

ESSENTIALS WORKSHOP

Advancing circular economy through the power of procurement

Image: sketch bubble

PUTTING CIRCULAR
ECONOMY CONCEPTS
INTO ACTION



AGENDA



A. Introductions / About CIC



B. Recap Circular Economy:



C. Circular Procurement: Key principles / business models



D. Addressing Challenges: Overcoming barriers

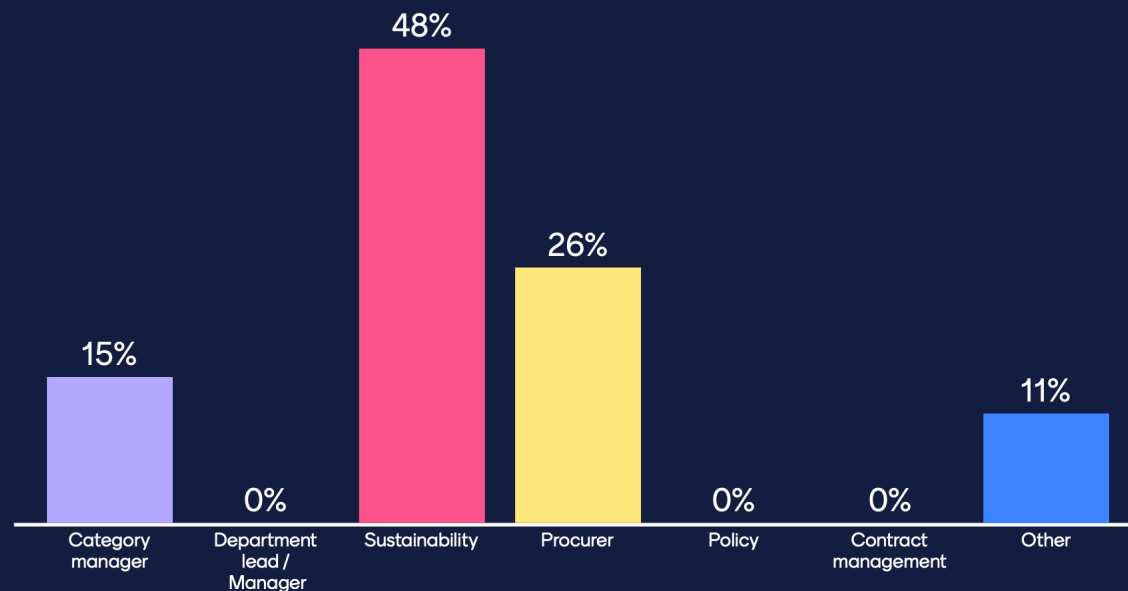


F. Pathways to implementation



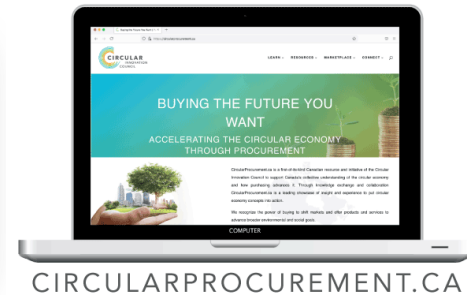
G. Getting Started: Internal Engagement

What is your role at your organization?

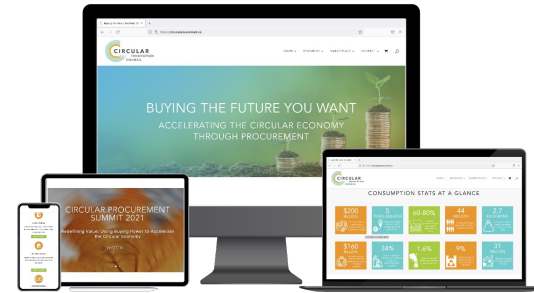


BACKGROUND

- Established in 1978 as Recycling Council of Ontario with initial focus on waste reduction
- Instrumental in facilitating partnership between government and municipalities to create the Blue Box program
- Unique membership: spans entire value and supply chains
 - Governments at all levels; industry producers, collectors, processors; educators, academia, researchers; corporations, SMEs, start-ups; public
- Policy and Advocacy | Resources and Services | Programs and Pilots



OUR CIRCULAR PROCUREMENT JOURNEY



Funded by
the European Union

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An aerial photograph of a large, irregularly shaped white ice floe floating in dark blue water. The ice floe is the central focus, with a soft blue glow around its edges. It is surrounded by numerous smaller, broken pieces of ice scattered across the water's surface. The text "ICE BREAKER" is overlaid in white, sans-serif capital letters across the middle of the large ice floe.

