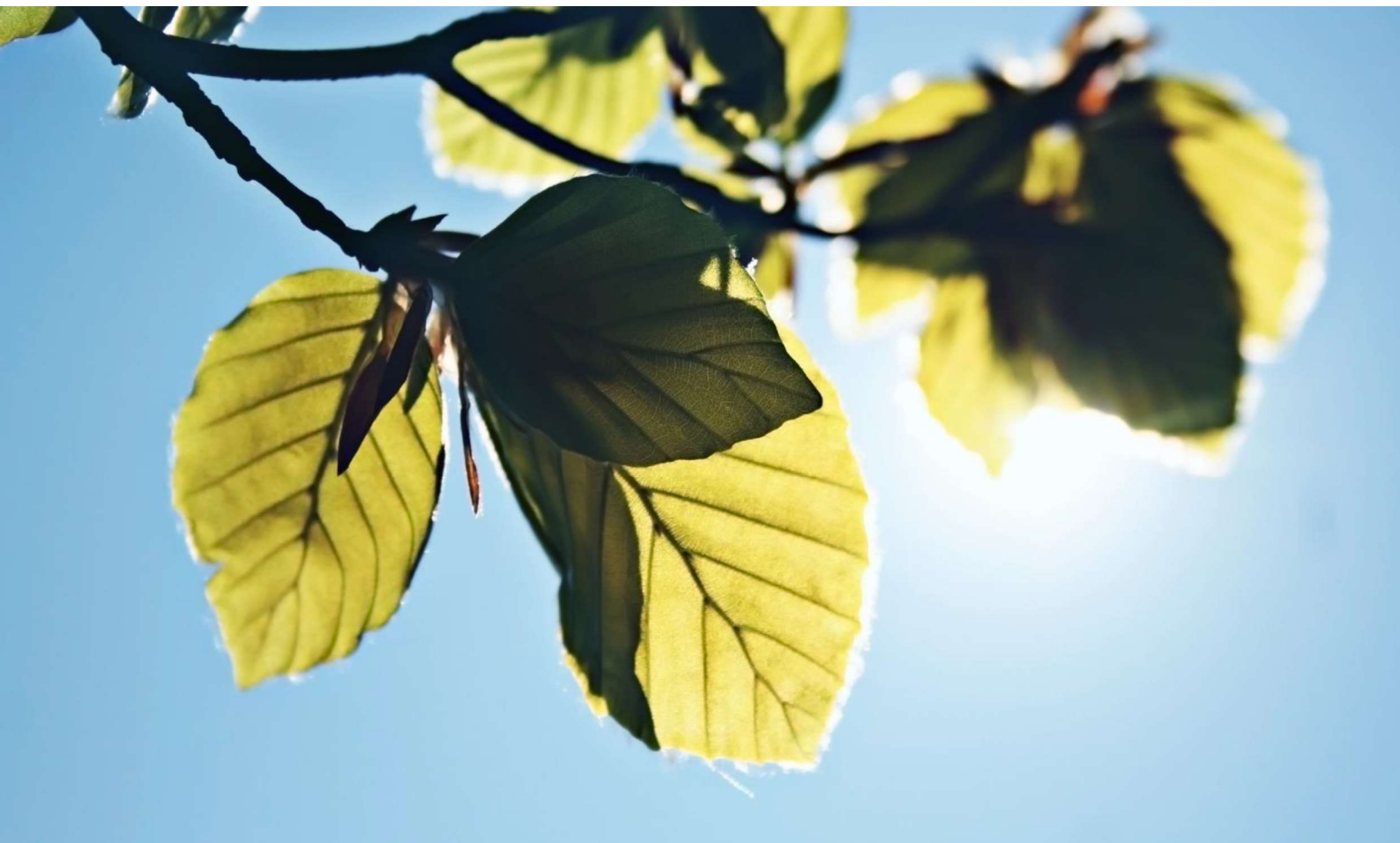


# Action plan



## KYMENLAAKSO, FINLAND 2021

**Kouvola  
Innovation**

**CircPro**  
Interreg Europe



European Union  
European Regional  
Development Fund

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For more information on CircPro, visit: [www.interregeurope.eu/circpro](http://www.interregeurope.eu/circpro)

Kouvola Innovation Ltd is a non-profit development company owned by the City of Kouvola. It works for the vitality of the region by providing services for entrepreneurs and co-operating in regional, national, and international networks.

