The Sustainable Public Procurement programme of the 10-Year Framework of programmes on Sustainable Consumption and Production

“Sustainable Public Procurement and the Circular Economy”

Webinar

3 February 2016
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<th>Time</th>
<th>Topic</th>
<th>Panelist</th>
</tr>
</thead>
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<tr>
<td>15 pm</td>
<td>Welcome and Introduction</td>
<td>• Ms. Irina Uzun, UNEP, SPP programme</td>
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<td>The 10YFP SPP programme</td>
<td>• Mr. Farid Yaker, UNEP, 10YFP SPP Programme Officer</td>
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<tr>
<td>15:10 pm</td>
<td>European Union Circular Economy Package</td>
<td>• Mr. Robert Kaukewitsch, European Commission, DG Environment</td>
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<tr>
<td>15:15 pm</td>
<td>Working group 3a of the 10YFP SPP programme</td>
<td>• Mr. Mervyn Jones, Sustainable Global Resources ltd</td>
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<td>• Mr. Cuno van Geet, RWS</td>
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<tr>
<td>15:30 pm</td>
<td>REBUS SPP Regions GPP2020</td>
<td>• Ms. Mike Robey, Wrap</td>
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<td>• Mr. Simon Clement, ICLEI</td>
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<td>• Ms. Antoinet Smits, RVO</td>
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<tr>
<td>16:00 pm</td>
<td>Discussions with the audience</td>
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<tr>
<td>16:20 pm</td>
<td>Conclusions &amp; Pointers for the conference in April 2016, Cuno van Geet, RWS, Farid Yaker, UNEP</td>
<td></td>
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</tbody>
</table>
The 10YFP SPP programme
farid.yaker@unep.org
10YFP: Introduction

The 10YFP was adopted at the Rio+20 Conference. It is a global framework of action to enhance international cooperation to accelerate the shift towards SCP patterns in both developed and developing countries.

It supports capacity building and provides technical and financial assistance to developing countries for this shift.

The 6 programmes of the 10YFP are:

- **Consumer information**
- **Sustainable buildings and construction**
- **Sustainable lifestyles and education**
- **Sustainable tourism, including ecotourism**
- **Sustainable public procurement**
- **Sustainable food systems**

More information can be found at [http://www.unep.org/10yfp](http://www.unep.org/10yfp)
Official Launch of the 10YFP SPP Programme

The Sustainable Public Procurement Initiative (SPPI) officially became the 10YFP SPP Programme on April 1st at an event in New York, at the margins of the 10th Session of the Open Working Groups on Sustainable Development Goals.

As such, the 10YFP SPP Programme officially adopted the Goals, Work Plan, Structure, MAC, and Modus Operandi of the SPPI.
Objectives

• **Build the case for SPP**: improve the knowledge on SPP and its **effectiveness** as a tool to promote greener economies and sustainable development;

• **Support the implementation of SPP on the ground** through increased collaboration and improved coordination between SPP stakeholders.
10YFP SPP: Governance of the programme

MAC Members

Mauritius Procurement Policy Office
Korean Environmental Industry & Technology Institute (co-lead)
Environmental Development Center of Ministry of Environmental Protection (EDC)
Eco Mark Office of Japan Environment Association
Indian Railways
Swiss Federal Office for the Environment (FOEN)
Environmental Protection Agency (Sweden)
SKL Kommentus
Ministry of Infrastructure and the Environment (The Netherlands)
United Nations Environment Programme (lead)
ICLEI – Local Governments for Sustainability (co-lead)
Forest Stewardship Council (FSC)
International Green Purchasing Network (IGPN)
Secretariat of the Convention on Biological Diversity
ITC-ILO (Int. Training Center of the ILO)
CEGESTI
NCPC Colombia (National Center for Cleaner Production and Environmental Technologies/CNPMLTA)
United States Environmental Protection Agency
Sustainable Purchasing Leadership Council (SPLC)
Institut des Finances Basil Fuleihan-Lebanon
UNEP
KEITI

LEAD

Mauritius
Korea
China

CO-LEADS

Japan
India
Switzerland
Sweden
Sweden
Netherlands
International
International
International
International
International
International
International
International

International
Colombia
United States
International
Lebanon
International
Korea
10YFP SPP: Regional distribution of the programme’s partners

SPP Programme Partners around the Globe
As of the 2nd of February 2016

The network of the SPP programme counts 87 partners in more than 40 different countries and includes governments, international organizations, NGOs, consultancies, private sector representatives and SPP expert.