ICE BREAKER

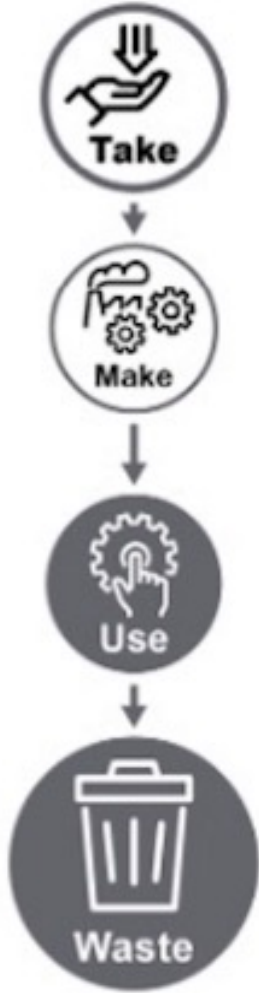
HOW OLD IS THIS TOASTER?



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SHIFTING THE ECONOMY

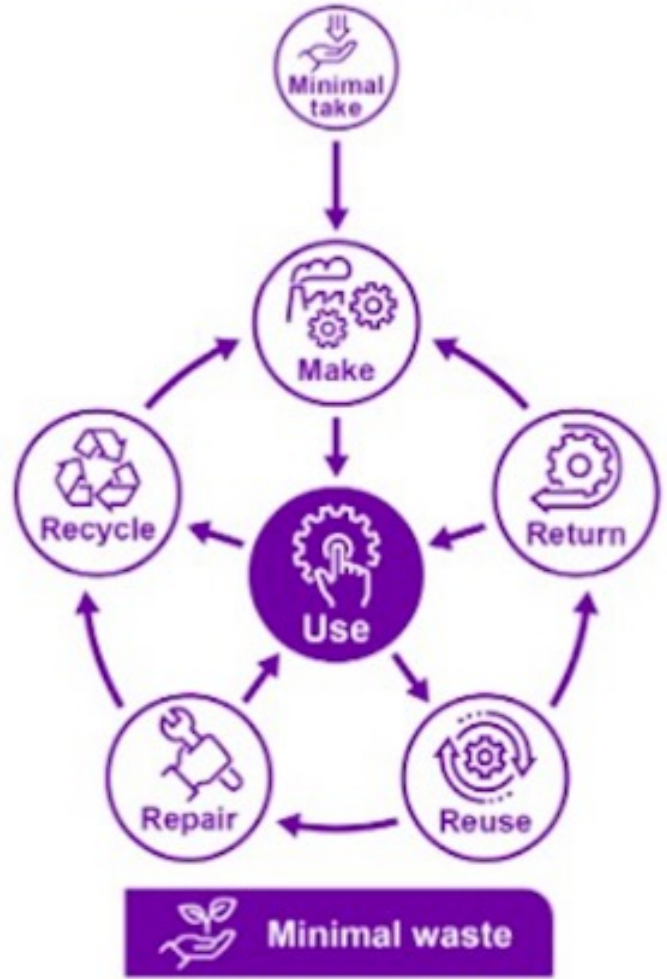
Linear Economy



Recycling Economy



Circular Economy



PUTTING CIRCULAR ECONOMY CONCEPTS INTO ACTION

BENEFITS OF THE CIRCULAR ECONOMY

Environmental



Reduction in greenhouse gases



Reduction in waste



Cleaner water