For more information on Kouvola Innovation, visit: <https://kinno.fi/en>

## Part I – General information

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Project: **CircPro - Smart Circular Procurement 2018-2023**

Partner organisation(s) concerned: Kouvola Innovation Ltd

Country: Finland

NUTS2 region: Etelä-Suomi

NUTS3 region: Kymenlaakso

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## Part II – Policy context

### 1. *The Action Plan aims to impact:*

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- x Other regional development policy instrument

### 2. *Names of the policy instruments addressed:*

- **Kymenlaakso's Smart Specialisation RIS3 Strategy (KymRIS 2.0) 2021-2025<sup>1</sup>**
- **Carbon Neutral Kymenlaakso 2040 Roadmap<sup>2</sup>**
- **Environmental Programme of the City of Kouvola<sup>3</sup>**

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<sup>1</sup> <https://www.kymenlaakso.fi/in-english/kymenlaakso-s-smart-specialisation-ris3-strategy>

<sup>2</sup> <https://www.kymenlaakso.fi/in-english/carbon-neutral-kymenlaakso>

<sup>3</sup> <https://www.kouvola.fi/asuminen-ja-ymparisto/luonto-ja-ymparisto/ymparistoohjelma/> (in Finnish)

### 3. *Further details on the policy context and the way the action plan should contribute to improve the policy instruments:*

Public authorities' purchasing power represents 14% of EU GDP<sup>4</sup> and can serve as a powerful driver of the demand for sustainable products.

In Finland, the value of public procurement is approximately EUR 47 billion annually, with municipalities and joint municipal authorities accounting for two thirds, and the central government for one third. Purchases from enterprises are EUR 31 billion. It is important to turn this economically significant public sector activity into a driver of social and economic development towards sustainable growth.<sup>5</sup>

Public authorities at all levels are in a unique position to influence the economic transition to a circular economy. They should invest in capacity building both internally and externally within the areas under their competence to enable and support circular economy projects. Public procurement is a strong tool to accelerate the market for circular economy products and services.<sup>6</sup>

CircPro's main objective is to increase the implementation of circular procurement under main regional and municipal policy documents so that the circular economy principles and criteria are incorporated into them or considered as a horizontal principle. The inclusion of circular public procurement to these strategic documents and setting concrete targets related to them paves the way for their more active uptake by public procurers and stimulates the transition to circular economy.

#### ***Policy documents addressed in Kymenlaakso***

In Kymenlaakso Region, the **RIS3 Strategy (Research and Innovation Strategy for Smart Specialisation) 2021-2025**, published in February 2021, describes the region's strengths and expertise to distinguish itself from other areas. The strategy is the main policy paper that guides the use of structural funds, and a Regional Management Committee makes the funding decisions in accordance with the strategy. The Committee consists of representatives of the Regional Council, its member municipalities, regional state authorities, and regional trade unions and business associations. Its main task is to coordinate plans, conventions, and the execution of national and EU co-funded programs that affect regional development.

<sup>4</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/european-semester\\_thematic-factsheet\\_public-procurement\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/file_import/european-semester_thematic-factsheet_public-procurement_en_0.pdf)

<sup>5</sup> <https://tem.fi/en/innovative-public-procurement>

<sup>6</sup> Accelerating the transition to a circular economy. Report of Commission of the European Union, 2019

The circular economy is included in the new strategy as one of the three smart specialisation priorities, whereas innovative and sustainable procurement is mentioned among the main tools for enhancing circularity.

Specific RIS3 cooperation groups formed from the region's experts for each priority area have played a key role in the preparation of the strategy and shall also participate in its execution and follow-up. Experts from Kouvola Innovation, responsible for the CircPro project efforts, have been actively involved in the preparation work.

Other policy instruments addressed by the action plan are the Carbon Neutral Kymenlaakso 2040 Roadmap and the Environmental programme of the city of Kouvola.