Join the programme here
10YFP SPP Programme biennial work plan 2016-2017

Areas of work

1. Implementing SPP on the ground
   - 1a. SPP Tender Implementation & Impact Monitoring
   - 1b. Monitoring SPP Implementation
   - 1c. Measuring Impacts & Communicating Benefits
   - 1d. Promoting SPP best practices*

2. Assessing Implementation & Impacts
   - 2a. Monitoring SPP Implementation
   - 2b. Measuring Impacts & Communicating Benefits
   - 2c. Promoting SPP best practices*

3. Identifying Obstacles & Promoting Innovative Solutions
   - 3a. Addressing price barriers and Promoting life-cycle costing (LCC)*
   - 3b. Identifying legal and trade issues & promoting solutions*
   - 3c. Including Small and Medium Enterprises (SMEs) in SPP

4. Collaborating with the private sector
   - 4a. Promoting supply chains’ sustainability
   - 4b. Ecolabels & Sustainable Standards
   - 4c. Promoting resource-efficient business models and circular economy
   - 4d. Developing purchasing guidance for priority sectors*

Knowledge management, outreach and communication:
Global Review on SPP, Global SCP Clearinghouse, websites and social networks management, webinars
SPP programme outputs

Using PSS to enhance SPP – technical report, 2015

SPP Principles, 2015

Pre-study on the sustainability of supply chains, 2014

SPP: A Global review 2013

• Measuring & communicating benefits of SPP – December 2015

• Monitoring SPP Implementation - Upcoming
Communication and outreach activities

10YFP SPP newsletter

- 3rd issue – released in September 2015 and available at 
  http://newsletter.sysforu.co.kr/2015/eco_spp/spp_vol03.html

Updates on the SCP Clearinghouse

- Online resource database
- Recent publications
- New partners
- News

www.scpclearinghouse.org

One click away from Sustainable Consumption and Production

The first online platform dedicated to advancing SCP worldwide through information, knowledge sharing and cooperation.
www.scpclearinghouse.org

One click away from Sustainable Consumption and Production

The first online platform dedicated to advancing SCP worldwide through information, knowledge sharing and cooperation.
An evolving platform that hosts different communities and with users at its centre

Platform for the 10YFP
Serve as the information hub for the 10-Year Framework of Programmes (10YFP)

Promote SCP
Inspire policy-makers, the business sector and civil society around the globe to share experience and take action

Collect and disseminate information, knowledge, tools and best practices, on SCP through user-friendly worldwide databases and communities

Networking and partnerships
Build cooperation at all levels through a cooperation market place, directory of experts and working groups

Track news and events
Learn about and share latest news and events on SCP initiatives worldwide
Contact us:

• Farid Yaker, Programme Officer, UNEP
  farid.yaker@unep.org

• Anoucheh Khanbabaï, Consultant, UNEP
  anoucheh.khanbabai.affiliate@unep.org

• Irina Uzun, Consultant, UNEP
  irina.uzun.affiliate@unep.org
Circular Economy

Closing the loop – An EU Action Plan for the Circular Economy
From a Linear Economy...
...to a Circular Economy
What are the benefits of a Circular Economy?

- the value of products, materials and resources is maintained in the economy for as long as possible
- waste generation is minimised
- boost to the economy and competitiveness by creating new business opportunities
- brings economic, social and environmental gains
Circular Economy Package

Adopted by the Commission 2 December 2015

- Action Plan Communication
- List of Follow-up Initiatives (Annex)
- 4 Legislative proposals on waste
Common EU target for recycling 65% of municipal waste by 2030
New binding target to reduce landfill to a maximum of 10% of total waste by 2030
Common EU target for recycling 75% of packaging waste by 2030
Prevention

- focus on food waste, textile, Waste of electrical and electronic equipment (WEEE), furniture
- target to be set at national level on disposed/incinerated waste (per capita)
- extended Producer Responsibility – links between fees paid and recyclability/reparability
Production

Objectives
- provide incentives to boost circular product design
- innovative and efficient production processes

Key actions
- reparability, durability, and recyclability in eco-design (e.g. TV screens)
- best practices for waste management and resource efficiency in industrial sectors
- industrial symbiosis
Consumption

Objectives

- repair and reuse of products to avoid waste generation
- provide consumers with reliable information on environmental impact of products

