

**One Planet Network  
Flagship Initiative  
“Mainstreaming  
Circularity in the  
Construction Sector  
Leveraging the Power of  
Public Procurement**



# An initiative co-lead by the OPN Sustainable Public Procurement Programme and the Circular Built Environment Group of the Materials Hub established with the Global Alliance for Buildings and Construction



## Ambition of the flagship initiative

### Outputs

Engage, collaborate with and support **national and local governments** in their efforts to **use their planning, managing and purchasing power to accelerate the uptake of circularity standards of practice and metrics in the construction sector**

Engage the **private sector** and **financial institutions** for a **balanced approach to enhancing public demand** for circular construction and **enabling market innovation and readiness** to respond to such demand along the value chain.

**Facilitate and steer cooperation** amongst key actors from both the public and private sectors, identifying and sharing best practices, knowledge and innovative approaches.

### Outcomes

#### Global Strategy for Sustainable Consumption and Production (2023-2030)

##### Flagship initiative target

(10YFP results framework - 2023-2024)

*“Secure **commitments from 50 partners**, including national governments, local authorities, financial institutions and other key market players from the business sector, **to adopt and/or implement SPP principles, including circularity/material efficiency criteria, in the construction sector by the end of 2024**”*

### Impacts

**Agenda 2030 implementation: SDG 12.7, 9.1 and 11.3, amongst others**

**Paris Agreement, Climate Action Plan on Human Settlements, Buildings Breakthrough, Declaration de Chaillot**

**CBD target 1 (land use), 12 (urbanization), 19 (finance) and 20 (capacity-building / technical cooperation)**



**Buildings Breakthrough**

# Building a strong momentum, anchoring the initiative into existing commitments



10 commitments of the Déclaration de Chaillot (70 countries) – March 2024



Buildings Breakthrough (28 countries) – November 2023

➤ *Coordination of priority action 2*



“10 Whole Life Cycle Recommendations for the Buildings Breakthrough” (Materials Hub) – March 2024

*6.4. Leading by example through ambitious procurement policies with particular attention to public building procurements;*

*Priority action 2: Amplify demand for net zero emissions and resilient buildings, construction materials and clean energy technologies*

*Recommendation 7 - Drive Investment: “Drive investment into near-zero buildings by developing and championing policies that increase the market demand for low carbon solutions and near-zero buildings, and by leading by example with Whole Life Carbon requirements in public procurements”.*



# International Advisory Group

<b>African Development Bank</b>	<b>ISO/TC 59/SC 17</b>
<b>Asian Development Bank (ADB)</b>	<b>ITC-ILO</b> - International Training Centre of the International Labour Organization
<b>Bangladesh</b> , Ministry of Housing and Public Works	<b>Kenya</b> , State Department for Public Work, Ministry of Lands, Public Works, Housing and Urban Development
<b>Brazil</b> , Ministry of Development, Industry, Trade and Services (MDIC)	<b>Municipality of Medellin</b> , Colombia
<b>Circular Innovation Lab</b>	<b>OECD</b> - Organization for Economic Cooperation and Development
<b>Costa Rica</b> , Ministry of Environment and Energy	<b>Prague</b> , Prague Institute of Planning and Development
<b>Ellen MacArthur Foundation</b>	<b>SEDEMA Mexico City</b>
<b>Environmental Coalition on Standards (ECOS)</b>	
<b>European Investment Bank (EIB)</b>	<b>Sustainable Purchasing Leadership Council (SPLC)</b>
<b>Germany</b> , Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection of Germany (BMUV)	<b>UNEP</b>
<b>Ghana</b> , Ministry of Environment, Science, Technology & Innovation	<b>UN-HABITAT</b>
<b>GIZ</b> - Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	<b>UNIDO-IDDl</b>
<b>Global Ecolabeling Network (GEN)</b>	<b>UNOPS</b>
<b>Green Council of Hong Kong</b>	<b>USA</b> , Environmental Protection Agency (EPA)
<b>ICLEI World Secretariat</b>	<b>World Bank</b>
<b>India</b> , Ministry of Housing and Urban Affairs, Housing and Urban Development Department	<b>World Business Council for Sustainable Development (WBCSD)</b>
<b>International Institute for Sustainable Development (IISD)</b>	<b>World Green Building Council</b>



## Key messages of the IAG

- **Message 1:** Affirm the **critical role of national and sub-national governments** in accelerating the uptake of circularity in the construction sector through public procurement; **deliver circular, nature-positive, and people-centered public services**, including education, health, and social housing; and **invest in and drive market innovation**.
- **Message 2:** Integrate **sustainability and circularity objectives** and engage stakeholders with direct influence on the **early stages of the construction value chain**.
- **Message 3:** Establish a **clear and strong narrative on circularity** in construction, along with a **standardized but flexible set of qualitative and quantitative indicators** to measure and monitor impacts.
- **Message 4:** Strengthen **enabling conditions, including policies, standards, and finance**, to make circular public construction procurement the norm.
- **Message 5:** Embed **circularity throughout the entire public procurement process**, not just at the tender stage, and **encourage institutional coordination and market engagement**.
- **Message 6:** Utilize **skills development and knowledge management** to scale up pilot projects.
- **Message 7:** Address **construction impacts on nature and pollution** as a complement to existing initiatives that strongly emphasize low-carbon construction within the context of circularity.