Water conservation



Resource recovery

Social



Place-based



Diversity



Investing in people



Skills development

Economic



Innovation



Job creation



Economic savings

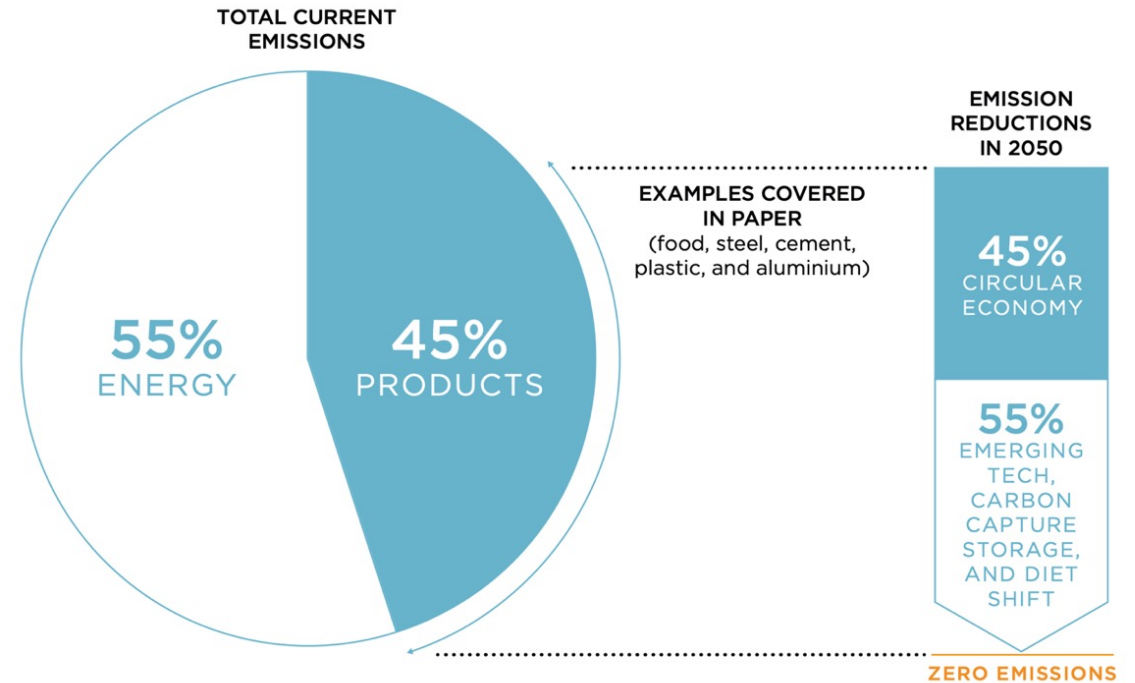


Grow local economies



HOW CIRCULARITY DELIVERS ON CLIMATE COMMITMENTS

Image credit:



QUESTIONS?



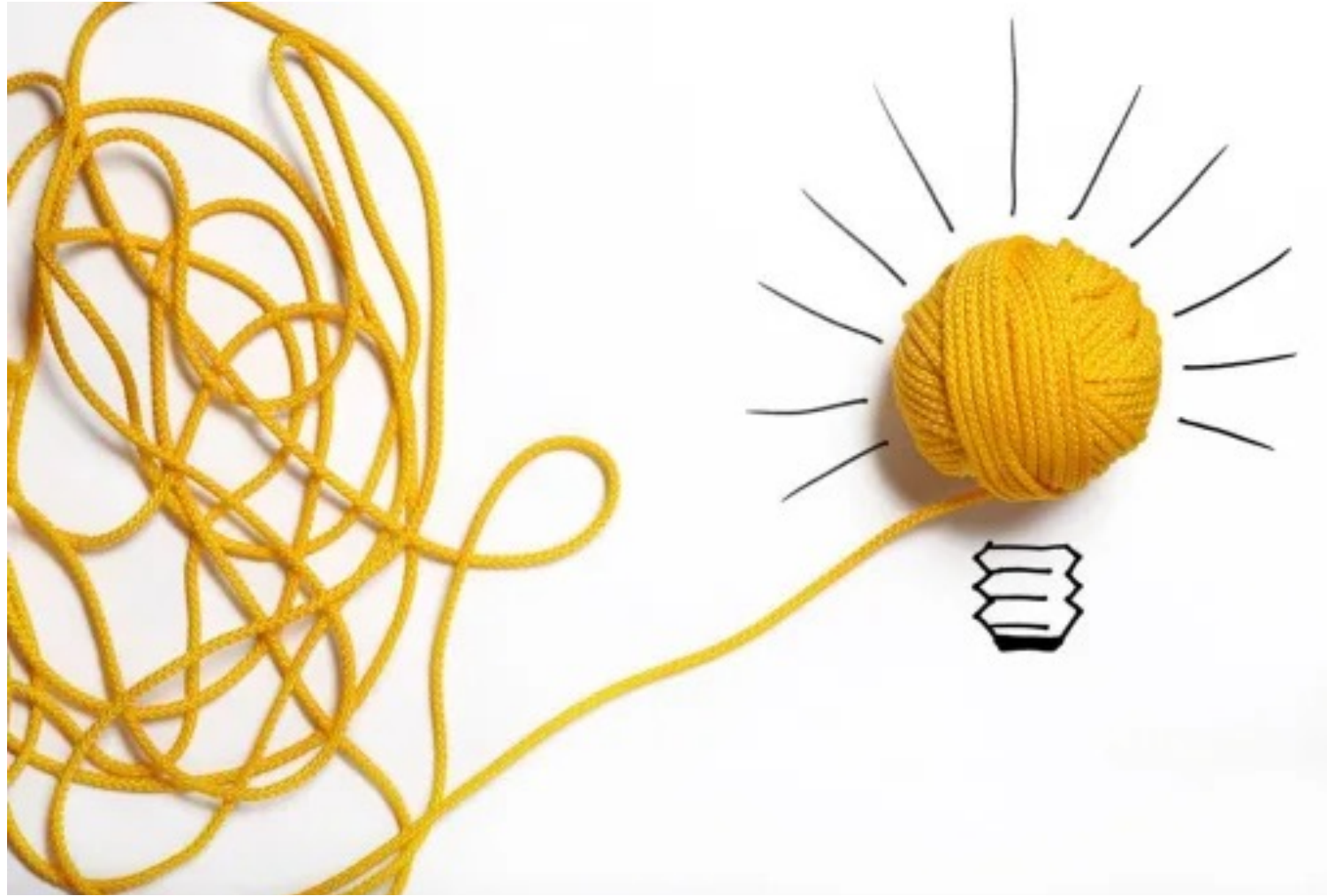
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WHY PROCUREMENT?