Kymenlaakso Region aims to be carbon neutral by 2040. It is also a member of the "Hinku - Towards Carbon Neutral Municipalities" network and commits to an 80% reduction in greenhouse gas emissions from 2007 levels by 2030. The **Carbon Neutral Kymenlaakso 2040 Roadmap**, approved by the Assembly of the Regional Council of Kymenlaakso in December 2019, is a strategy paper that outlines measures, instruments, and practices to be developed and implemented for reaching the desired goals. Developing public procurement towards the circular economy is one of the measures set by the roadmap. It foresees the necessity to update municipal public procurement guides and sets the percentage of sustainable procurements as one of the performance indicators to be monitored.

The **Environmental Programme of the city of Kouvola, Environment 2030** implements the environmental objectives set in the Kouvola Urban City Strategy 2019-2030<sup>7</sup>. The Kouvola City Council approved the Environmental Programme in February 2020. The document replaces the previous Environmental Programme of the City of Kouvola 2017-2020. Objectives set by the Programme apply to all actors in the city organisation. It outlines goals activities towards carbon neutrality, circular economy, and maintenance of biodiversity.

The Environmental Programme is built on three goals: carbon neutrality, preservation of natural diversity, and the circular economy. The circular economy is to be supported to become an integral part of the region's public and business activities, incl. procurement. Kouvola's procurement and the updated Procurement Programme of the city of Kouvola for 2021-2025<sup>8</sup> follow the Environmental Programme.

<sup>7</sup> [https://www.kouvola.fi/wp-content/uploads/2019/01/Kouvola\\_strategia\\_taskukirja\\_90x140mm\\_EN\\_WEB.pdf](https://www.kouvola.fi/wp-content/uploads/2019/01/Kouvola_strategia_taskukirja_90x140mm_EN_WEB.pdf)

<sup>8</sup> <https://www.kouvola.fi/wp-content/uploads/2021/05/Hankintaohjelma-2021-2025.pdf> (in Finnish)

Figure 1 below illustrates the relationship between the interregional exchange of experiences, the Action Plan, and the regional and local strategies addressed.

