

CALL FOR PROPOSALS: Avoiding blind spots - circular and fair business models

This project is a collaboration between Fair Trade Advocacy Office (FTAO), which represents the Fair Trade Movement, and the European Environmental Bureau (EEB) a federation of environmental NGOs. The objective is to identify the risks of new business models, i.e. what are their blind spots in terms of the environment and society, both in the EU and in global supply chains. The output should identify negative and positive examples and make recommendations about ways forward to key targets (see below).

The aim is to improve the debate about what shape circular business models should take (e.g. sharing platforms, leasing models, reuse, repair and recycling activities) in order to deliver positive environmental and social outcomes, both in Europe and through their value chains in the Global South.

Target audience

- **Primary:** the target audience for this work should primarily be EU level policy makers - this should be reflected in the policy recommendations
- **Secondary:** some recommendations could also be directed towards other stakeholders (e.g. national governments in the EU, public procurers, and businesses) in terms of what they can do today before an “ideal” policy framework is in place.
- **Tertiary:** identifying how can this work be used for further cross-issue collaboration between civil society groups (e.g. Fair Trade, Environmental, Trade Unions)

Content of the work

1. What are the hopes for the circular economy?

- **Environmental** – delivering genuine resource savings or supporting waste prevention through different actions (such as repair, reuse, leasing, etc.)
- **Socioeconomic** – delivering on several issues such as job creation, social enterprise, supporting local SMEs, increasing resilience in supply chains, security of supply, lower life cycle cost for public authorities, etc.

Methods: primarily literature review as positive aspects are already well covered in existing research on circular economy. This should provide context or a framing for the work rather than being the overall focus.

2. What are the risks and blind spots

- **Environmental** – new business models do not deliver genuine resource savings, e.g. still support replacement over repair/reuse, represents new consumption or a rebound effect rather than displacing existing linear consumption models (hypothetical example 1: e-scooter sharing systems do not deliver emissions or resource savings compared to BAU for urban transport; hypothetical example 2: leasing providers for smartphones do not repair damaged

phones from clients and therefore do not improve material stewardship; 3: a take-back scheme from a fashion brand results in an increase in sales of fast fashion) 4: Downcycling of packaging waste into trainers which does not reduce demand for virgin plastics.

- **Socio-economic** – rely on problematic work contracts, monopolies, and additional expense for consumers and public authorities, risk of making “supply chain” production conditions (sustainable farming of cotton in India or West Africa, working conditions of garment manufacturing in East Asia) less visible for final consumer or public procurer. Attention should be given to risk in Europe and outside of the EU. (hypothetical example, 1: e-scooter sharing systems rely on workers with precarious employment contracts; hypothetical example 2: a professional repair program from a smartphone manufacturer monopolises the market and pushes independent actors out of competitiveness; 3: a leasing model for linen for hotels uses unsustainable textiles and relies on precarious contracts for those carrying out the washing; 4: Airbnb having a considerable adverse effect of raising rent prices and pushing locals out of their communities.)

Methods: literature review and input from stakeholders (e.g. consultation in the workshops). Please see the suggested reading section for recommended literature. This should be the primary focus of the analysis along with the recommendations.

3. Recommendations

Develop recommendations on how to address or minimise these risks and realise opportunities. Recommendations should be focused at the target audience (i.e. policy makers, businesses and public authorities, as well as civil society). The recommendations should be set in the context of the EU's existing policy landscape (the new EU budget, the Green Deal, the circular economy action plan etc.)

4. Scope

We suggest that the scope should focus on the following sectors or product groups:

- ICT and electronics
- Textiles
- A mix of consumer products, B2B and public procurement

Examples outside of this scope may be relevant when they are particularly relevant for supporting recommendations. We suggest focusing on 3 or 4 specific examples in detail. The choice of examples should be agreed with the consultant following their suggestions in their proposal.

Timeline and deliverables

Timeline for application process:

- 19 June 2020: Launch of call for proposals
- 10th July 2020: deadline for applications
- 13-15 July 2020 - choice of consultant (following a phone call with FTAO/EEB)

Timeline and expected deliverables:

Deliverable	Responsibility	Timeline
<i>A short report (expected max 10 pages) - Avoiding blind spots: circular and fair business models</i>	Consultant - chosen based on open call for tender	Draft report: 28th August? Final report: 18th September
<i>One or more visuals/schematics to give a framework for discussion on how to create synergies between circular economy and fair-trade objectives as well as "hot spots" of risks along the "circle" that such business models have</i>	Graphic designer (to be separately selected by FTAO/EEB)	Start layout: 1st September Final layout: 30th September
<i>An internal webinar to engage stakeholders and fine tune the recommendations and 2nd public webinar to present report. For the second webinar there is a possibility to link with Club of Rome /Young Entrepreneurs event.</i>	EEB/FTAO	1st Webinar: 2nd September 2020 2nd Webinar: End October 2020.