- Public procurement in Canada represents on average 15% of Canada's GDP.

\$400 BILLION

- Direct and Indirect Influences:
 - Direct spending on goods and services.
 - Stimulus to the economy.
 - Funding to other organizations.
 - Training and employment.
- Most immediate and direct mechanism to drive broader objectives: economic, environmental, and social.
- Pace setter and market shaper.
- Scalable no matter size nor location.



CIRCULAR
PROCUREMENT

THE GOLDEN
THREAD

WHAT IS CIRCULAR PROCUREMENT

- Multi-pronged implementation tool delivers on several policy objectives and outcomes simultaneously
- Has the capacity to go beyond the delivery of environmental gains by concurrently driving social and economic benefits
- Builds capacity in public and private sectors
- Advances Multiple Sustainable Development Goals
- Aligns and streamlines the delivery of strategic, green, sustainable, social, ethical practices

11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



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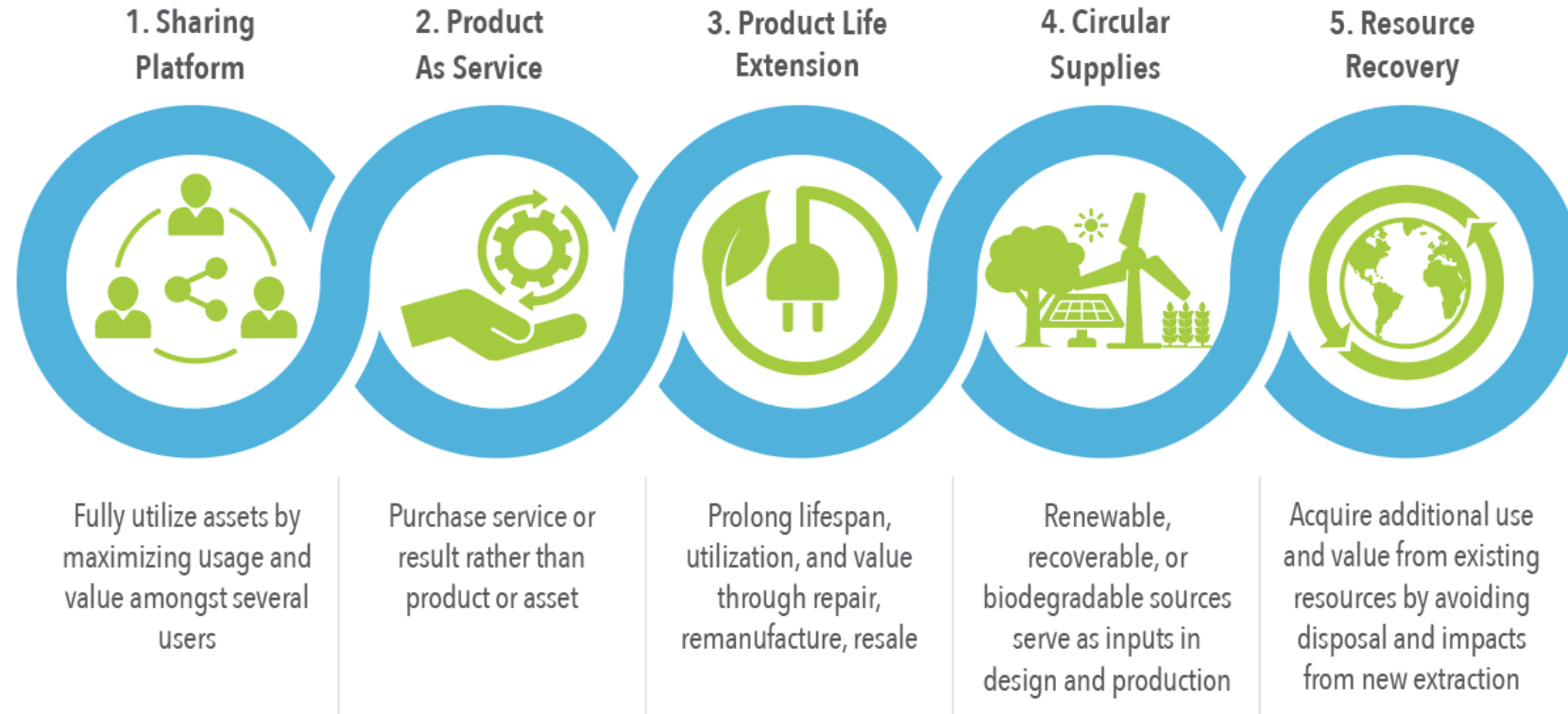
CIRCULAR PROCUREMENT PRINCIPLES

- Collaboration across the whole organization ensures success.
- Engage and collaborate with the market often.
- Lowest cost does not mean best value: best value does not necessarily mean more costs.
- Use outcome-based criteria rather than specifications.
- Encourage innovations while maintaining competitiveness.
- Fill immediate need but signal future directions.