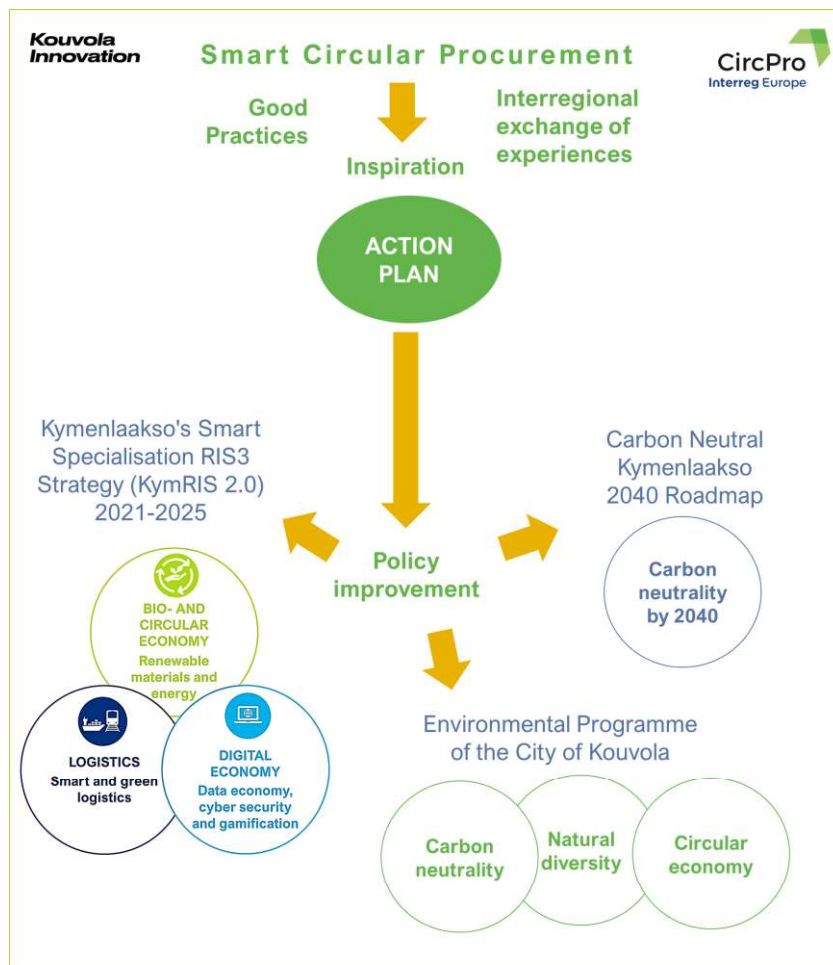


Figure 1: Regional and local policy instruments addressed in the Action Plan

## Action Plan Development

From the very beginning, the CircPro project has put efforts to involve key municipal and regional actors related to public procurement and circular economy into the activities of the regional stakeholder group. The meetings of the regional stakeholder group were organised regularly to promote the concept of circular procurement and the introduction and sharing of good practices learned from the CircPro partner regions.

### Regional policy documents

The processes for compiling the RIS3 Strategy and the Carbon Neutral Kymenlaakso 2040 Roadmap included specific workshops with the region's stakeholders organised by the Regional Council of Kymenlaakso. CircPro project took part in these workshops and promoted the idea of the importance of incorporating the circular procurement concept and targets into the text of the documents to strengthen the circular economy in the region.

Moreover, the Environmental Policy Advisory Board of Kymenlaakso is acting as a Steering Committee of the Carbon Neutral Kymenlaakso 2040 Roadmap. The Board contributed actively to the elaboration of the Roadmap e.g., by commenting on the versions. As a member of the Board, Mika Penttilä from Kouvola Innovation, who is also the chairman of the Steering Group of the CircPro project, participated in this work by outlining the potential and importance of circular procurement, supported by the CircPro project experiences.

### *Kouvola City Environmental Programme*

A representative of the city of Kouvola responsible for drafting and managing the Environmental Programme is a member of the CircPro regional stakeholder group. He has participated in regional meetings of the CircPro stakeholders organised in Kouvola and in those meetings we have jointly identified and addressed the importance of CP aspects on a strategic programme level. In turn, the CircPro project manager participated in the workshops organised by the city of Kouvola where the content of the new environmental programme was discussed and drafted.

Without these participatory efforts and mutual interaction, the circular procurement themes would most probably have remained unrecognised and undertreated in the regional and local policy documents.

## Part III – Details of the actions envisaged

### Relevance to the project

**Incorporating circular procurement (CP) into regional and local strategies** constitutes the main target and thread of CircPro. Materials produced allow justifying importance and benefits of circular procurement for the stakeholders.

CircPro project and Kouvola Innovation actively promote the idea of CP in the Kymenlaakso region. Currently, there are no other actors in the region who focus specifically on circular public procurement.

The importance of incorporating the concept of CP into strategic policy documents on the national, regional, and local strategic levels was widely discussed among the project partners during the interregional partners and stakeholders meeting in Spain, May 2019. Among the most relevant good practices presented by the partners, the Norwegian partner shared an initiative to strengthen the climate and environment-friendly public procurement on the national level in Norway taken by the Norwegian Ministry of Trade, Industry and Fisheries. The document “Smart procurement – efficient and professional public procurement” presented by the Ministry in April 2019 outlines, among other things, the main principles of circular



economy emphasises the importance of life-cycle costing perspective in public procurement activity. This document has been used and presented as an example of CP importance and policy level enhancement.

### Nature of the actions

The specific actions are:

Action 1: Incorporating CP and the amount of CP as an indicator into the text of the regional RIS3 Strategy (Research and Innovation Strategy for Smart Specialisation)

Action 2: Incorporating CP in the text of the regional "Carbon Neutral Kymenlaakso 2040 Roadmap"

Action 3: Incorporating CP in the text of the "Environmental Programme of the City of Kouvola"

The main goals of making modifications to the three policy instruments above have already been achieved, and circular procurement is incorporated into their texts. Thus, the actions will concentrate on monitoring the proceedings in terms of CP adaptation.

