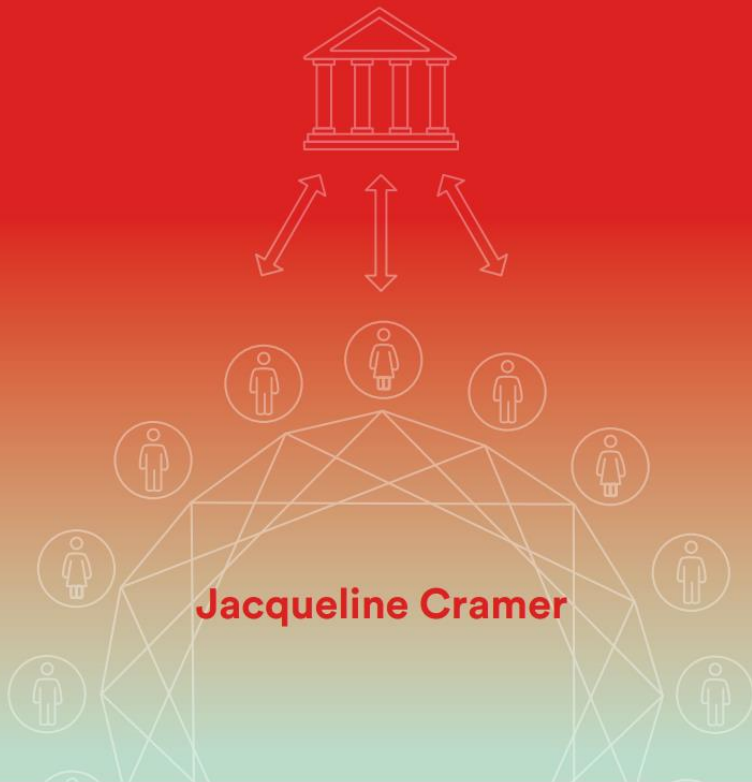
Source

Prof. Jacqueline Cramer, 2020

Amsterdam Economic Board

How Network Governance Powers the Circular Economy

Ten Guiding Principles for Building a Circular Economy, Based on Dutch Experiences



In this book (2020), Professor Jacqueline Cramer shows how network governance can power the circular economy. Network governance is about building a coalition of partners, which all fulfill a specific function in the network and are aligned by so-called transition brokers. By complementing conventional, public governance with this new form of governance, the best of both worlds is created.

- This is by no means about changes within a single company, but about the interplay of different parties in the entire system.



Professor Cramer



Inspiration

EXAMPLES



Lieutenant-Colonel Rob van Arnhem on site

- Dutch MoD collects all their workwear
- People with a distance to the labour market separate the collected textiles
- **Towls: 36%**
Overalls: 14%