CIRCULAR BUSINESS MODELS

FIVE BUSINESS MODELS OF CIRCULARITY



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EXERCISE:

ALIGNING OUTCOMES WITH CIRCULAR BUSINESS MODELS

- Each group will take the pre-populated circular outcome/criteria and categorize according to circular business model
- Some circular elements may apply to 1 or more business model
- Can you think of any more elements that fit or drive a circular business model – if so add them to the sticky note and categorize



IDENTIFYING AND OVERCOMING BARRIERS

Discussion: Actual vs Perceived

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GREEN PROCUREMENT AND INTERNATIONAL TRADE AGREEMENTS

The World Trade Organization (WTO) Agreement on Government Procurement (GPA)

As a party to the GPA, Canada is committed to:

- non-discriminatory, fair and transparent conditions of competition in government procurement
- ensuring that our approach to green procurement remains consistent with our obligations under the GPA.

The GPA does not prevent Parties from implementing green procurement policies, as long as it is not done in a discriminatory fashion or as a disguised restriction on international trade.

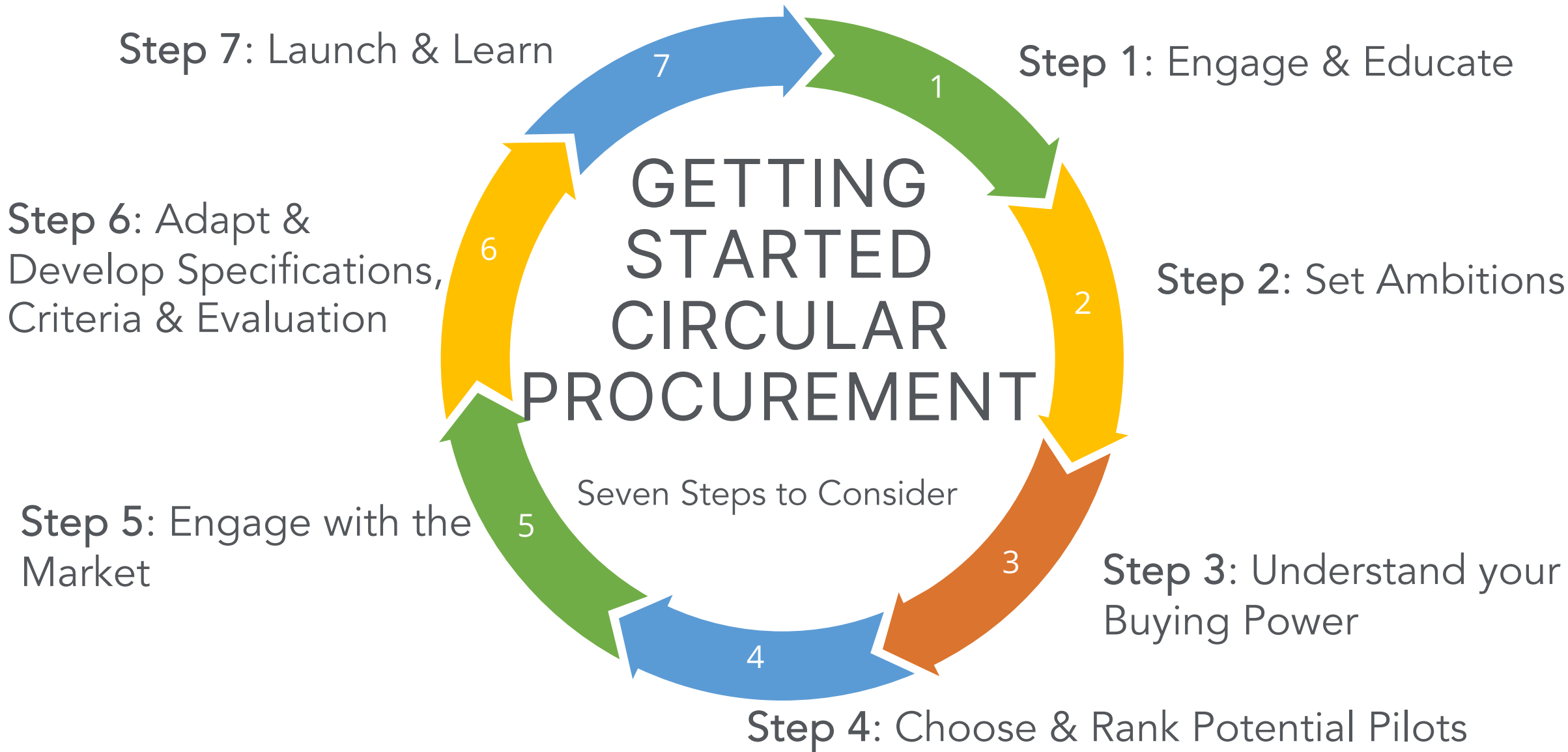
The GPA contains provisions that enable Parties to include environmental considerations in procurement processes.