# Identifying strategic cooperation opportunities through a better understanding of the landscape (challenges & opportunities, existing initiatives and resources)

## UNOPS' Baseline Study

### Objectives

- **Explore current practices in integrating circularity into construction through public procurement and assess stakeholders' readiness for adoption.** Focus on understanding both the enabling conditions and operationalization strategies.
- **Identify and analyze barriers and challenges** (e.g., awareness/understanding of circularity approaches and metrics, institutional coordination and policy integration, market readiness, technologies and skills, lack of competition, greenwashing, cost, and assessing progress) hindering the integration of circular construction practices into public procurement.
- **Develop recommendations to advance circular construction practices within public procurement and identify strategic areas for international cooperation and support.**

### Methodology

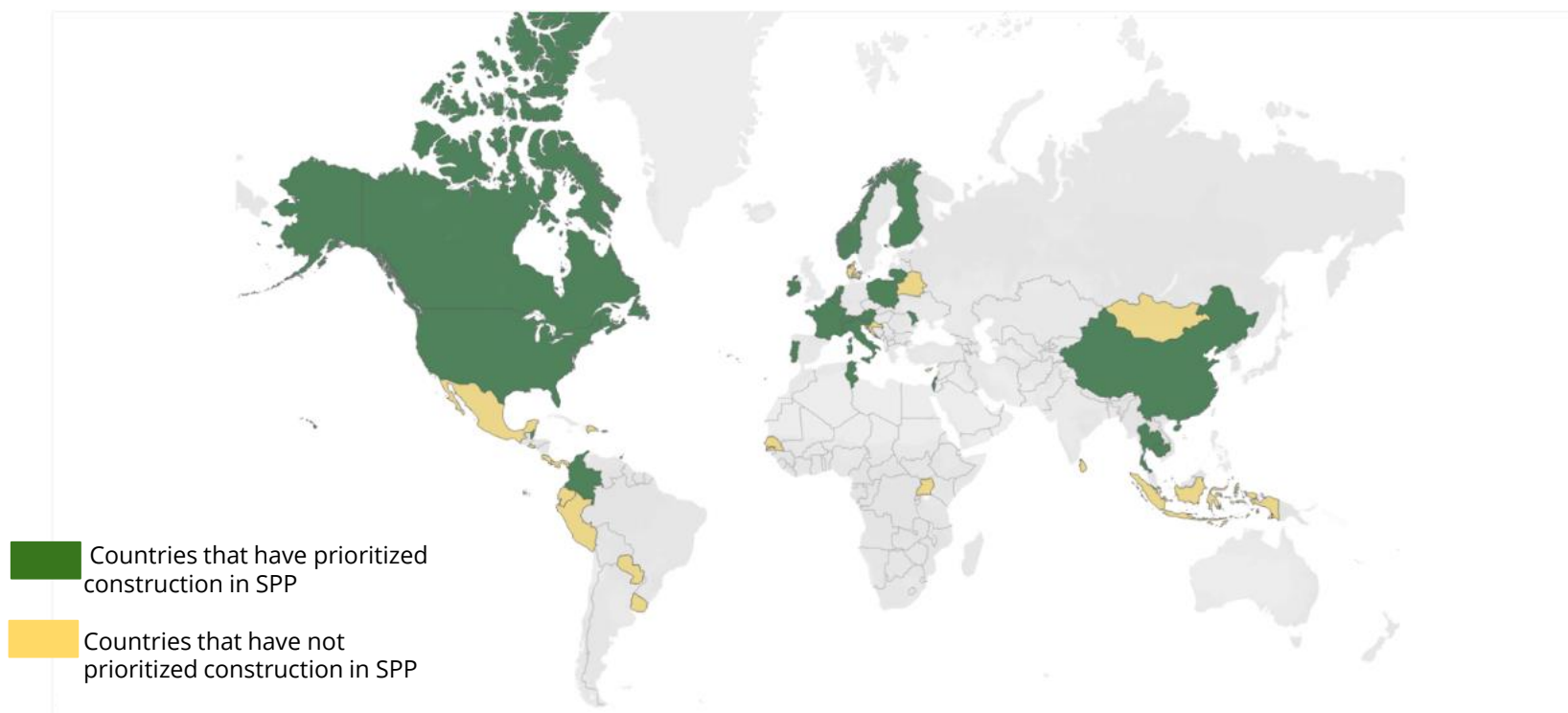
**Public and private sector surveys: 50 respondents**