Key actions

- encourage reuse activities (e.g. waste proposal)
- ecodesign: availability of spare parts
- guarantees and action on false green claims
- Circular Economy criteria in Green Public Procurement
- independent testing programme to assess possible planned obsolescence
- better labelling: EU Eco-label, Environmental Footprint
Food waste

Objectives

- reach Sustainable Development Goal (SDG) to halve food waste by 2030 – today around 100 million tonnes of food are wasted every year in the EU

Key actions

- develop an EU methodology to measure food waste
- create a platform for the SDG on food waste and share best practices and results achieved
- clarify EU legislation on waste, food and feed, and encourage food donation
- improve the use and understanding of date marking along the food chain (e.g. ‘best before’ label)
Green Public Procurement

- Key role for circular economy acknowledged
- Special emphasis on circular economy aspects in criteria-setting
- Support a greater uptake of GPP criteria by public authorities, e.g. by training
- Commission to lead by example - in its own procurement, and by reinforcing the use of GPP in EU funding
Next Steps

- more than 50 key actions included in the EU Action Plan for the Circular Economy
  - progress report 5 years after adoption

- European Parliament and Council to decide on the 4 legislative proposals on waste
Circular Economy: looking to the future

- growth & job creation/
  up to +7% GDP
  ➔ up to 600 billion in
  savings/8% of annual turnover for
  business in the EU
  ➔ estimated 170 000 direct jobs in waste
  management sectors created by 2035
- boosting competitiveness and
  ensuring security of supply
- building economic
  and environmental resilience
- encouraging innovation
- reducing total annual Greenhouse
  Gas Emissions by 2-4%
Integrating Product Service Systems into Sustainable Public Procurement

Webinar
3 February 2016

Mervyn Jones, Sustainable Global Resources
Cuno van Geet, Rijkswaterstaat Nederland
Product-service systems

The SPP programme of the 10 Year Framework of Programmes on Sustainable Consumption and Production patterns (10YFP) has produced a technical report on product-service systems and their insertion in sustainable public procurement: *Using Product-Service Systems to Enhance Public Procurement*. The 2015 report consolidates the information currently available on product-service systems (PSS) and to offer clarity on the drivers, advantages and challenges associated with their provision by the private sector and their use by the public sector.
What are product-service systems (PSS)?

- Service-oriented business models that replace selling products with selling services
- Focus on need
- Shift the perspective from product ownership towards product utility
- Consider product’s impacts throughout its life-cycle
- Enables cost reductions and efficiency gains, e.g. energy and resource efficiency, and further environmental objectives

After Turley, 2013
How do product-service systems work?

- Realign the relationship between suppliers and customers
- Take a product’s life-cycle costs into account
- Supplier often retains ownership of more of the product life-cycle
- Aligns buyer and Supplier incentives to save costs
Drivers for the adoption of PSS

PSS models can:
- Include an incentive for sustainability
- Include requirements for end-of-life management
- Use environmentally preferable products
- Provide information on potential environmental impacts
- Reduce the procurement costs, the number of contracts, and the size of staff required for contract administration
- Reduce the market risks of innovation investments
- Help meet environmental, social and financial objectives
- Provide a stable market for maturation of sustainable PSS
Hierarchy of actions for procurement

Rethinking the need

Using assets and resources more efficiently

Aligning with the waste hierarchy
Considerations when procuring PSS

- Assessing the sustainability potential of PSS options can be challenging
- Market engagement required to explore options
- ‘Challenge function’ – encouraging & identifying options that deliver quantifiable sustainability benefits beyond traditional procurement
- May shift a government service to the private sector
- Budgeting may not align with type of PSS financing required
- Risk sharing - risks may (partly) be transferred to the service provider
- Impact of legal requirements on PSS
- Ensuring that SMEs are not potentially disadvantaged
Car sharing public fleet in Bremen (Germany)

### THE KEY PRINCIPLES

| Circular procurement vs procure-consume-dispose | Considering alternatives to the traditional extract, produce, consumer, dispose business models |
| Innovation | Restructuring procurement using servicisation to foster public private partnerships |
| Footprinting | Using CO₂ limits from regional regulation as performance based specifications in tenders |

### THE KEY BENEFITS

| Cost reduction | • Saved >2,000 cars  
• Associated fuel-savings |
| Carbon reduction | • Saved 2.3M kgCO₂  
• Average fleet limit of 130 g CO₂/km |
| Employee | • Car sharing  
• >10,000 members in Bremen  
• Customer information on fuel-saving programmes |
# Office furniture and carpeting (the Netherlands)