ADDRESSING ACTUAL & PERCEIVED BARRIERS

- What are the challenges you face/ feel others face incorporating environmental considerations in procurements?
- What solutions exist/ have been used/ could be developed?



Discussion



GETTING STARTED

Step 1: Internal Engagement: Educate and Engage

- Collaboration is vital and engaging internal stakeholders is an integral part of circular procurement.
- Effective engagement will uncover opportunities and barriers and create common ground moving forward.
- To be successful, you need buy-in from all levels. Identify and collaborate with stakeholders within departments, across departments, with other governments and form a working group.

Step 2: Set Ambitions

- It is essential to have a clear picture of what it is that you want to do, why, and what impact it will have against environmental, social, and economic gains.
- Is your goal to reduce the amount of virgin inputs or maximize reusability?
- Once you know your ambition and goals, communicate them within your organization and suppliers.

GETTING STARTED

Step 3: Understand Your Buying Power

- Understanding the internal procurement process and how funds are spent is fundamental to planning and identifying opportunities for circularity.
- Conducting a spend analysis helps to identify and prioritize product and service categories and their potential to transition to a circular model.

Step 4: Choose Your Potential Pilots

- Taking the spend analysis and structuring the categories in relation to risk and gain narrows the focus and help to recognize pilot opportunities.
- Ranking categories according to risk and gain will pinpoint circular procurement opportunities
- Projects with low risk and high impact are a good focal point
 - Textiles, food and catering, furniture and office supplies

GETTING STARTED

Step 5: Market Engagement: Share Ambitions

- Effective market engagement allows for open and pre-competitive dialogue where procurers, purchasers, and suppliers/vendors share experiences and knowledge to create common ground to move forward
- This process uncovers opportunities and barriers, provides insight into what the market is currently capable of, and marketability to respond to circular procurement requirements.
- Lessons learned can provide valuable insight when deciding the direction of your procurement and criteria

Step 6: Adapt & Develop Specifications, Criteria & Evaluations

- Consider drafting outcomes verses specifications
 - Outcome-based procurement seeks innovation from the supply market by focusing on the outcome required rather than defining how the outcome should be achieved.
 - Using an outcome-based approach allows suppliers to propose innovative solutions that may otherwise be excluded from a conventional specifications.
- Consider aligning with the five circular business models

GETTING STARTED

- Step 7: Launch and Learn
 - Make mistakes, learn, improve, continue, and repeat.



Image: stockgui

STEP 1: INTERNAL ENGAGEMENT



IT TAKES A VILLAGE...

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STEP 1: ENGAGE & EDUCATE

- Appoint a CP 'champion' / catalyst
- Ambassador on a high management level, who will stand for the project and can help bridge split incentives
- 1-on-1 conversations: people feel themselves heard
 - Ambitions
 - Requirements
- Interdisciplinary session on project level ambitions
- Depending on project size: continuous communication
- Involving internal stakeholders in evaluation committee



