

Role of Public Procurement in Circular Economy

Perspectives from the European Commission

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Today's presentation

1. EU PP Directives and Sectoral Legislation

2. European Commission Guidance on Circular Procurement

3. Joint EU-US Catalogue of Best Practices on Green Public Procurement

4. Proposal for a Regulation on Ecodesign for Sustainable Products



EU Public Procurement Directives

Obtain better value for public money and deliver better outcomes for societal and other public policy objectives while increasing efficiency of public spending

Making PP more flexible

Simplifying procedures

Improving access for SMEs to public contracts

Reinforcing transparency & strengthening provisions on integrity

Facilitating a more strategic use of PP to deliver better outcomes for societal and other public policy objectives



Sectoral legislation with Public Procurement



> **50** legislative acts adopted or proposed



Various sectors and policy areas:

Internal Market
Environment
Energy
Social and Health
Migration
Security and defence



Different types of provisions on criteria:

exclusion criteria
technical specifications
award criteria
selection criteria
contract clauses
targets
joint/common procurement,



In some cases: obligation to adopt **implementing or delegated acts**



Net-Zero Industry Act

- Phased-in mandatory minimum requirements regarding environmental sustainability
- At least one criterion among: social- and employment-related, cybersecurity, deliver on time
- Mandatory resilience criterion: when a product has a high dependency (>50%) from single source (or steep increase in dependency)

Guidance on Circular Procurement

Circular Economy A systems solution framework that tackles global challenges like climate change, biodiversity loss, waste, and pollution. It is based on three principles, driven by design: eliminate waste and pollution, circulate products and materials (at their highest value), and regenerate nature.

14 voluntary criteria

3 EU Directives with mandatory legal requirements

6 Commission legislative proposals including GPP



Definition and Importance

- Circular public procurement involves purchasing goods, services, and works with a reduced environmental impact across their lifecycle.
- Plays a significant role in supporting the transition towards a circular economy by closing the loop of product lifecycles.

EU Policy Context

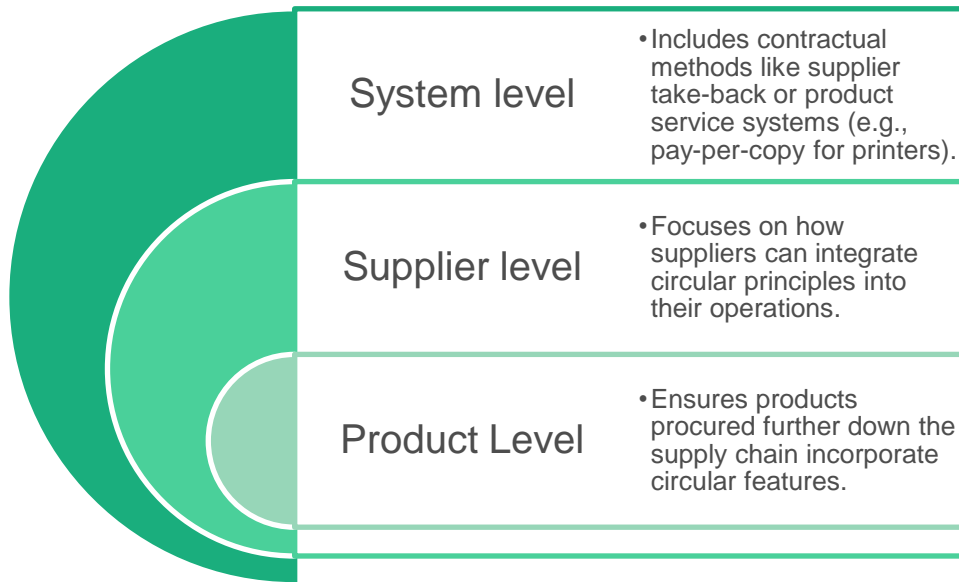
- Linked with the EU new Circular Economy Action Plan (2020), which sets actions to retain the value of resources and reduce waste.
- Recognized as a key driver in the shift towards sustainable, low carbon, resource-efficient economic models.

Benefits of Circular Procurement

- Helps halve carbon emissions by 2030 and reduce resource consumption significantly by 2050.
- Supports innovation, strengthens local economies, and increases market resilience.

Circular Procurement in Practice

Models of Circular Procurement:



Organizational Policy and Strategic Integration:

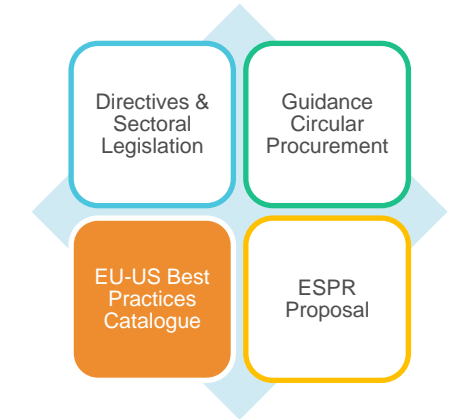
- Developing a circular procurement policy or integrating principles into existing procurement practices.
- Encourages strategic thinking about procurement to include life-cycle impacts and holistic approaches.

Market Engagement and Requirements:

- Engaging with the market to understand and influence the availability of circular solutions.
- Using technical specifications and award criteria that emphasize circular principles, like recycled content and end-of-life management.

Applying circular economy principles across the EU economy has the potential to create around 700,000 new jobs.

Joint EU-U.S. Catalogue of Best Practices on Green Public Procurement



Result of the common effort under the TTC Working Group 2 on Climate and Clean Tech

Fostering a common understanding between the EU and U.S. on leveraging green public procurement to meet environmental goals.