#### **Focus groups / interviews**

- Local authorities
- Private sector companies (10 interviews)
- MDBs

**Open library, desk review, case studies**

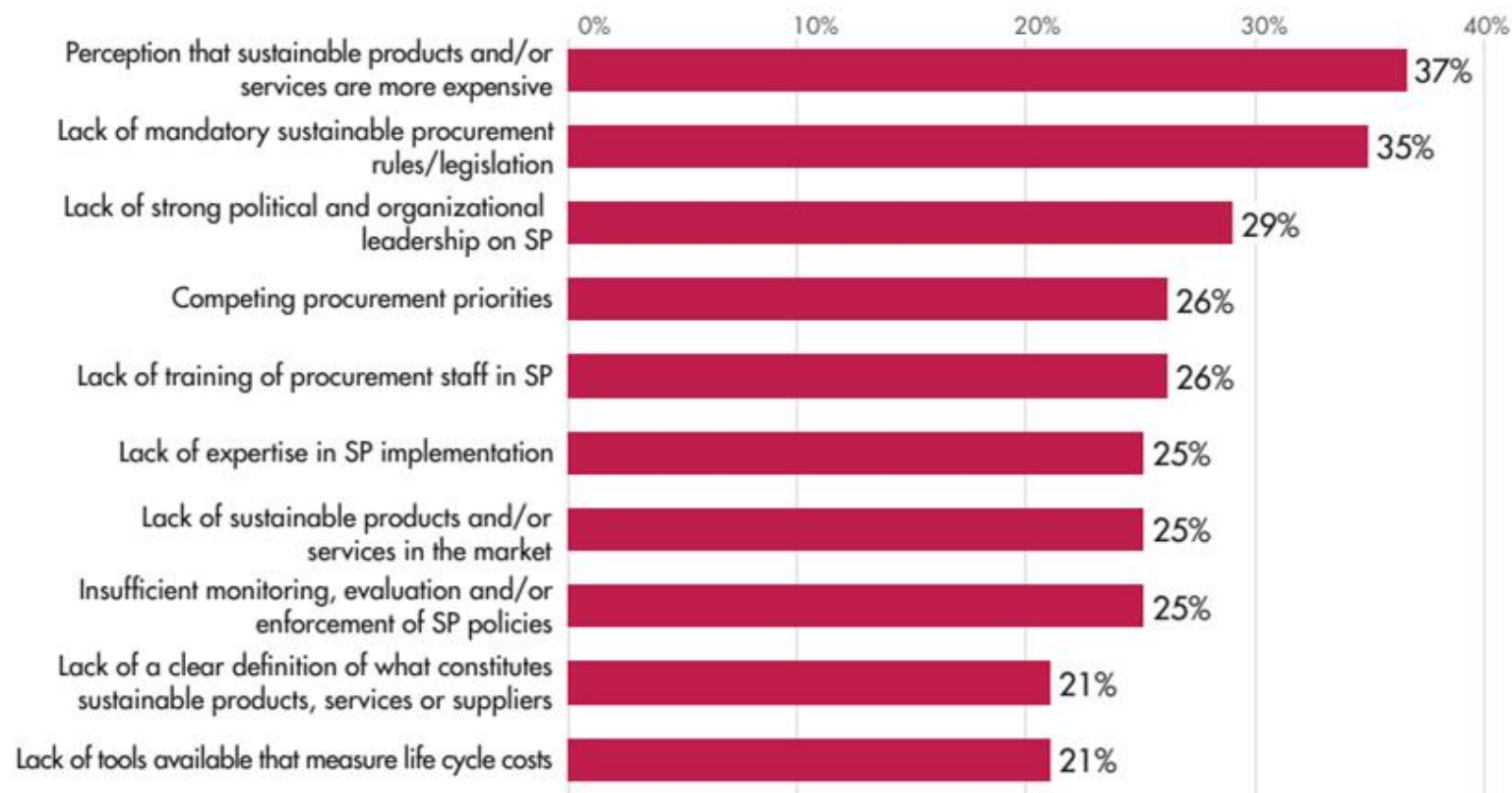
# UNEP's Global Review of Sustainable Public Procurement Policies



- **25 of the 45 countries** surveyed for the 2022 UNEP Global Review have **prioritized one or more construction-related products and services** in their SPP programmes/policies.
- The categories selected by those countries were: **construction materials** (21 out of 25 countries), **building management and maintenance** (18 out of 25 countries) and **design, construction, and maintenance of roads** (12 out of 25 countries).