INVENTORYING
INTERNAL STAKEHOLDERS



MAPPING STAKEHOLDER INTERESTS



INVOLVING STAKEHOLDERS IN
PREPARATION



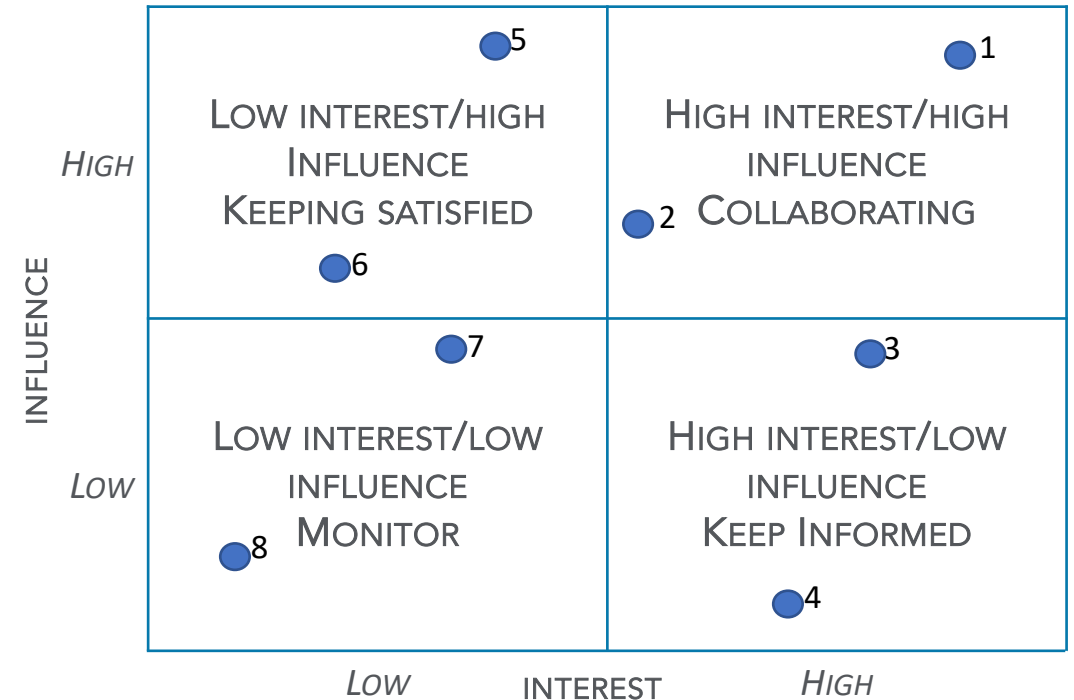
INVOLVING STAKEHOLDERS
IN PROCEDURE

EXERCISE – STEP 1: EDUCATE AND ENGAGE

How do we create internal collaboration and establish a working group? The first step is to identify or create an inventory of internal stakeholders and then determine their level of involvement. The level of involvement will pinpoint who you will want on the working group.