### ***ACTION 1: Incorporating CP and the amount of CP as an indicator into the text of the regional RIS3 Strategy (Research and Innovation Strategy for Smart Specialisation)***

Under one of the three spearheads of the regional RIS 3 Strategy, circular and sustainable procurement is prominently emphasised in the updated document, as well as service and product development and deployment solutions targeted by public innovative procurement, and the creation of reference and lead markets.

### Stakeholders involved

NAME OF ORGANISATION	ROLE IN ACTION PLAN
Regional Council of Kymenlaakso	Responsible body for the RIS3 Strategy. Monitoring of policy implementation regarding sustainable and circular procurement amount on the regional level.
RIS3 cooperation group for bio- and circular economy formed from region's experts	A key role in execution and follow-up of the Strategy. Experts from Kouvola Innovation Ltd participating.

## Timeframe

The main objective of incorporating circular procurement into the RIS3 Strategy has already been achieved during 2019-2021. The updated strategy document was approved in January 2021.

The implementation of the action will be monitored and reported to the Interreg Europe Programme by the CircPro project team in co-operation with the policy responsible bodies during 2022-2023. The process of monitoring and continuous improvement will continue also after the project ends in 2023.

## Costs and funding sources

COSTS	FUNDING SOURCES
Participation in meetings and other preparatory activities of the RIS3 preparatory actions and co-operation group, working time	CircPro budget of Kouvola Innovation Ltd. (already implemented).
Participation in annual and follow-up meetings, seminars, communication and monitoring by staff of Circular Economy Team and the stakeholders.  Working time, travel: 5000 EUR	CircPro (2022-2023) and own budget (2023->) of Kouvola Innovation Ltd and stakeholders

## Monitoring

Indicators:

- Incorporation of Circular Procurement into the text of the RIS3 Strategy (achieved)
- Amount of Circular Procurement (circular procurement considered in procurement process/desired results), min. 5 pcs.

Monitoring tools:

- Monitoring of results in the RIS3 cooperation group for bio- and circular economy and with the representatives of the Regional Council of Kymenlaakso. Based on results, conclusions, and possible reacting and discussion of further actions where needed

⇒ **FOLLOW-UP AND ANNUAL MEETINGS**

## **ACTION 2: Incorporating CP in the text of the regional "Carbon Neutral Kymenlaakso 2040 Roadmap"**

The Carbon Neutral Kymenlaakso 2040 Roadmap includes the most important measures that need to be implemented to achieve carbon-neutral status by 2040 and also greenhouse gas and carbon sink (LULUCF<sup>99</sup>) calculations. It highlights the development of public projects, procurement, and construction practices towards circular economy and update of the public procurement guides.

NAME OF ORGANISATION	ROLE IN ACTION PLAN
Regional Council of Kymenlaakso	Responsible body for the Carbon Neutral Kymenlaakso Roadmap. Monitoring of policy implementation.
Carbon Neutral Municipalities network (Hinku)	The cities of Kymenlaakso Region - Kouvola, Kotka, and Hamina - are participating in the nationwide network. The municipalities involved are committed to reducing greenhouse gas emissions more extensively and rapidly than EU targets would require.
Environmental Policy Advisory Board of Kymenlaakso	Act as a Steering Committee of the Carbon Neutral Kymenlaakso 2040 Roadmap. The main channel for monitoring and follow-up.

### **Timeframe**

The main objective of incorporating circular procurement into the Roadmap has already been achieved during 2019-2021. The Roadmap was approved on 16.12.2019.

The implementation of the action will be monitored and reported to the Interreg Europe Programme by the CircPro project team in co-operation with the policy responsible bodies during 2022-2023. The process of monitoring and continuous improvement will continue also after the project ends in 2023.

### **Costs and funding sources**

COSTS	FUNDING SOURCES
Participation in meetings and other preparatory activities of the Roadmap, working time	CircPro budget of Kouvola Innovation Ltd. (already implemented).

<sup>99</sup> [https://ec.europa.eu/clima/policies/forests/lulucf\\_en](https://ec.europa.eu/clima/policies/forests/lulucf_en)

Participation in annual and follow-up meetings, seminars, communication and monitoring by staff of Circular Economy Team and the stakeholders.