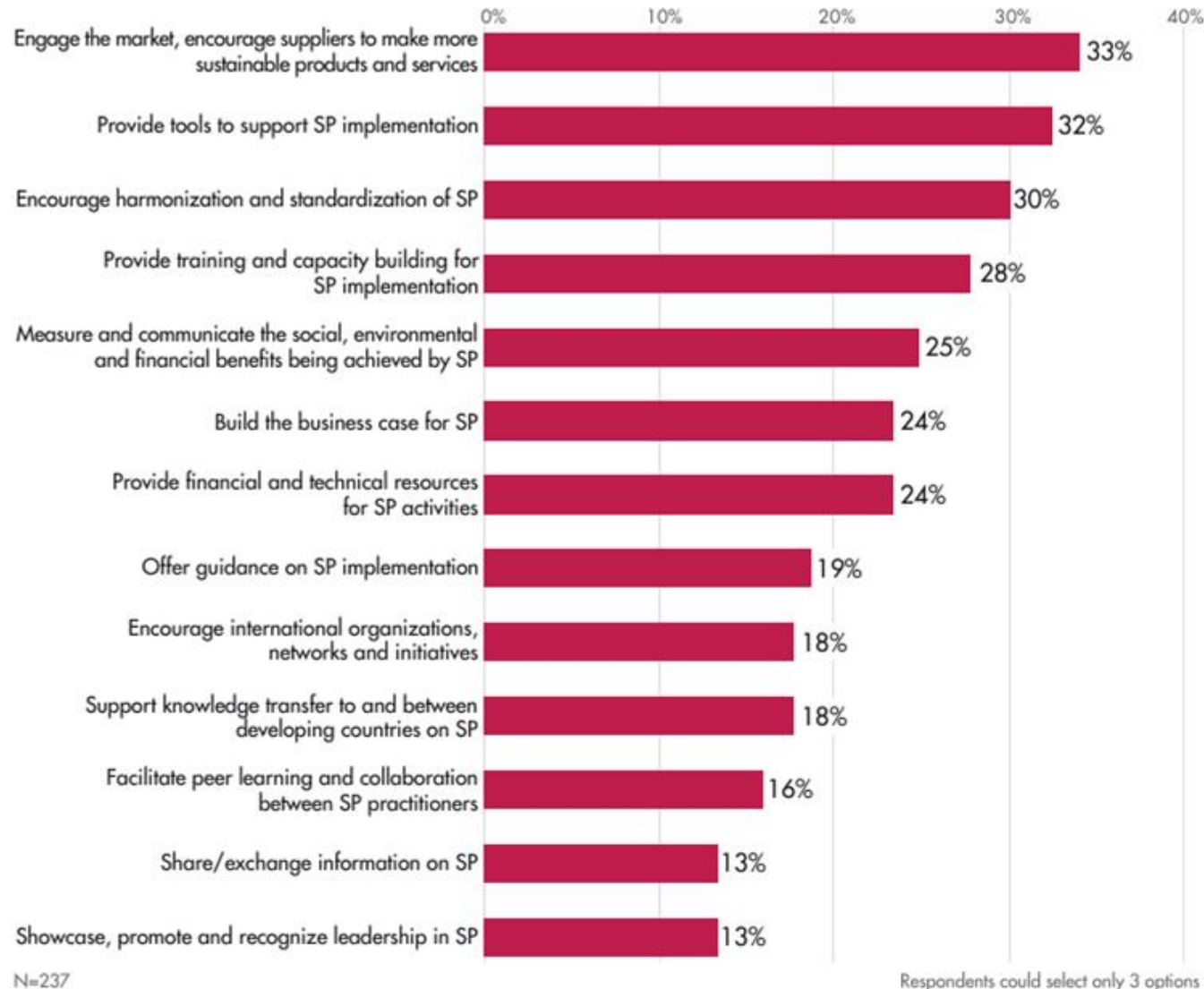
## Top 10 barriers\* to the implementation of SP in organizations surveyed in the 2022 UNEP Global Review



<https://bit.ly/41uEqHY>

*\* In general, not only construction related*

# Survey respondents' recommendations for international organizations supporting SP implementation (2022 UNEP Global Review)



**West Asia and Africa, the Asia Pacific and Latin America and the Caribbean:** most of them indicated **‘provide training and capacity building for SP implementation’**

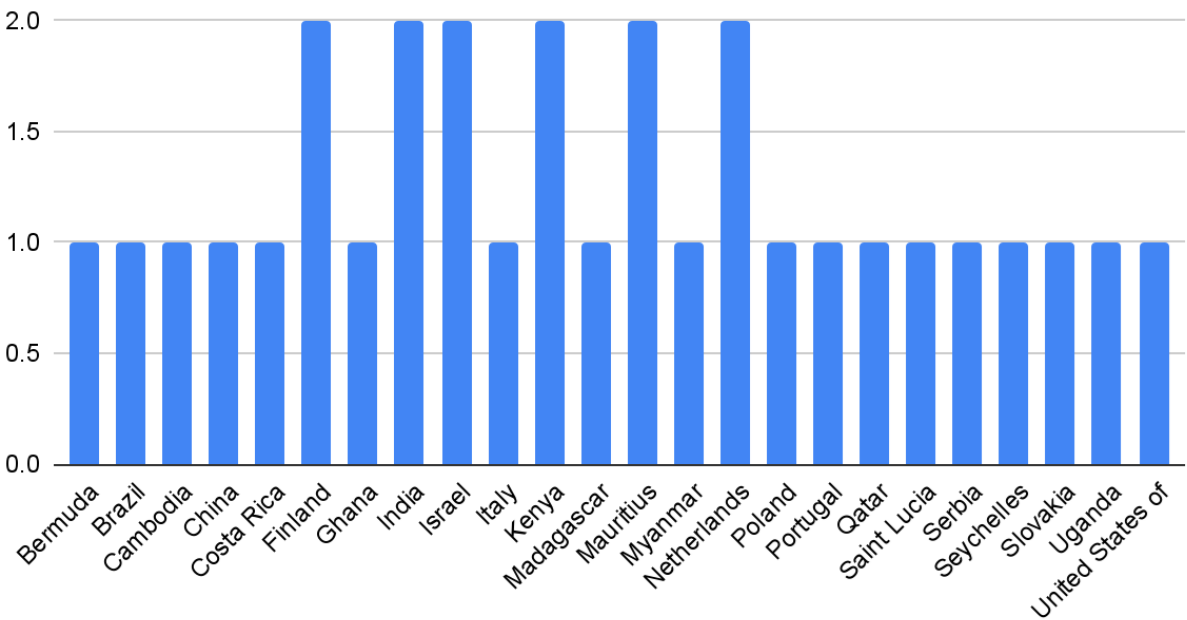
Most stakeholders in **Europe** indicated **‘provide tools to support SP implementation’**.