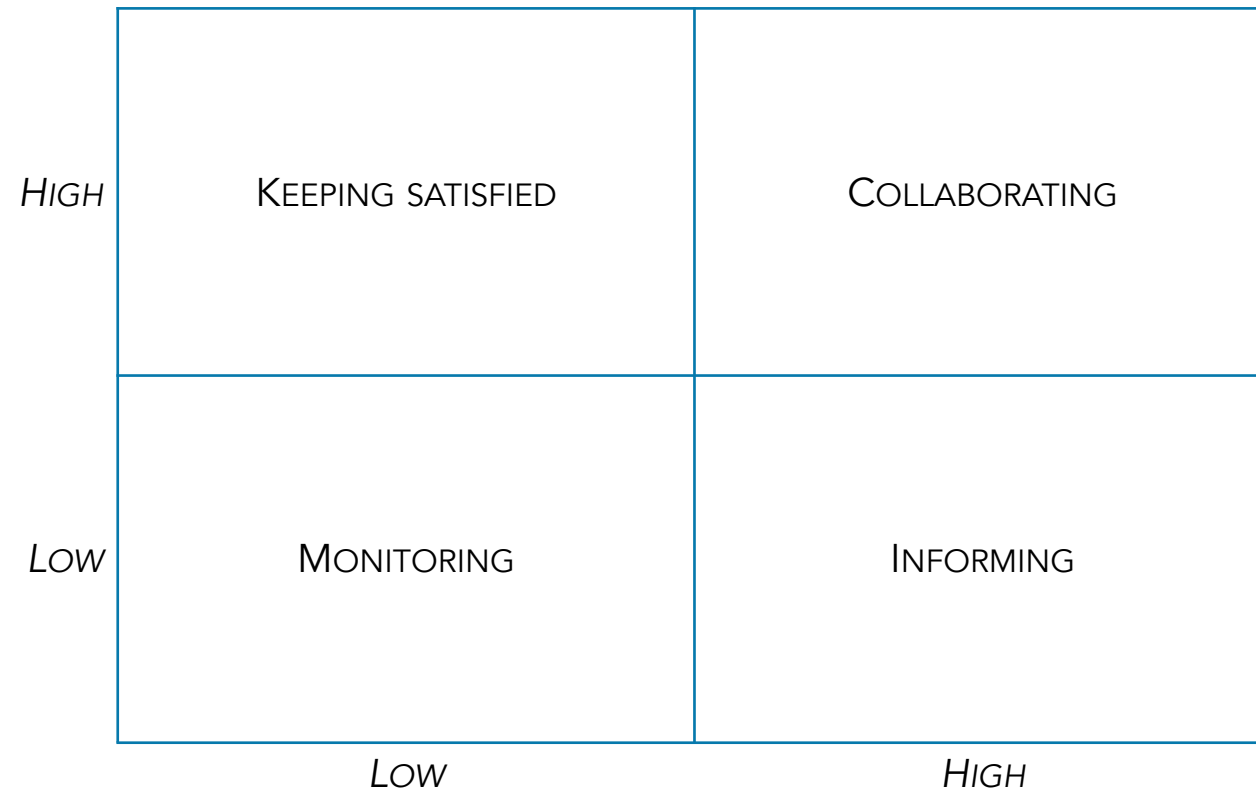
VARIOUS WAYS OF INVOLVEMENT

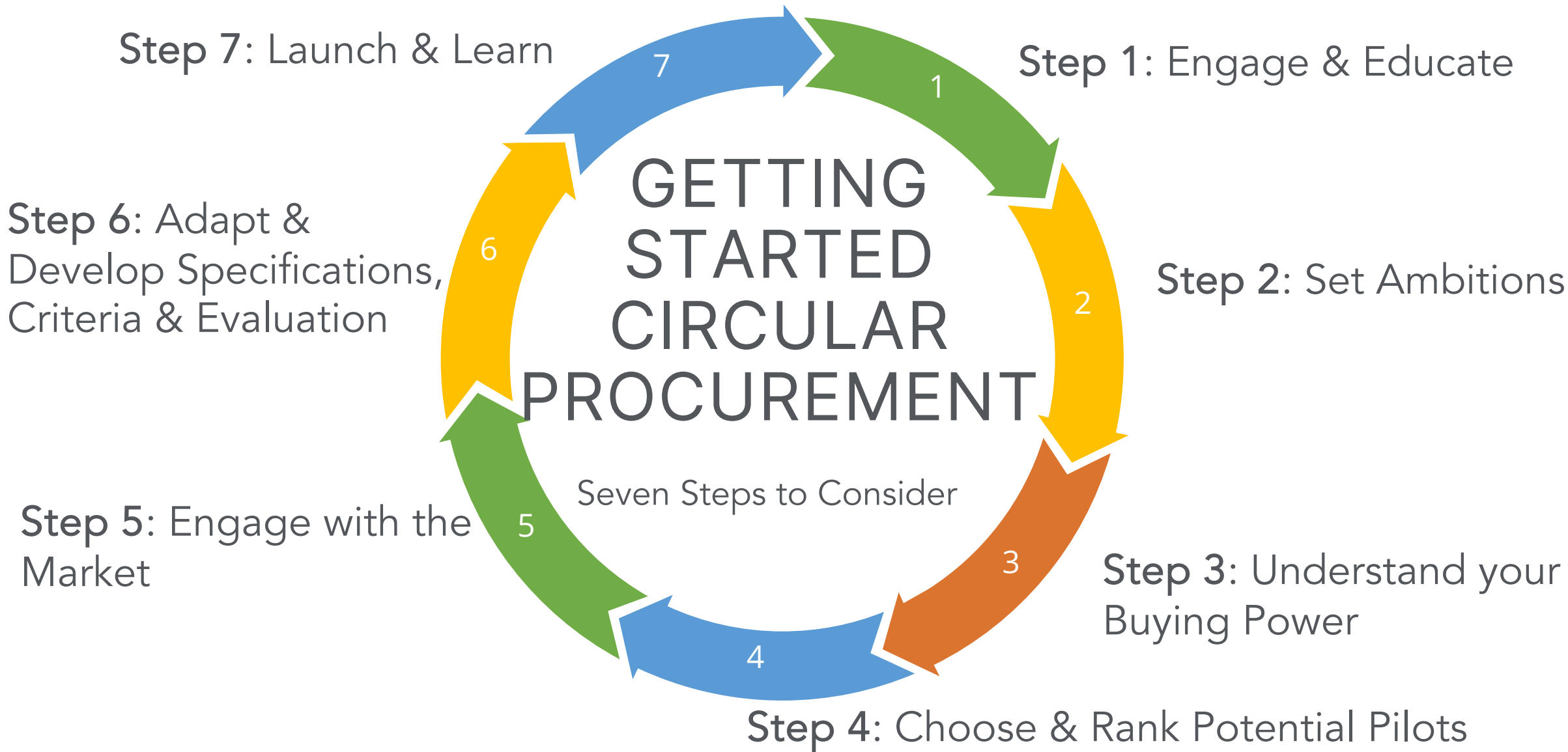
- Different internal stakeholders require different types of involvement
- This depends on their influence (high / small) and their interest (low / high)



SOURCE: JOHNSON, WHITTINGTON EN SCHOLES (2011) / KATHY SCHWALBE (2016)

BREAK OUT GROUP EXERCISE: IDENTIFY & CATEGORIZE INTERNAL STAKEHOLDERS







Christine Abbott Photography

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