Compilation of existing initiatives, policies and actions complimented by specific examples

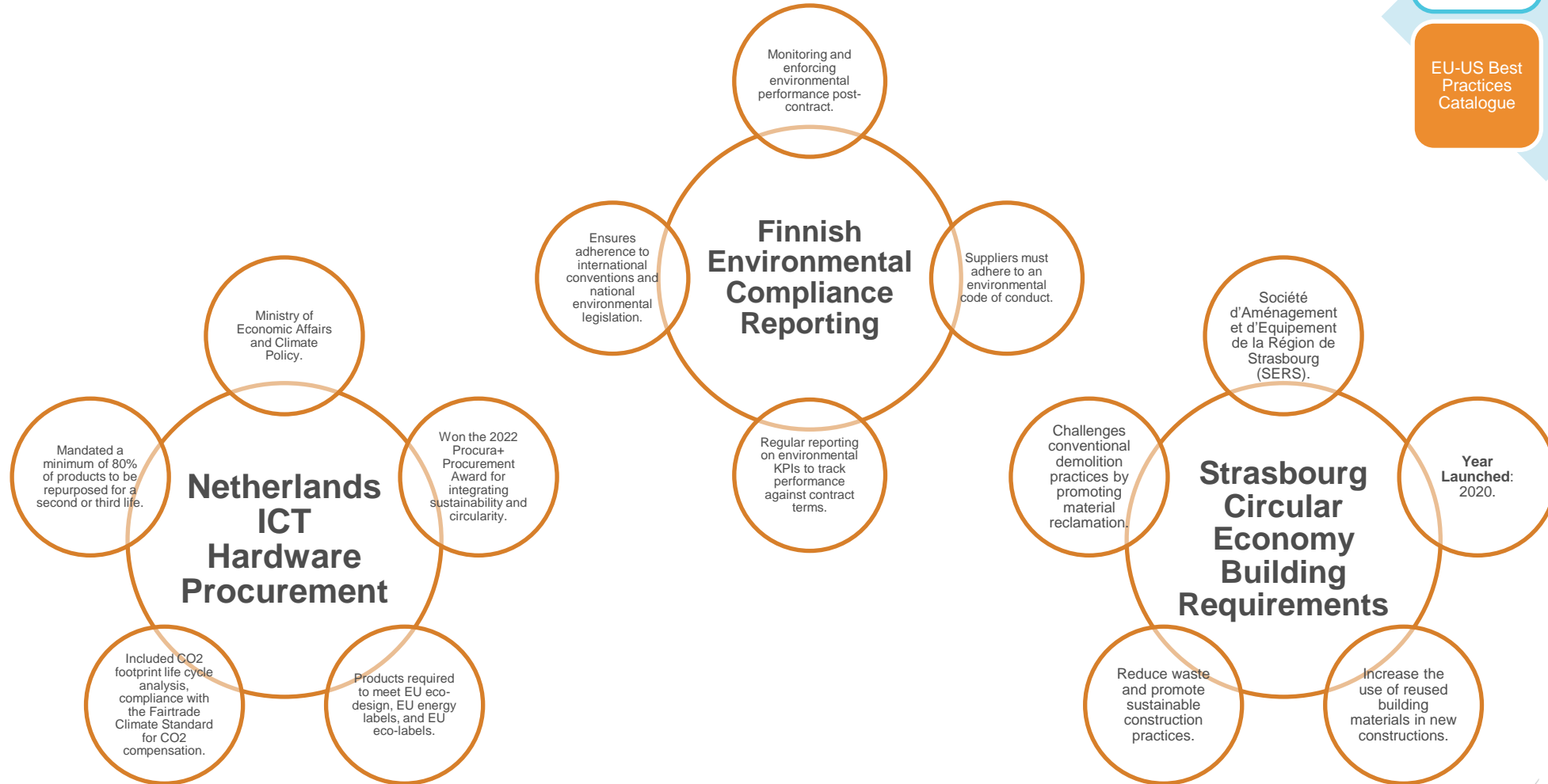
Aims to inspire increased use of green procurement to deploy green goods, services, and technologies in the public sector.

Catalogue Structure

Covers all stages of the procurement process: strategic planning, pre-procurement, procurement itself, and post-contract award.

Includes examples and initiatives from both EU and U.S. procurement practices.

Joint Catalogue Best Practices examples



Ecodesign for Sustainable Products Regulation

Setting Sustainability Standards

- The ESPR establishes ecodesign requirements for products, which serve as benchmarks for sustainability in public procurement, promoting environmentally friendly purchasing decisions.

Supporting Circular Economy Principles

- By mandating criteria like durability and recyclability, the ESPR aligns product design with circular economy goals, influencing public procurement to favor products that minimize environmental impact.

Harmonizing Regulations Across the EU

- The regulation streamlines sustainability criteria across EU member states, simplifying compliance for public procurement and fostering a unified approach to eco-friendly purchasing.



ESPR links with circular procurement



Alignment with Procurement Policies

ESPR provides a framework for public authorities to reference in procurement specifications.

May take the form of mandatory technical specifications, selection criteria, award criteria, contract performance clauses, targets

Support for Circular Economy Goals

Facilitates the purchase of products designed for longer use and easier recycling, aligning with EU circular economy targets.

Requirements applicable to public contracts for certain product groups (adopted by Delegated Act)

Innovation and Market Transformation

Encourages manufacturers to innovate, thus broadening the market for sustainable products that meet public procurement criteria.

Next steps: Ecodesign for Sustainable Products Regulation (ESPR) was adopted in plenary in April and was approved by the Council on 27 May, with the final signature and publication scheduled to take place before the summer.

Thank you



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