



# Co-funded by the European Union

# **Circular Minds**

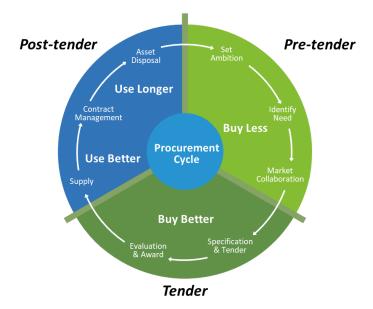
## Background

The Circular Minds project investigates how organisations can make the transition to a circular way of working and what is needed to achieve this in terms of governance and policy. Public procurement, which accounts for 14% of EU GDP, offers great potential in this regard. However, many circular pilots struggle with lasting impact due to organisational obstacles and resistance. Circular Minds bridges this gap by analysing where organisations get stuck and focuses on public institutions to:

- Promote new circular initiatives
- Improve policy with practical tools
- Change thought patterns by sharing insights
- Scale up successful approaches.

#### **Focus project**

A change in the circular mindset is needed not only among buyers, but also among other stakeholders involved within the procurement cycle (Figure 1). A shift in mindset is also required within the supply chain(s) to achieve circular ambitions.



# Figure 1 Procurement cycle (Source: CFIT)

## **Project Definition of Mindset**

Based on existing definitions, changing a mindset requires a fundamental shift in the way organisations and individuals perceive, think, and approach their vision, mission, objectives, and

roles. This involves altering attitudes and perspectives, which in turn influences behaviour, decisions, and the overall vision of goal achievement.

#### **Behaviour change**

Behaviour change refers to the process by which organisations and individuals adjust their actions, approaches, and procedures in response to internal or external stimuli. This involves **deliberate efforts to adopt new behaviours, eliminate undesirable behaviours, or modify existing behaviours** to achieve specific goals or desired outcomes.

#### Tool

For the first phase of the project, in which the situation of the organisation is mapped, a tool has been developed: the *Mindset Indicators Assessment Framework*.

With the help of this tool, a picture of the willingness to change can be formed for scaling up pilots of circular practices throughout the procurement cycle (see Figure 1) from organisational, regulatory and cultural perspectives and an Action Plan for change is developed.

The Mindset Indicators Assessment Framework is a set of indicators that describe the mindset of a unit (organisation/department/project) based on the COM-B Model. The COM-B model states that behaviour is influenced by three essential factors: Motivation, Capacity, and Ability, which collectively determine whether someone is able to exhibit a certain behaviour. In addition, there are 5 levels of ambition and progress: 1) basic, 2) assurance, 3) application, 4) expansion, 5) leadership. The assessment framework can be used to determine where the unit stands in the present and what needs to be worked towards within a selected period.

#### **Mindset Indicators**

The broad definitions of mindset and behaviour change help clarify indicators that can be used to determine shifts in mindset and the rate of progress. For example:

- 1. Deliberate efforts to adopt new behaviours e.g., evidence of new policies, increased awareness; Evidence of circular procurement actions across the entire procurement cycle.
- Elimination of undesirable behaviour for example, barriers within the organisational structure; poor communication between procurement stakeholders; sticking to "business as usual"; avoidance of new ideas, etc.
- 3. Adapting existing behaviours for example, changing existing procurement processes to ensure circularity is embedded in all procurement decisions in a proportionate way, improving the monitoring and reporting of procurement results and impacts.



