Circular Economy and the Role of Procurement

Recycling Council of Ontario

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Circular Procurement

Multi-pronged implementation tool delivers on several policy objectives and outcomes simultaneously

Has capacity to go beyond delivery of environmental gains by concurrently driving social and economic benefits

Builds capacity in public and private sectors

Advances Sustainable Development Goals

Scalable: applied in any jurisdiction regardless of level, location, size

Does not require regulatory intervention

Circular Economy Benefits: Triple Bottom Line

Social

Human and environmental health gains

Reduced barriers to employment

Social and gender equity

Job creation

Environmental

Reduced energy consumption

Waste minimization

Reduced reliance on raw materials

Reduced disposal

Maximum resource reduction

Drives low carbon economy

Economic

Reduced product costs

Competitive advantage

Value for money

Creates market demand

Supports local markets

Strengthen social enterprises

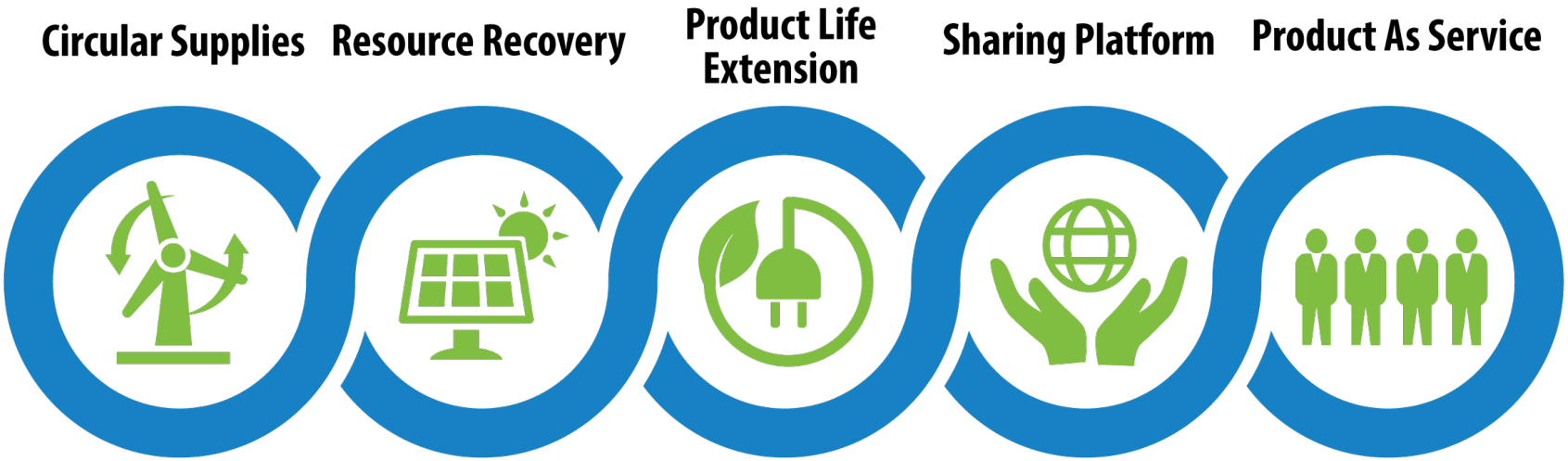
Resource security

Public Procurement Opportunities

- **15%**: average percentage of a country's GDP spent on procurement
- **$200 billion**: Canada's spend on procurement
- **$160 billion**: local governments combined spend
- **$2.3 Billion;** City of Toronto

Top Spend Category	Category Spend ($M)	Total Spend
Construction & Infrastructure	111.6	54%
Information & Technology	74.9	4%
Transportation & Fleet Management	51.9	3%
Facilities Management	35.5	2%
Furniture & Office Supplies	37.7	2%
Textiles	10.4	1%
Food & Catering	18.7	1%

Circular Business Models



Supply fully renewable, recyclable, or biodegradable resource inputs to support circular production

Eliminate material leakage and maximize economic value of product return flows

Extend the current lifecycle of a product: repairability, upgrading, reselling

Stimulating collaboration among product users

Products are used by one or many customers through lease or pay-for-use arrangements

Drivers	Categories	Strategies
Environmental Carbon, conservation, waste, raw materials, emissions, energy efficiency **Manufacturing & Consumption** Process efficiency, consumption patterns **Economic** Cost savings, growth **Social** Employment, skills, civil society **Health** Toxicity, risk, well-being, quality of life	**Textiles & Clothing** **Electrical & IT** **Furniture** **Food** **Construction** **Transport** **Packaging**	**Sustainable Materials Management** Waste prevention Design & materials choice Utilisation & lifetime optimisation Repair, reuse & remanufacturing Recycling & end-of-life **Business** Cost reduction Servicisation Value networks Collaborative

Transition and Implementation Barriers

- Fair competition: perception that it will lead to sole sourcing
- Perception that it will cost more
- Trade Agreements
- Definition of value for money: don't have qualifiers for social and environmental gains or losses
- Inability to measure all benefits or baseline status quo
- Takes Vision – Leadership – in procurement and finance functions… not just sustainability
- Change management: *we always do it this way*
- Lack of exchange and collaboration between governments
- Lack of implementation sources and tools

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