Funding

The total budget for this work is EUR 10k –the EEB and FTAO have contributed 50% of the total each. The bulk of the budget will go towards the research work but some will need to be used for the layout and webinars.

Application process

Proposals for this work should be sent to Diego Francesco Marin diego.marin@eeb.org by email.

These should include the following:

- A max 2 pager outlining your vision for the work, including the specific examples you suggest exploring and any relevant literature
- CVs of the staff or individuals in your team (demonstrating relevant experience in circular economy and EU policy)
- A simple budget for the work

The deadline for applications is the 10th July 2020. Do not hesitate to contact the EEB or FTAO if you have questions prior to the deadline.

Disclaimer: The EEB will inform all bidders about the EEB's decision in relation to their bid. Bidders may ask for feedback on their bid. However, the EEB's decision will be considered as final, full details will not necessarily be disclosed and there is no possibility of appeal.

Suggested reading

Circular Economy Action Plan - For a cleaner and more competitive Europe (COM/2020/98 final) <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0098&from=EN>

Making Materials Work for Life (Sun, Systemiq, and UCL, 2019) <https://www.systemiq.earth/wp-content/uploads/2020/02/Producer-Ownership-Project-LAUNCH-White-Paper.pdf>

Keeping Workers in the Loop: Towards an Inclusive & Regenerative Fashion System (BSR & Laudes)

Policy Framework for Material Resource Efficiency Pathway Towards a Circular Economy (Leonidas, 2020) https://portal.research.lu.se/ws/files/77553169/PhDthesis_LM_web.pdf

How to procure fair ICT hardware - criteria for social responsible public procurement <https://sustainable-procurement.org/resource-centre/?c=search&uid=85795a98>

Employment Status in the gig economy (PwC 2019) <https://www.pwclegal.be/en/documents/may-2019-gig-economy-report.pdf>

Jobs and Skills in the Circular Economy (Circle Economy, 2020) <https://www.circle-economy.com/insights/jobs-skills-in-the-circular-economy-state-of-play-and-future-pathways>

The Digital Transformation of Labor; Automation, the Gig Economy and Welfare (Larson et al 2020) <https://www.econstor.eu/bitstream/10419/213906/1/978-0-429-31786-6.pdf>

Protecting Workers in the Online Platform Economy (Garben, 2017) <https://osha.europa.eu/fr/publications/protecting-workers-online-platform-economy-overview-regulatory-and-policy-developments>

Circular economy isn't a magical fix for our environmental woes (Guardian, 2017) <https://www.theguardian.com/sustainable-business/2017/jul/14/circular-economy-not-magical-fix-environmental-woes-global-corporations>

Circular Economy Rebound (Zink and Geyer, 2017) <https://onlinelibrary.wiley.com/doi/abs/10.1111/jiec.12545>

Social Circular Economy - Opportunities for People, Planet, and Profit https://www.socialcirculareconomy.com/uploads/7/3/5/2/73522419/social_circular_economy.pdf

Circular Business Models <https://sustainabilityguide.eu/methods/circular-business-models/>

Tearfund HOW CAN WE MAKE THE CIRCULAR ECONOMY FAIR? <https://earthbound.report/2017/10/05/how-can-we-make-the-circular-economy-fair>

Tearfund HOW WILL EU ECODESIGN MEASURES AFFECT CIRCULAR ECONOMIES IN MIDDLE-INCOME COUNTRIES https://learn.tearfund.org/~media/files/tilz/circular_economy/2017-tearfund-europe-ecodesign-measures-en.pdf

Public Procurement good practice> Uniforms for army in The Netherlands, using "social" criteria in the type of enterprises they select for doing the sorting of used workwear: Uniforms <https://www.pianoo.nl/sites/default/files/documents/documents/rebusfactsheet15-kledingdefensie-engels-juni2017.pdf>

Coolproducts don't cost the earth (EEB/Coolproducts,2019) <https://mk0eeborgicuyptuf7e.kinstacdn.com/wp-content/uploads/2019/09/Coolproducts-report.pdf>