

Closing the loop: the power of circular public procurement

The experience of Centro Region, Portugal

Centro Region - Context



GDP PER CAPITA:

EUR 18,000 in 2019 [\[source\]](#)



EMPLOYMENT/ UNEMPLOYMENT RATES:

69,4% (2020) [\[source\]](#); 5,6% (2020) [\[source\]](#)



MAIN SECTORS OF THE ECONOMY:

Higher education, research and development, healthcare, information technologies, biotechnology, forestry, agriculture, fishing and tourism



REGIONAL COMPETITIVENESS INDEX:

197/268 (2019) [\[source\]](#)



DISTANCE TO ACHIEVING THE Sustainable Development Goals:

- o Goal 12 "Responsible Consumption and Production": 93/100
- o Goal 13 "Climate Action": 64/100 [\[source\]](#)



TOTAL COHESION POLICY FUNDING 2014- 2020:

- o Regional Development Fund (ERDF): EUR 1,814,311,682
- o European Social Fund (ESF): EUR 340,719,349 [\[source\]](#)

Main facts of the pilot

Circular Procurement is a key priority area in Centro's Regional Agenda for Circular Economy. To implement this priority, the Centro Region launched the **Centro Green Deal for Circular Public Procurement** on 8 April 2019, led by the Centro Regional Coordination and Development Commission (CCDR). Each signatory to the Centro Green Deal committed to **launch at least two public procurement tenders** that apply the principles of circular economy and to share all the knowledge acquired through the workshops organised during the preparation of these tenders, contributing to a collaborative learning network. Tenders were launched in various fields, such as provision of school meals, purchase of electric vehicle for healthcare service delivery, renting and maintenance service of uniforms and purchase of reusable and recyclable materials, among other examples.



SCOPE:

Incorporating the principles of circular economy into concrete procurement procedures, focusing on the pre-tender stage and the evaluation framework as well as driving local supply chains into circular business models.



STAKEHOLDERS

- > CCDRC
- > Signatories to the Centro Green Deal:
 - 5 inter-municipal communities
 - 3 municipalities
 - 2 polytechnic schools
 - 1 university
 - 1 hospital



12 local entities

benefited from the pilot



14 tenders

already launched



6 Framework Agreements

addressing 68 municipalities

Strategic elements of procurement

Strategic pre-tendering activities

Market engagement is an important tool in enabling circular procurement. It helps public buyers understand what alternatives are available in the market. Circular procurement requires a shift from technical specifications being set solely by the procurer, to a process where specifications are set following exchanges with potential suppliers. Using market engagement, even the simple 'show & tell' approach, can improve the quality of tenders, increase competitive and valid bids during the tender phase.

Evaluation framework

Implementing circular procurement means going beyond the lowest price at purchase. The contracting authority have to evaluate the quality and circularity aspects of the tenders and take account of life-cycle costs.

Community of practice

CCDRC created a network of entities in the Region (the *Centro Green Deal Network*) that brings together public entities participating in the Centro Green Deal. The Network works as an active community for the Signatories to share experience and learn from each other how to implement circular procurement.



Assessing the impact

- Impact on public services delivery
 - Each circular product/service that Signatories purchased boosted the demand for goods and services aligned with the circular economy principles in the Region. CCDRC, the Centro Green Deal's driving force, has built a community of practice in the Centro Region, and promoted the results on national level ensuring spill over effects.
- Impact on competitiveness of the market
 - Market engagement activities carried out with potential suppliers for the tenders contributed to a mutual learning process between the public and business sector, and increased the level of competition and quality of bids.
- Impact of including social considerations
 - The inclusion of circular principles in tenders promotes the maintenance/creation of jobs (e.g. promoting short circuits fosters local economy and employment), an inclusive community (e.g. electric vehicles for healthcare service delivery) and raising social awareness (e.g. reusable and recyclable materials distributed among students).
- Impact on environment
 - Circular procurement can make a difference by closing energy and material loops within supply chains and minimising negative environmental impacts and waste creation.
- Impact on regional development and effectiveness/efficiency of Cohesion policy investments
 - The community of practice raises the quality level of the tenders and harmonises circular criteria in the Region. The National Monitoring Group has a potential for future scale-up and ensuring the replicability across the countries.



LESSONS LEARNED

- ✓ Even small contracting authorities, with limited workforce dedicated to public procurement, can be champions for circular procurement if they receive support.
- ✓ A more strategic approach to public procurement can make circular economy a reality. However, it should be embedded in other local, regional and national policies like climate change strategy, guaranteeing a significant contribution to promoting the efficient use and productivity of resources.
- ✓ Building a community of practice help sharing experiences and transferring knowledge: a network like the one created by the Centro Green Deal allow participants to learn effectively, as a group and an institution as the CCDRC can be a powerful engine for creating a community of practice and a safe learning environment.

For more information:

[Public procurement to pursue cohesion policy objectives](#)