While stakeholders from **Northern American** organizations prioritized **‘engage the market, encourage suppliers to make more sustainable products and services’**

# Survey participants from the public sector\* (May, 2024)

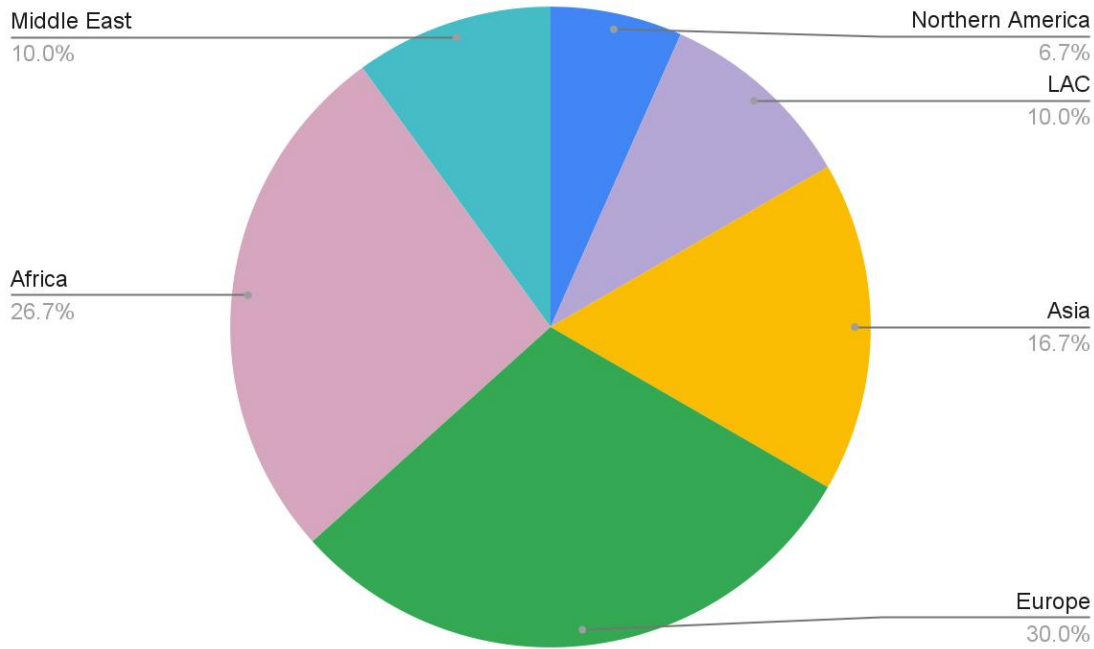
22 national governments and 4 subnational governments

Survey participants by country



\* 12 out of the 22 national governments participated as well in the surveys conducted as part of the UNEP 2022 Global Review on SPP.

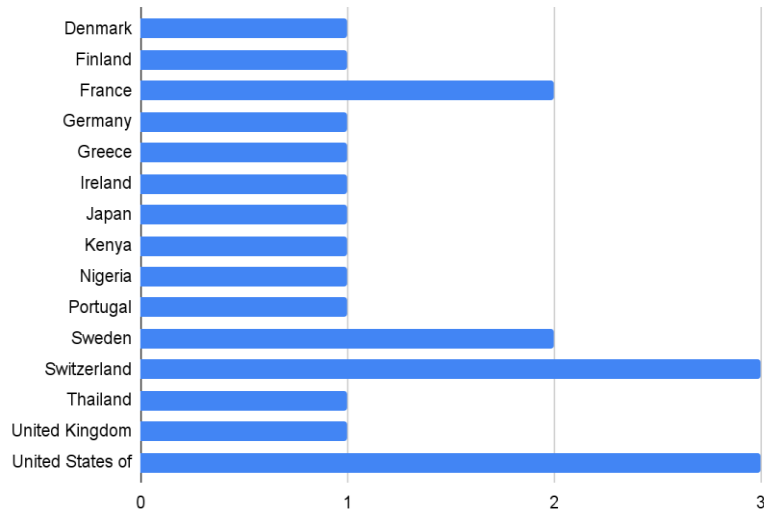
Survey participants geographical scope



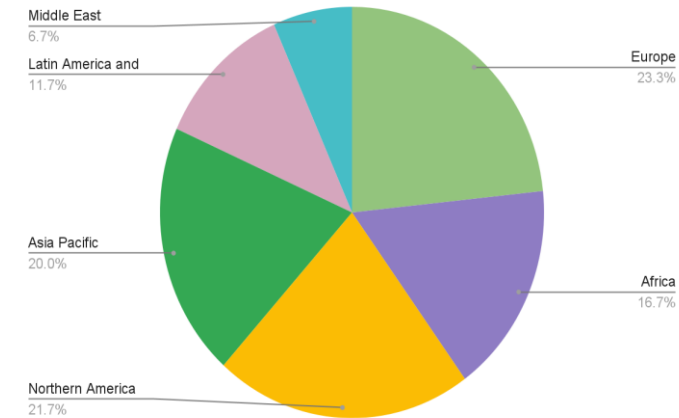
*This survey is intended to delve into construction-related SPP issues and is not meant to be considered a global survey or as official monitoring of the 12.7.1 indicator.*

