



CircPro Policy Brief

SMART CIRCULAR PROCUREMENT

Key drivers at the EU policy level

The European Green Deal¹ is the main policy initiative and growth strategy of the EU. Presented in December 2019, it sets out the overall objective for the EU to become the first climate-neutral continent by 2050, resulting in a cleaner environment, more affordable energy, smarter transport, new jobs and overall better quality of life. The Green Deal emphasises that public authorities, including the EU institutions, should lead by example and ensure that they procure green products and services.² It provides an action plan to boost the efficient use of resources by moving to a clean, circular economy, restoring biodiversity and cutting pollution. The action plan outlines investments needed and financing tools available to ensure a just and inclusive transition.

Accelerating the transformational change required by the European Green Deal, the Circular Economy Action Plan of the EU³ (2020) announces initiatives along the entire life cycle of products. The action plan targets the product design, promotes circular economy processes, fosters sustainable consumption, and aims to prolong the circulation of resources in the EU economy. In addition, the plan presents a set of interrelated initiatives to establish a strong and coherent product policy framework that will support sustainable products, services and business models and transform consumption patterns to minimise waste generation.

The Action Plan presents measures that make sustainable products the norm in the EU and empower consumers and public buyers. The plan focuses on the most resource-intensive sectors with a high potential for circularity, such as electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water and nutrient.

Public authorities' purchasing power represents 14% of EU GDP and can serve as a powerful driver for market demand. To exploit this potential, the Commission has developed **Green Public Procurement (GPP) criteria** to facilitate green requirements in public procurement for more than 20 product groups. These include 'core criteria' suitable for any contracting authority and focused on key environmental issues and 'comprehensive criteria' for procurements with a higher level of ambition.⁴

EUROPEAN
GREEN DEAL

CIRCULAR
ECONOMY
ACTION PLAN

GREEN PUBLIC
PROCUREMENT

¹ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

² COM/2019/640 final <https://eur-lex.europa.eu/legal-content/EN/TEXT/?qid=1596443911913&uri=CELEX:52019DC0640#document2>

³ https://ec.europa.eu/environment/strategy/circular-economy-action-plan_en

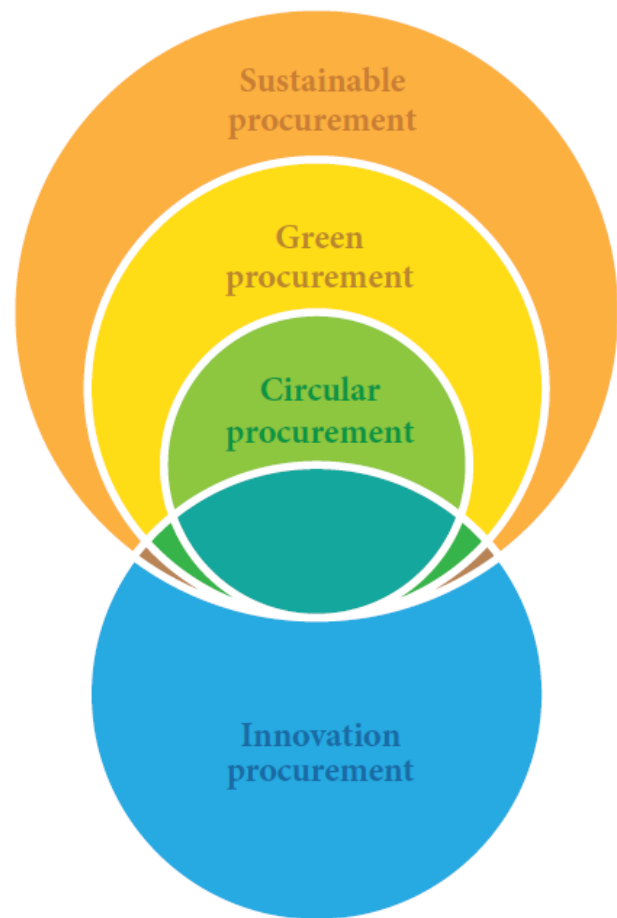
⁴ https://ec.europa.eu/environment/gpp/eu_gpp_en_criteria.htm

The essence and importance of circular procurement

In light of finite resource flows, economies will no longer be able to rely on today's wasting linear "take-make-dispose" production and consumption models. A circular economy is an alternative to this model. It aims to keep products and materials in the value chain for a longer period and to recover raw materials after the lifetime of products for their next use.

Circular public procurement is an approach to greening procurement that recognises the public authorities' role in supporting the transition towards a circular economy. Circular procurement can be defined "as the process by which public authorities purchase works, goods or services that seek to contribute to closed energy and material loops within supply chains, whilst minimising, and in the best case avoiding, negative environmental impacts and waste creation across their whole life-cycle."⁵

Circular procurement is part of the broader sustainable procurement concept. Sustainable procurement is recognised as a strategic tool to drive innovation. Green procurement and more narrowly focused circular procurement are part of this wider agenda. Moreover, circular procurement is not only for purchasing products. By procuring innovative solutions, green and circular products, and new business models, it is possible to affect the whole product/service system or supply chain. Thus, circular procurement can be seen as a strategic instrument that plays an essential role in the transition towards the circular economy and a low-carbon future.



This policy brief is prepared by Bulgarian Association of Recycling under the Interreg Europe programme project Smart Circular Procurement (CircPro) supported Interreg Europe programme. This publication reflects the author's views only and the Interreg Europe programme authorities are not liable for any use that may be made of the information contained therein.