## The Key Principles

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## The Key Benefits

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<tr>
<th>Cost</th>
<th>Can cost slightly more than traditional due mainly to current small scale</th>
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<tbody>
<tr>
<td>Carbon reduction</td>
<td>Reduced carbon footprint</td>
</tr>
<tr>
<td></td>
<td>Reduced materials footprint</td>
</tr>
<tr>
<td></td>
<td>Reduced overall embodied energy as a result</td>
</tr>
<tr>
<td>Employee</td>
<td>Reuse of existing products</td>
</tr>
<tr>
<td></td>
<td>Flexibility of user wishes</td>
</tr>
<tr>
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<td>Flexibility of use period</td>
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# Temporary Town Hall, Brummen (the Netherlands)

## The Key Principles

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<tbody>
<tr>
<td><strong>Design out waste</strong></td>
<td>95% of components and materials can be recovered at disassembly</td>
</tr>
<tr>
<td><strong>Optimising lifetime</strong></td>
<td>Opting for temporary 20 year life building</td>
</tr>
<tr>
<td><strong>Whole life costing</strong></td>
<td>Using WLC approach to determine best outcome</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>Moving away from traditional owner-occupier model</td>
</tr>
<tr>
<td><strong>Closed Loop</strong></td>
<td>Bringing components and materials back into construction at disassembly</td>
</tr>
<tr>
<td><strong>Footprinting</strong></td>
<td>Using CO₂ limits from regional regulation as performance based specifications in tenders</td>
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## The Key Benefits

<table>
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<tr>
<th><strong>Cost reduction</strong></th>
<th>Estimated total cost between €1–5M, 30% less than other comparable projects</th>
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<tbody>
<tr>
<td><strong>Closed Loop</strong></td>
<td>Reduced the demand for virgin raw materials.</td>
</tr>
<tr>
<td></td>
<td>95% of the design can be disassembled and reused</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>Producers retain ownership of product and derive profits</td>
</tr>
<tr>
<td></td>
<td>Incentive to make both durable and efficient</td>
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### Advanced Patient Care, Georgia Regents MC (U.S.A.)

#### The Key Principles

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<td><strong>Optimisation</strong></td>
<td>Main suppliers have flexibility to procure service delivery from other suppliers</td>
</tr>
<tr>
<td><strong>Resilience</strong></td>
<td>Pre-determined monthly operational costs over a 15-year term</td>
</tr>
<tr>
<td><strong>Whole life costing</strong></td>
<td>Enables flexibility in maintaining full provision of healthcare</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>Using product-service systems to deliver best solution</td>
</tr>
<tr>
<td><strong>Closed Loop</strong></td>
<td>System efficiency and circularity can be achieved by designing products with standardized parts and components to allow for greater modularity and more efficient repair, refurbishment and reuse.</td>
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#### The Key Benefits

| **Cost**                                             | • $300m over a 15-year term.  
|                                                     | • Estimated $10m saving over the life of the agreement |
| **Carbon reduction**                                 | • Reduced carbon footprint  
|                                                     | • Reduced materials footprint  
|                                                     | • Allows reconfiguration to fit customer requirements |
| **Improved quality of care**                         | • Reuse of existing products  
|                                                     | • Flexibility of user wishes  
|                                                     | • Flexibility of use period |
Product Service Systems – benefits & conclusions

- Public bodies can use PSS to realise sustainability benefits.
- Product-service systems are an example of innovative business approaches that can enhance SPP.
- PSS can only truly contribute to sustainable development when they are consciously designed over the whole life-cycle.
- Public procurement can nurture and harness the potential of PSS to drive environmental sustainability and encourage more sustainable business models in support of wider policy goals.
Lessons learned

- Product-service systems are not by definition sustainable
- Different terminology is used for product-service systems - greater clarity required to:
  - generate a common understanding of PSS; and
  - incorporate it into SPP
- Research on assessment framework required to determine impacts of different PSS options
- Inserting LCC can facilitate a shift towards more sustainable PSS
- More dialogue with the market is required
- More guidance & training required for procurers on how to formulate performance based (functional) specifications – WG4c
Lessons learned

In order for PSS to work effectively they require procurers to think about whole life cycle of products

- **Procurement phase**
  - preparation, demand, materials, selection & contract award

- **In-use phase**
  - cost, business models operations & maintenance

- **Post-use**
  - disposal, reuse, refurbishment, 2nd-life & recycling
Sustainable public procurement & circular economy