# Survey participants from the private sector\* (21 responses, May, 2024)

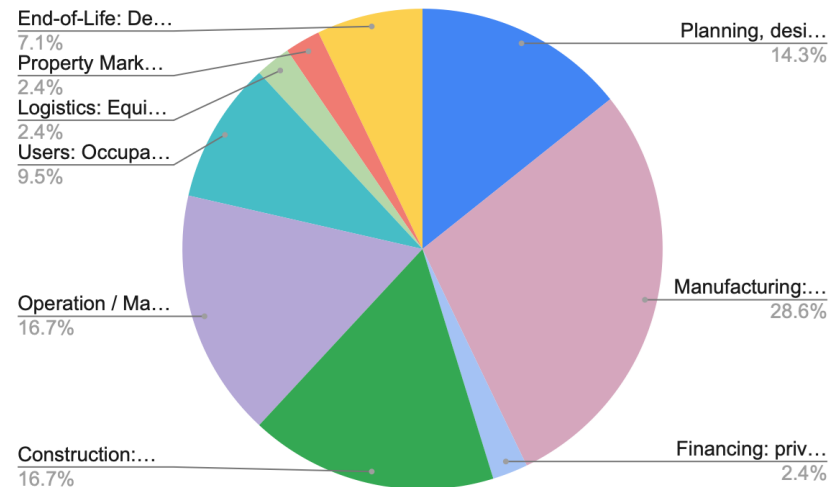
## Location of the company



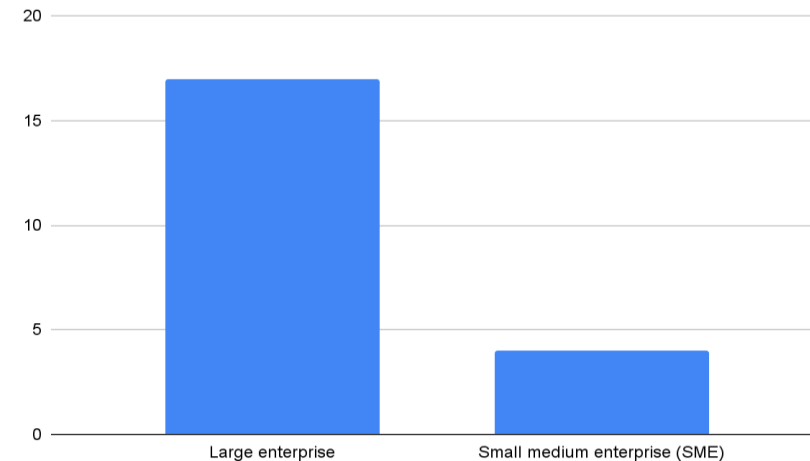
## Geographical scope of projects



## Segments of the value chain in which the company operates



## Size of the company



*This survey is intended to delve into construction-related SPP issues and is not meant to be considered a global survey or as official monitoring of the 12.7.1 indicator.*

## Key findings so far

**Finding 1:** There is a **disparity in the adoption of circularity in public construction procurement** among respondents, with the **majority still in the early stages of implementation**.

**Finding 2:** Mainstreaming circularity in public construction procurement requires a **gradual approach**, as countries exhibit different levels of readiness.