Smart Circular Procurement (CircPro) project aims at promoting the transition to a more circular economy-oriented national and regional decision-making. CircPro's main objective is to improve the targeted policy instruments to incorporate the circular economy principles and criteria. Furthermore, CircPro targets circular procurement from different approaches and complexity, facilitating closed loops and shifting the focus from better quality products to new and innovative products and new business concepts. For further details, see <https://www.interregeurope.eu/circpro/>.



⁵ European Commission: Public Procurement for a Circular Economy, October 2017
https://ec.europa.eu/environment/gpp/pdf/Public_procurement_circular_economy_brochure.pdf

Green and circular procurement in Bulgaria

Within the framework of the European legislation the legal regime of the public procurements, incl. GPP is regulated in two main directives - Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC and Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC. Through them, the Member States of the Union are bound to achieve concrete results within certain time limits, but have the freedom to choose the most appropriate legal means for their implementation. The rules of the directives are essentially transposed into the domestic Bulgarian legislation through the Public Procurement Act (PPA) and the Regulations for implementation of the PPA (RIPPA).

The PPA contains specific provisions on the opportunities for contracting authorities to set environmentally friendly requirements - when setting the selection criteria, when formulating the technical specifications, as an indicator in the evaluation of tenders, etc. Pursuant to the Law, the contracting authorities are obliged to remove from participation in the public procurement procedures candidates / participants who have been convicted with an effective sentence for crimes in the field of environmental law. In addition, in all cases of the award of public service or works contracts, contracting authorities are required to require declarations from tenderers to comply with their environmental obligations. When supplying road vehicles of certain categories, the contracting authorities are obliged to take into account the energy aspects and the impact on the environment throughout the life cycle of the vehicles.

The contracting authorities may, on their own initiative, include in the requirements for the performance of the contract special conditions related to environmental protection, such as indication in the technical specifications of environmental characteristics of the ordered supplies, services or construction. with them specific markings. Public authorities may evaluate tenders on the basis of environmental aspects of the performance of the contracts, incl. the presence of specific environmental and innovative characteristics. Contracting authorities always have the opportunity to require applicants and participants to apply the application of systems or standards for environmental protection (most often certifications according to ISO 14001: 2015).

In addition, Bulgaria is bound by a number of specific global strategic documents, which favors the promotion of green and circular procurement, which is why the share of the GPP in the country is constantly increasing. An analysis by the Public Procurement Agency (PPA), the results of which were published in the "Practical Guide to Green Public Procurement" in 2019, indicates that the overall potential for development of the GPP market in the short term (2-year) plan is in the range from 5% to 7%, and the cumulative potential in the medium-term (5-year) plan for the period 2018 - 2022 is within 10% - 15%.

Recommendations for actions and policy measures for enhancing circular procurement in Bulgaria

This policy brief brings forward three main recommendations to improve the implementation of green and circular procurements:

- 1) **Legislative changes** - The main obstacle for public contracting authorities is the lack of a clear definition and scope of green and circular public procurement. Although the Public Procurement Act stipulates where green criteria could be set in the public procurement, their inclusion in the tender documentation is avoided due to the fear that they are discriminatory and would lead to an appeal against the procedure. The strict legislative framework of green and circular public procurement will contribute to their proper implementation and will increase the quantitative and qualitative share of this type of public procurement.

- 2) **Inclusion of requirements for the use of recycled materials in the tender documentation for different sectors** – Circular economy action plan 2020 focuses on the sectors in which the most resources are used - electronics and ITC, batteries and vehicles, packaging, plastics, textiles products, construction and buildings, food. The National Waste Management Plan of Bulgaria 2021-2028 sets goals for the contracting authorities for construction, reconstruction, overhaul and rehabilitation to include requirements for the use of recycled construction materials in roads, technical infrastructure and backfills. In order to expand the use of recycled materials, it is necessary to introduce requirements for circular criteria in the tender documentation of a wider sector, and as a starting point it is good to follow the CE measures specified in the Package.
- 3) **Strategic changes** - The main strategic document in Bulgaria, containing measures to implement the goals of the circular economy in our country is the National Plan for Circular Economy 2021-2027. It is of particular importance to consider circular public procurement as an important element of the transition and to set out measures related to this type of public procurement.
- 4) **Accountability** - Achieving the goals of the circular economy is linked to specific indicators. In order to take into account the role of public procurement in this process, it is necessary to create a separate register for monitoring and implementation of green and circular public procurement;
- 5) **Implementation of national campaigns in support of green and circular public procurement** - Beneficiaries of EU funding must receive recommendations for the use of green and circular public procurement in the implementation of EU-funded projects. This could make a big difference in the implementation of green and circular public procurement, as these projects play an important share in total public spending.
- 6) **Conducting trainings for contracting authorities and suppliers of green and circular products, services and construction** - Trainings for contracting authorities should be related to the successful planning and implementation of the green and circular criteria in the tender documentation. On the other hand, companies need to be given clear guidance on what conditions their products must meet in order to be competitive in the market for sustainable goods, services and construction.

Get involved:

Visit the [Good Practices](#) section of the project website - there you will find useful practical examples shared by the project partners

You need guidance - download the [Handbook on Circular Public Procurement in Bulgaria](#), where it will find useful information on how to include circular criteria in your tender procedures.