Office carpet tiles made from recycled fishing nets

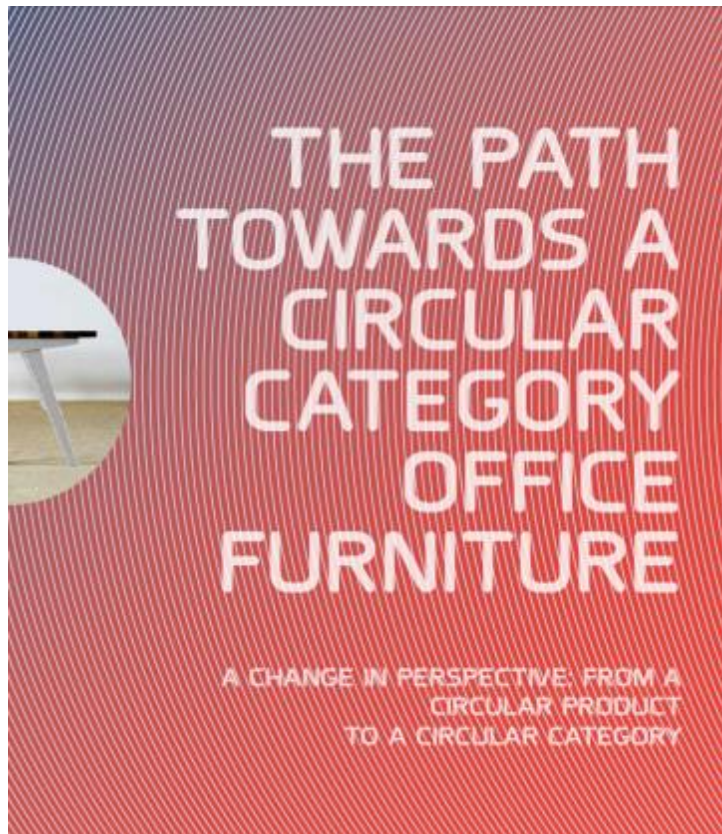
Example



Interface®

Circular office furniture

Dutch central government



Focus on redeployment of existing furniture and prolonging the lifetime of furniture

Expected annual savings: €2,5 - 4 million



Rijkswaterstaat
*Ministry of Infrastructure
and Water Management*

ICON



Van Hattum en Blankevoort



CONSOLIS
SPANBETON



Rijkswaterstaat
*Ministry of Infrastructure
and Water Management*



Circular Bridge

Prototype: lessons and insights





New ways of collaboration

Joining forces as equal partners

- 
- material choices
 - circular design principles
 - 'reuse' business model
 - procurement as enabler
 - public/private partnership
 - learn and develop together
 - less waste
 - less pollution
 - less emissions

Systemic approach

Collaboration is key

Watch full movie: <https://www.government.nl/documents/videos/2019/08/15/video-reusable-flyover>



Wrap up



Take aways

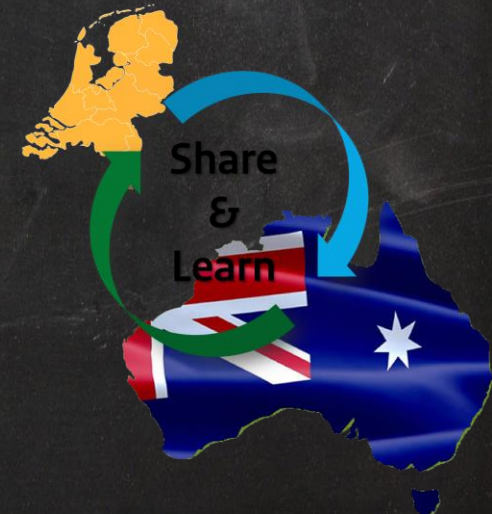
- Circular economy is a systemic approach to tackle global issues
climate, biodiversity, pollution, social justice, security of supply
- Circular procurement is a powerful lever to facilitate the needed market changes and accelerate circular economy



statement

To get to 100% circular economy in the future,

we must aim for 100% circular procurement today!





Thank you!



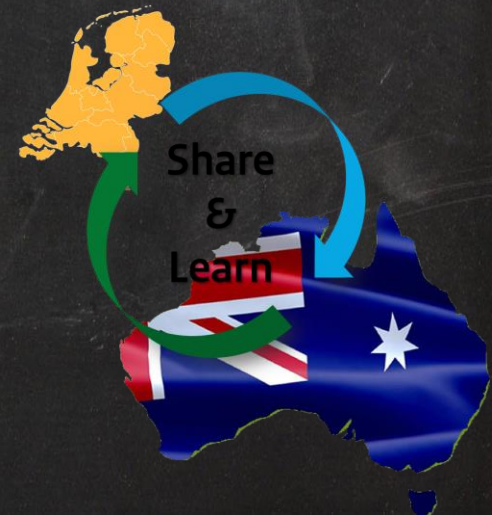
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You don't have to see the whole staircase,
Just take the first step

- Dr Martin Luther King



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