



# Analysis of circular public procurement: challenges and solutions

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## Background

The current linear economy needs to change in order to allow future generations to meet their needs. An alternative to the linear economy is the circular economy. One way to accelerate the circular economy is by implementing circularity into the procurement activities of public organizations. The Frisian municipalities have signed the ambition to procure 10% of their products in the year 2020. However, this causes some challenges. These challenges are impeding the implementation of sustainable practices and the achievements of the set ambitions.

## Objective and research question

This research aims to identify the challenges municipalities in Friesland face in relation to circular procurement in order to let Royal HaskoningDHV advise those municipalities in the future. To achieve this aim, the following research question is developed:

**"Which challenges do municipalities in Friesland face in relation to circular procurement and how can these challenges be overcome?"**

## Theory

**Circular economy:** an economic system that replaces the 'end-of-life' concept with reducing, alternatively reusing, recycling and recovering materials in production/distribution and consumption processes. It also focuses on the triple bottom line, and on sustainable development (Hekkert et al, 2017).

**Circular public procurement:** a process that enables the purchasing party to ensure that, at the end of their service life or useful life, products or materials will be re-used effectively in a new cycle, where the products and materials crucially retain their quality and value. (PIANOo, 2020).

**Challenges circular public procurement:** relating to organizational aspects, individual behavior and related practices and the availability of operational tools (Clement & Sönnichsen, 2020).

## Methods

7 semi-structured interviews among the sustainability and procurement officers from 3 different municipalities. Additionally, 1 interview with an expert in the circular economy from Royal HaskoningDHV.

### Municipality

### Classification

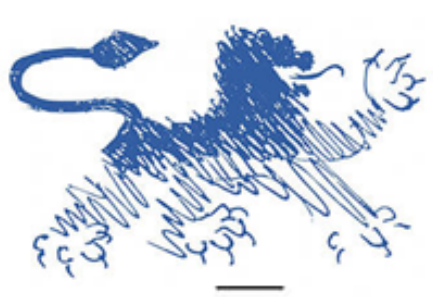


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**Not involved** in the circular procurement academy and **not a member** of the core group



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N/A

## Results

This research found 8 different challenges, which are listed in blue below.

Time and money	Meaning that circular procurement costs more time and money than normal procurement and that there is a lack of time and money to practice circular procurement.
Ambition and vision	Meaning that the ambition and vision of the municipality is not in favor of circular procurement.
Market	Meaning that circular products are not available yet or that it is hard to develop an effective assignment for the market.
Complexity of the concept	Meaning that the rules around tendering are complex.
Complexity of the procurement rules and regulations	Meaning that the concept is complex and therefore hard to implement.
Different and new	Meaning that circular procurement is different than normal procurement and therefore difficult to work with.
Collaboration	Meaning that collaboration is difficult with all the stakeholders involved.
Integration within the whole organization	Meaning that it is difficult to make circular procurement common within the whole organization.

## Implications

### Practical implications/solutions

- 1 Share best practises and start small pilots in order to create enthusiasm (*solves time and money and ambition and vision*).
- 2 Collaborate with other parties in the North to create scale. This will help to receive more budget and will also stimulate the market (*solves time and money and market*).
- 3 Make the definition more specific and make clear that not everything is possible yet in order to decrease the complexity (*solves complexity of the concept*).
- 4 Share knowledge about writing a tender in an innovative way in order to stimulate the market (*solves complexity of the procurement rules and regulations, market and different and new*).
- 5 Create an internal project team and an overview of the already existing projects in order to stimulate collaboration (*solves collaboration and integrations within the whole organization*).

### Theoretical implications

- Involvement in the procurement academy does have an influence on the faced challenges
- Circular procurement is a process, the creation of a specific vision seems to be an important step in this process.

## Conclusions

There are a lot of challenges in relation to circular public procurement, depending on organization aspects, individual behavior and related practices. Future research could build on this by also including other stakeholders, like market players or the national government in order to get a more comprehensive overview.