Building Circularity into our Economies through Sustainable Procurement

Highlights of the UN Environment report

Claire Thiebault, October 30th 2018 / Paris, France
Background and purpose

**SDG 12.7** focuses on the promotion of ‘public procurement practices that are sustainable, in accordance with national policies and priorities’

Combination of public and private sector demand for sustainable products and services can help scale the market

Aims to introduce the role that sustainable procurement can play to accelerate the transition to a circular economy and the shift towards more sustainable consumption and production patterns

Target audience: both public procurers and policy makers + corporate buyers and business leaders
Understanding sustainable procurement and circular procurement
Sustainable public procurement is a “process whereby public organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life-cycle basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst significantly reducing negative impacts on the environment.”
Understanding circular procurement

✓ Advances sustainability goals

✓ Focuses on closing energy and material loops within supply chains and helps value retention along the entire value chains

✓ Contributes to the enabling conditions of a system which creates value and social well-being while maintaining resources at their highest possible value in the whole lifecycle and ultimately creating an economy which is regenerative
Bringing circularity in procurement practices
Overview of sustainable procurement approaches, tools and solutions advancing circularity

**PILLAR ONE:**
Procuring more circular products, materials & services

- Developing & using CIRCULAR PROCUREMENT CRITERIA in tenders’ specifications
- Promoting PRODUCT LIFETIME EXTENSION

**PILLAR TWO:**
Promoting new business models based on innovative and resource-efficient solutions

- Encouraging PRODUCT-SERVICE SYSTEMS
- Adopting SUPPLIER TAKE-BACK SYSTEMS
- Using SHARING PLATFORMS/ COLLABORATIVE CONSUMPTION and SHARING ECONOMY SERVICES

**ENABLERS**

- Strengthening & adapting CONSUMER INFORMATION TOOLS
- LIFECYCLE COST & TOTAL COST OF OWNERSHIP methods
- COOPERATING with other organizations
- KNOWLEDGE & INFORMATION MANAGEMENT SYSTEMS
- LEGAL INSTRUMENTS
- FISCAL INSTRUMENTS
Pillar one – Procuring more circular products, materials and services

Developing and using “circular” procurement criteria in tenders’ specifications:
- Meet specified resource efficiency levels on a whole lifecycle basis
- Recycled content inclusion
- Potential for reparability
- Limit and ultimately eliminate the use of hazardous chemicals and/or ensure the non-toxicity of components

Promoting product lifetime extension:
- Re-use
- Repair / Refurbish
- Remanufacture
- Recycle
Pillar two – Promoting new business models based on innovative and resource-efficient solutions

- Encouraging product-service systems
- Adopting supplier take-back systems
- Using sharing platforms / collaborative consumption and sharing economy services
Enablers

- Strengthening and adapting consumer information tools
- Lifecycle costing and total cost of ownership methods
- Cooperating with other organizations
- Knowledge and information management systems
- Legal instruments
- Fiscal instruments
Lessons learned and recommendations
Lessons learned and recommendations

- Start simple and scale up gradually
- Start with easy wins
- Focus on priorities: run a hotspots analysis
- Engage in systemic thinking
- Engage suppliers at an early stage
- Communicate, share and access lessons learned
Drivers to advance the inclusion of circularity in procurement practices
Drivers to advance the inclusion of circularity in procurement practices

- Collaboration through suppliers’ engagement and competitive dialogue is key to success
- Setting targets for environmental performance within tenders
- Professionalization of the procurement function needs to be leveraged
- Knowledge sharing among stakeholders is key
- Critical role of reliable monitoring and reporting systems
- Search for joint interests
- Support of international initiatives
- Political leadership
Moving forward
Accelerating the inclusion of circularity requirements in procurement decisions:

✓ Convene focused public-private dialogues to discuss the role of sustainable procurement as a driver in advancing circularity in our economies

✓ Promote and disseminate sustainable procurement practices bringing circularity: submit a case study for inclusion into the upcoming UN Environment Compendium

✓ Share tender circular specifications and learn from each other

✓ Facilitate collaboration and dialogue at sectoral level, to create a market demand from the tourism industry through sustainable procurement including circularity requirements

✓ Other ideas? To be further discussed this afternoon during the Deep Dive sessions
Thank you

Claire Thiebault, Associate Programme Officer / UN Environment / Economy Division
claire.thiebault@un.org

www.unenvironment.org