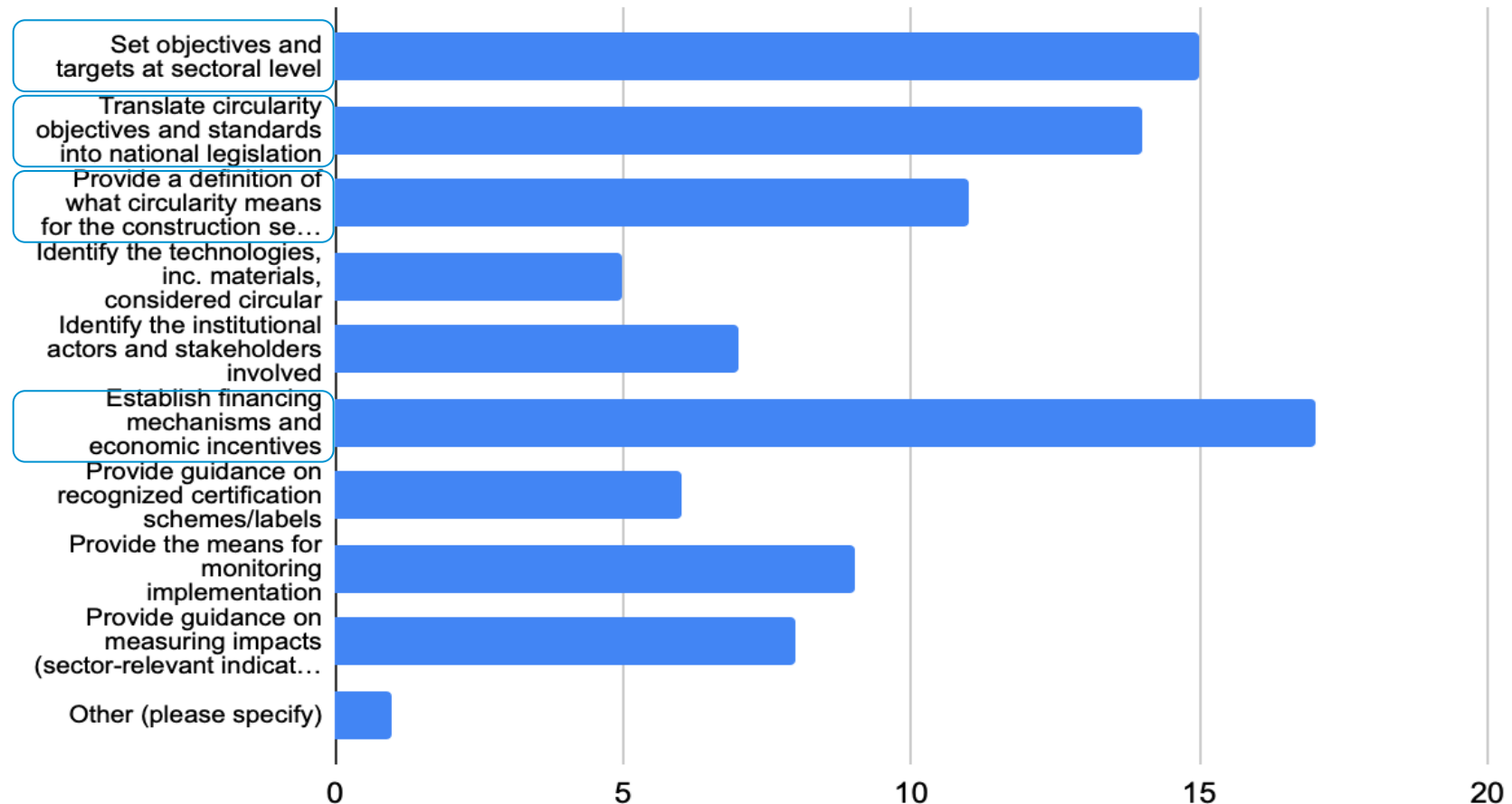
**Finding 3:** Adoption is influenced by a **complex interplay of factors** beyond public procurement.

**Finding 4:** **Further support and intervention are required** to overcome existing challenges and close gaps, particularly to **foster alignment among stakeholders, enhance capacities, and secure financing along the construction value chain**.



# Alignment to mainstream circularity in public construction procurement through policy, standards, incentives, and data

How can public policies enable the uptake of circularity standards and practices in the construction sector/value chain? (private sector perspective)



# Investing in developing a circular built ecosystem, tailored to the public sector and market readiness

How ready are the stakeholders for mainstreaming circularity in the public construction procurement (in a scale from 0-not ready to 5-ready)?

## Public sector

From the private sector  
perspective:

**Average: 2.5**

## Companies

From the private sector  
perspective:

**Average: 3.5**

From the public sector  
perspective:

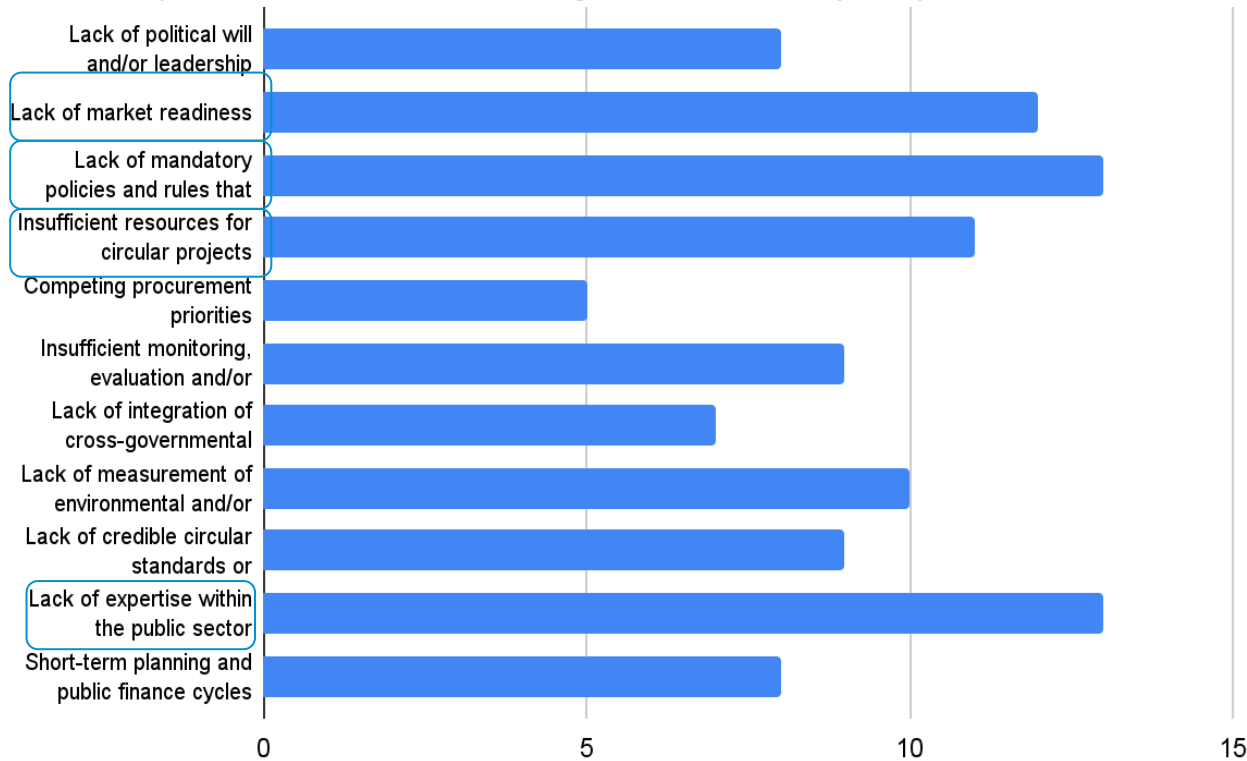
**Average: 2.8**

## Suppliers

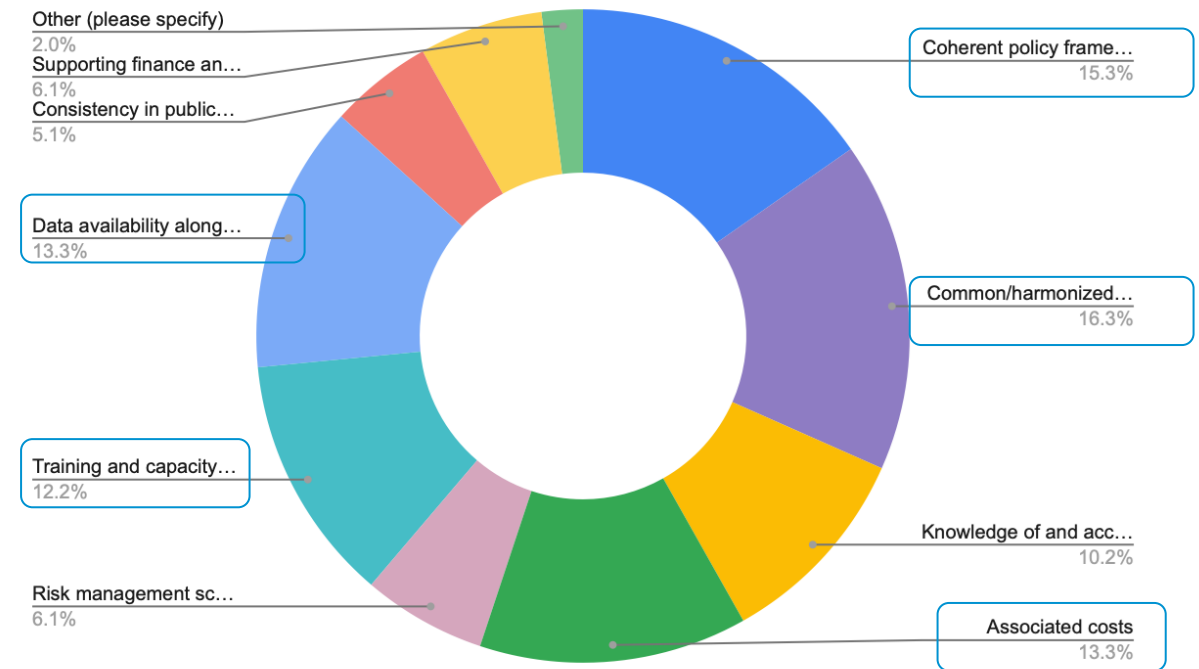
**33% of the companies  
think their suppliers are  
ready for circularity in  
public construction  
procurement**

# Further support and intervention are required to overcome existing challenges and close gaps

Challenges in embedding circularity in public construction procurement from the **public sector** perspective



Challenges in implementing circularity in the construction sector from the **private sector** perspective



# Proposed cooperation areas for the flagship initiative

Building upon the results of the consultations and in line with the '10 Whole Life Cycle Recommendations for the Buildings Breakthrough', the following recommendations provide **guidance to the International Advisory Group on priority areas for action** to advance circular construction practices within public procurement

**Recommendation 1:** Provide **guidance on integrating a harmonised definition of circularity in the construction sector, methodologies, and tools for measuring** (metrics), and **standards** in public procurement.

**Recommendation 2:** Support the **inclusion of public procurement as an element of the countries roadmap definition**, tailored to government and market capacities (GlobalABC roadmaps)

**Recommendation 3: Build capacities to create an ecosystem for circularity** in public construction procurement, both for the public and private stakeholders (supply chain, not only materials).

**Recommendation 4: Establish a network to share experiences and advance knowledge** (knowledge banks on pilots, projects, materials), to benefit both the private sector and the public sector (knowledge banks, libraries).

**Recommendation 5:** Promote the **embedding of circularity measures in finance instruments** the public sector uses (loans, funds, PPPs, etc)

# Next Steps