Mindset Shift Indicators	Foundation Level 1	Embed Level 2	Practice Level 3	Enhance Level 4	Lead Level 5
Motivation					
M1 Ambitions	<ul> <li>No Circular Procurement (CP) ambition being set</li> </ul>	<ul> <li>Ambitions being set at individual level (bottom up)</li> </ul>	<ul> <li>Ambition being set at project level</li> </ul>	<ul> <li>Ambition being set at departmental level (e.g. Procurement, Finance technical etc)</li> </ul>	<ul> <li>Ambition to scale -up has been set at organisation level</li> </ul>
M2 Policies	<ul> <li>No sustainable (or circular) procurement policy set</li> </ul>	<ul> <li>A sustainable procurement policy has been produced by the organisation</li> </ul>	<ul> <li>A Circular Procurement policy and actions have replaced the initial sustainability policy</li> <li>Or – sustainability policy explicitly references circular outcomes</li> </ul>	<ul> <li>A CP policy is in place (with review dates &amp; owners) and is supported by a strategy and action plan, with targets and timescales for delivery</li> </ul>	<ul> <li>A circular and sustainability policy (and supporting materials) is directly linked to CE, Sustainability, Social and Environmental policies at organisational level</li> </ul>
M3 Internal buy-in to scaling up	<ul> <li>No internal buy-in to sustainable procurement actions within the organisation</li> </ul>	<ul> <li>Sustainable procurement recognised across organisation and procurement function working towards wider organisational CP buy-in</li> </ul>	<ul> <li>Operational teams recognise their role in CP and the procurement cycle but no high level (Senior Management) buy- in to scaling up</li> </ul>	<ul> <li>Senior leadership has recognised CP as a strategic mechanism for scaling up, but operational teams are still being brought onboard</li> </ul>	<ul> <li>Circular Procurement is recognised as a strategic function by the Senior Leadership team and operational functions across the organisation</li> </ul>
M4 Communication	<ul> <li>No communication internally or externally on ambitions</li> </ul>	<ul> <li>Basic internal communication of SP/CP policy aims</li> </ul>	<ul> <li>All relevant procurement stakeholders are aware of CP ambitions and procurement function recognise their roles and responsibilities</li> </ul>	<ul> <li>All relevant procurement stakeholders aware of CP ambitions and recognise their roles and responsibilities and external peer to peer collaboration and knowledge sharing</li> </ul>	<ul> <li>Internal and external communication on CP outcomes regularly undertaken alongside regular reporting to SMT on progress against CP actions</li> </ul>
Capabilities					
C1 Awareness	<ul> <li>There is little or no awareness of Circular Procurement and benefits</li> </ul>	<ul> <li>Awareness of Sustainable Procurement and potential benefits of a holistic circular approach across the product procurement lifecycle.</li> </ul>	<ul> <li>Procurement function and core stakeholders fully aware of CP benefits and benefits of scaling up</li> </ul>	<ul> <li>Full awareness across the organisation and scaling up being implemented alongside external peer-to-peer knowledge sharing</li> </ul>	<ul> <li>Full awareness across all organisation functions and scale up has been achieved.</li> </ul>
C2 Capacity	<ul> <li>No capabilities assessment has been made</li> </ul>	<ul> <li>Understanding of capabilities and skills gaps</li> </ul>	<ul> <li>Core procurement team skills and capacity building complete and capacity building across wider stakeholders is in planning</li> </ul>	<ul> <li>Core team capacity and skills reviewed and updated regularly and capacity building across wider stakeholders is underway</li> </ul>	<ul> <li>Fully resourced roll-out of capacity and skills-building across wider procurement stakeholders and reviewed regularly</li> </ul>
Opportunities					
O1 Procurement Processes	<ul> <li>Standard procurement processes in place with basic or minimal ad hoc consideration of SP on tender-by-tender basis</li> </ul>	<ul> <li>Tender-based approach to embedding SP through existing criteria on a consistent basis</li> </ul>	<ul> <li>Pre-tender procurement procedures in place (including market dialogues) to identify CP opportunities for key tenders</li> </ul>	<ul> <li>Pre-tender CP assessments embedded in procedures and implemented on consistent basis. Forward planning of procurement is also undertaken regularly</li> </ul>	<ul> <li>Pre-tender, tender and contract management procedures have been linked together along with a category management approach for prioritised categories</li> </ul>
O2 Organisational (infra)structure	<ul> <li>Organisation structure acts as a barrier to identifying circular economy outcomes</li> </ul>	<ul> <li>Organisation recognises circular benefits, but structure only enables limited action e.g. pilots</li> </ul>	<ul> <li>Organisation structure and processes capable of limited change to adopt elements of circular procurement pilots</li> </ul>	<ul> <li>Processes are being changed as required and organisation undertaking review of structural changes required to enable scale-up</li> </ul>	<ul> <li>Organisation in the process of, or completed, relevant structural changes to enable scaling up</li> </ul>