Circular business models

Circular thinking

Circular procurement

Circular design

The procurement cycle

Audit and Improve Supplier

Evaluate Bidders, Award

Define the Specification and Invite Bids

Evaluate and Select Suppliers

Manage the Contract & Disposal Route

Identify Need and Assess Risk
PSS and circular procurement links

Links

A non-exhaustive set of related links. Please check the UNEP SCP Clearinghouse for further information on Sustainable Procurement

Ellen MacArthur Foundation - online learning providing cutting edge insight and content to support circular economy education
Green Deal - The Dutch Green Deal Circular Procurement is an initiative of Kirkman Company, MVO Nederland, Nevi, PIANOo and Circle Economy. The goal is to encourage purchasing goods which are more circular in production.
IMSA - IMSA Amsterdam was founded in 1996 focussing on innovative sustainability projects in partnership with business, science, government and NGOs all over the world.
Product Service Systems – The UNEP guide to the role of PSS in a sustainable society
Rijkswaterstaat - Rijkswaterstaat is responsible for the design, construction, management and maintenance of the main infrastructure facilities in the Netherlands.
Sustainable Procurement Resource Centre - ICLEI is an Association of over 1,200 local governments that represents the interests of local authorities within the United Nations and at international policy forums.
UNEP 2015 Using Product-Service Systems to Enhance Public Procurement – Working Group 3a report that forms a key component of this training module.
UNEP 10 Year Framework Programme - The 10-year framework of programmes on sustainable consumption and production patterns (10YFP) is a global framework of action to enhance international cooperation to accelerate the shift towards sustainable consumption and production (SCP) in both developed and developing countries.
US EPA – United States Environmental Protection Agency. Sponsored the UNEP 10YFP SPP Working Group 3a that produced the PSS report.
WRAP – UK resource body with information of sustainable procurement and circular economy in practice
Thank you

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Ministry of Infrastructure and the Environment,  
Rijkswaterstaat, Netherlands  
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Mike Robey
Sustainable EEE Programme Manager & Project Lead for REBus, WRAP
How we design, produce and sell products

How we use and consume products

What is possible through re-use and recycling

A world where resources are used sustainably
The REBus Project
@REBuslife

Goal:
To develop, test and implement profitable, resource efficient and resilient business models

In numbers:
30 pilots
3.5 years (2013-2017)
€3.1m
5 Partners

Resource Savings:
5,000 t materials
20,000 t GHG
€12m benefit
Benefits – to supply-side businesses

- Reduces risk in developing a bespoke commercial case
- Creates space to innovate and challenge the norms
- Develops efficient, resilient, profitable business models
- Develops new markets and new products
- Reduces supply chain risks
- Reduces dependency on physical resources
- Decouples growth from resource use
REBus stage gate support towards circular business

With the contribution of the LIFE financial instrument of the European Community
With the contribution of the LIFE financial instrument of the European Community

REBus Pilot: Argos Gadget Trade-in Service
UK project pipeline

With the contribution of the LIFE financial instrument of the European Community
With the contribution of the LIFE financial instrument of the European Community

NL project pipeline
Thank you
Mike.robey@wrap.org.uk

Follow @REBuslife
Sign-up to receive updates from REBus at www.rebus.eu.com
**Aim:** A total of 7 regional SPP networks will publish 42 eco-innovative tenders focused on energy use in public buildings, vehicles and transport, and food and catering services. The goal is to achieve 54.3 GWh/year primary energy savings and generate 45 GWh/year of renewable energy.

**How to benefit/participate:**
- We provide support for the creation of regional networks with a focus on SPP and PPI.
SPP Regions – Focal areas

Procurement areas:
- Energy use in buildings
- Vehicles and transportation
- Catering

Cross-cutting SPP/PPI topics
- Circular procurement (Danish EPA)
- Market engagement (ICLEI)
- Life cycle costing (Ecoinstitut)
- Performance/output specifications (UWE)

To learn more:
- www.sppregions.eu
- simon.clement@iclei.org

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649718.
Green Public Procurement 2020

www.gpp2020.eu

Webinar Sustainable Public Procurement and the Circular Economy, February 3, 2016
RVO Antoinet Smits
Partners
Programme

• 20 April - Networking and dinner (keynote: Thomas Rau)

• 21 April – Full day of workshops ranging from basic insights to future directions and perspectives for both procurers and business

• 22 April – Morning: Key learnings and next step

http://www.circularprocurementevent.com/