

INTERNATIONAL BEST PRACTICE FACTSHEETS ON POLICY INSTRUMENTS THAT PROMOTE ENABLING ENVIRONMENTS FOR GREEN AND CIRCULAR BUSINESSES

**Green Deal**

**Circular Procurement**

**THE NETHERLANDS** \_

# Green Deal Circular Procurement

## BEST PRACTICE FACTSHEET

Public and private organisations play a crucial role to stimulate the demand for circular products and services, and thereby support innovative businesses.

The “Green Deal” Circular Procurement is a public-private partnership and learning network in the Netherlands which aims to boost the demand for circular products and services and catalyse the transition towards a circular economy.

## OBJECTIVES



The first Green Deal was established in 2013, initiated by a group of public and private organisations<sup>1</sup> with the aim to implement and gain experience with circular procurement in practise. Participating organisations committed to adopting circular principles in their procurement processes, extending the lifetime of products through reuse and recycling at end-of-life. At the time, this was very innovative as circular procurement was still unfamiliar territory for many organisations.

An important goal was therefore to share knowledge, about potential obstacles and solutions, within and outside of the network.

Participating organisations have an exemplary role and promote the concept at wider scale. After the success of the first Green Deal, a second Green Deal was signed in 2018 to attract new participants and to scale up the pilots that were developed in the first round.



<sup>1</sup> Rijkswaterstaat, PIANOo, Kirkman Company, MVO Nederland, Nevi, and Circle Economy

## BACKGROUND



### What are Green Deals?

**Green Deals** in the Netherlands (not to be mistaken with the European Green Deal), were initiated as a policy instrument in 2011. They are public-private agreements between businesses, civil society organizations and governments to implement sustainable projects and measures in the field of energy, climate, water, raw materials, mobility, construction and food. Every organisation in a Green Deal is committed to take concrete action: businesses invest in sustainability, research organisations and NGOs support with knowledge, and governments create enabling conditions through facilitation and removing regulatory obstacles. Impact is thus created for a sustainable society and circular economy through collaboration.

### What is circular procurement?

Circular procurement favours the reuse of products, components and materials, thus saving resources instead of creating waste. In general, circular products are designed to be durable, repairable and recyclable. But a product is seldom “circular by design”. Circularity requires an integrated approach through the whole lifecycle: new arrangements, new collaborations, new behaviour and possibly new business models (product-service systems and take-back systems). So, circular procurement is not just

about purchasing “circular” products. More importantly, organisations must adopt a more performance-based (e.g. pay-per-use) approach to procurement, based on functional specifications and, if available, circularity indicators (quantitative and qualitative). Furthermore, procurers should stimulate actors in the value chain to work together. Circular procurement does not have to be more expensive, considering the total cost of ownership. There are many **ways** to stay within budget or even spend less. However, circular procurement also does not always lead to quick wins as it may require long-term effort to implement circular principles in practise. The main difference with Sustainable Public Procurement is that Circular Procurement is focused on collaboration and changes in the supply chain and that it places more emphasis on impact, durability and reusability of products (in combination with quality services), in order to avoid waste. In both cases, the goal is to achieve greater sustainability and avoid a negative environmental and social impact.

## IMPLEMENTATION



In the first Circular Procurement Green Deal, participating organisations committed to implement at least two circular procurement projects per year, share knowledge and experience, and by 2016 structurally integrate circularity in their procurement process, policy and strategy. Circularity criteria promoted reuse and recycling but also sharing assets, in some cases even leading to cost reductions.

The set-up of the second Green Deal Circular Procurement was very similar to the first. Participating organisations committed to implementing two circular procurement projects and/or scaling up of the previous pilots and actively participating in a Community of Practice so that the knowledge and experiences gained are shared among all participants. Participating organizations are required to demonstrate circular ambitions and report how they implement circular procurement. The costs of a Green Deal are relatively low, as the time and budget needed to organise events and develop materials are limited. Participating organisations voluntarily dedicate human resources to improving ongoing procurement processes.

A project team ensures professional management and coordination of the Green Deal. An advisory board oversees the strategy. Public agencies function as facilitating partners

to ensure professional oversight, develop work processes, procurement instruments and knowledge-sharing tools, while stimulating collaboration among the partners and other interested stakeholders. Involvement of a government ministry makes it possible to remove regulatory barriers and develop policy solutions, while sharing experiences with international networks. Specialised consultants that act as knowledge partners ensure that the necessary expertise is available, and they also coordinate thematic working groups in which relevant issues and challenges are collectively discussed and analysed. Representatives from the organisations participating in the Green Deal take active part in these bodies.

## RESULTS



During the first Green Deal, 50 public and private organisations invested over 100 million euros in innovative circular procurement pilots. Approximately 80 pilots have been implemented across different product groups, from company clothing, to office furniture, to information and communications technology (ICT) hard-ware and many other products. As a result, resource efficiency has been improved and circular procurement is more mainstream in the Netherlands.

The Green Deal's [Circular Procurement Guide](#) provides valuable information, tips and examples for all actors involved in the various stages of the procurement process, from managers to project leaders. It thus supports strategic decisions and guides concrete steps during the practical implementation.

## SUCCESS FACTORS



In 2005, the Dutch government established [PIANOo](#), the Dutch Public Procurement Expertise Centre to professionalise procurement and tendering in all government departments. Over the past decade, public tenders have increasingly incorporated sustainability requirements, such as CO2 footprint (especially in the construction sector). As a result, sustainable procurement is already well established. This proved to be a strong basis for circular procurement to build on.

A public-private partnership like the Green Deal learning network provides participating organisations an experimentation space to test new ways of operating, from which they can learn and gain practical experience. Obstacles are encountered and solutions are developed in a peer-to-peer environment, with the potential to be replicated by other organisations and scaled up to the national level. Key elements of the Green Deal are collaboration throughout the supply chain, transparency and social innovation.

## CONSIDERATIONS FOR THE MEDITERRANEAN



- The concept of Green Deals can be replicated to Mediterranean countries, but this type of (private) governance can only be successful if driven by strongly committed organisations and partners that are intrinsically motivated to follow-up on circular ambitions. High-level strategic support within the organisation is crucial to ensure commitment and internal resources (not only financial but also human resources).
- Although a Green Deal is not a “hard” policy instrument and participation is voluntary, it can still be effective as long as concrete objectives are formulated and there is a serious monitoring program to keep track of progress.
- The involvement of a national Ministry or public agency is important because they can take on a coordinating and facilitating role, also giving the Green Deal credibility and creating the possibility to formulate supportive policy measures.
- At operational level, procurement officers who want to start with circularity have to ensure the support and commitment from their management and internal organisation. A stakeholder analysis at project level can help to achieve this.
- Opportunities in specific product groups have to be identified and explored in pilot projects. Focusing on products with significant environmental footprint helps to ensure maximum impacts. Nevertheless, the program is still a reference for other certification programs regarding the evaluation method of tourism companies and its ability to objectively measure the sustainability of operating businesses, improve environmental practices, and motivate clients to choose sustainable services.

## REFERENCES

[GDCI \(2020\) Green Deal Circulair Inkopen](#)

[Green Deal \(2020\) Circulair Inkopen 2.0 - van pilot naar opschaling.](#)

[GDCI \(2016\) Meerwaarde, de oogst van 3 jaar Green Deal Circulair Inkopen](#)

## MORE INFO

[General information about CE in the Netherlands](#)

[Circular Procurement Guide](#)

[Sustainable Procurement Criteria Tool](#)

[Holland Circular Hotspot](#)

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