Working time, travel: 4500 EUR

CircPro (2022-2023) and own budget (2023->) of Kouvola Innovation Ltd and stakeholders

## Monitoring

Indicators:

- Percentage of sustainable procurements and domestic procurements.

Monitoring tools:

- Participation in the work of the Environmental Policy Advisory Board of Kymenlaakso, which is the Steering Committee of the Roadmap. Based on results, conclusions and possible reacting, and discussion of further actions where needed.

⇒ **FOLLOW-UP AND BOARD MEETINGS**

## **ACTION 3: Incorporating CP in the text of the "Environmental Programme of the City of Kouvola"**

The *Environmental Programme of the City of Kouvola, Environment 2030*, directs the city towards carbon neutrality, circular economy, and maintenance of biodiversity. It outlines actions within six different topics. One of them is "Consumption and material cycles", where the targets are the following.

- 1) Smart procurement driven by a life-cycle perspective and circular economy
- 2) Efficient use of construction and other materials and their maximum circularity at the end-of-life stage.

The guidelines of the environmental programme that the city's procurement must follow are the following:

- Directing the city's food purchases with consideration of climate criteria, ecology, and ethical aspects (food production and consumption).
- Cooperation between local entities (producers, refinement, retail, group meals, restaurants, associations, research, etc.) to promote a more sustainable diet and increase of domestic and local consumption.
- Updating and utilising the city's procurement criteria to support the circular economy, and organisation of procurement training for the staff with environmental and lifecycle orientation.

- Updating the city's planning and budgeting practices with sustainable procurement guidelines aiming to decrease the carbon footprint (consumption and material cycles).
- The energy performance programme of buildings for the entire city (production and consumption of energy).

The achievement of the above goals is supported, among other things, by a pre-evaluation form that the procurement unit fills in during the planning and preparation phase, which helps to identify the critical aspect in terms of low-carbon procurement, such as possibilities to:

- apply low-carbon construction criteria,
- require an environmental label or program,
- apply wood construction, or
- support bio- or circular economy related product development.

### Stakeholders involved

NAME OF ORGANISATION	ROLE IN ACTION PLAN
Environmental Unit of City of Kouvola	Responsible for implementation of the Environmental Programme.
Procurement Specialist (Regional Procurement advisor) of Kouvola Innovation Ltd	Information about circular economy consideration in implemented procurement cases.
Circular Economy Team of Kouvola Innovation Ltd	Follow-up and monitoring in co-operation with regional and city stakeholders

### Timeframe

The Programme was approved on 10.2.2020. The implementation of the action will be monitored and reported to the Interreg Europe Programme by the CircPro project team in co-operation with the Regional Council of Kymenlaakso during 2022-2023. The process of monitoring and continuous improvement will continue also after the project ends in 2023.

### Costs and funding sources

COSTS	FUNDING SOURCES
Working time (participation in meetings and other preparatory activities of regional strategy)	CircPro budget of Kouvola Innovation Ltd, own budgets of city and regional stakeholders (already implemented).
Participation in planning, follow-up/reporting meetings and seminars, communication and monitoring by staff of Circular	CircPro (2022-2023) and own budget (2023->) of Kouvola Innovation Ltd and stakeholders

Economy Team and the stakeholders.

Working time, travel: 5500 EUR

### Monitoring

Indicators:

- Incorporation of Circular Procurement into the texts of the Programme (achieved)
- Amount of Circular Procurement (circular procurement considered in procurement process/desired results), min. 5 pcs.

Monitoring tools:

- Monitoring of results in co-operation with the responsible units. Based on results, conclusions and possible reacting, and discussion of further actions where needed.

⇒ **PLANNING, FOLLOW UP AND REPORTING MEETINGS**

### Support for the action plan

On behalf of the Regional Council of Kymenlaakso, I agree to support and promote the implementation of the action plan outlined above.

Date: 26.11.2021



Petri Tolmunen  
Regional Development Expert

On behalf of the City of Kouvola, I agree to support and promote the implementation of the action plan outlined above.

Date: 26.11.2021



Timo Martikainen  
Environmental Specialist