

## Circular & Fair ICT Pact

ICT has become a fundamental part of modern daily lives. Our smartphones and computers connect us, provide access to a vast world of information and create countless opportunities for business. Digitalization and smart tools can also be instrumental in creating a more sustainable world and help towards a post-Covid green recovery.

At the same time the ICT sector is itself a significant source of carbon emissions worldwide. It is currently responsible for 2 to 4% of global CO<sub>2</sub> emissions and this percentage is growing. The production and use of smartphones (125 Mton CO<sub>2</sub> eq in 2020) and datacenters (estimated at 495 Mton CO<sub>2</sub> eq in 2020) are two notable contributors<sup>1</sup>. In addition, the ICT sector is dependent on a wide range of rare minerals whose mining, production and waste phases have a high negative impact on the environment, on human rights and labor rights. Only a small proportion of these materials is effectively reused or recycled.

Reducing carbon emissions and the use of primary materials is a pressing worldwide challenge. Tackling these problems is an important part of the Sustainable Development Goals and the Paris agreement on climate. Pushing towards circular ICT would be a major step towards addressing these issues. Because the greatest impact of ICT is in the production phase, it can be greatly reduced by prolonging lifetime and stimulating repair and reuse. Redesigning products and business cases to fully incorporate circularity principles will help reduce impacts further.

Many ICT brands are already taking steps in this direction, offering solutions such as modular or better repairable hardware, or services with take-back schemes or ICT-as-a-service. Most are still a niche market however, compared to conventional ICT consumption.

In addition to the environmental angle, we have to address the social issues surrounding ICT by strongly promoting more transparent and fair value chains.

### Leveraging procurement

(Public) procurement can be an important lever to help speed up the necessary change by creating an increased and consistent demand for circular and fair ICT. Many organizations around the world have high circular, social and sustainable ambitions and have made this a priority in ICT procurement. Unlike many other markets however, there is a great disparity in size between the vast production of global ICT brands and the relatively modest demand from individual procuring organizations. Current demand is simply too small-scale and too fragmented to provide the clear and uniform demand needed to accelerate change. Even collaboration on a national level falls short.

To empower (public) procurement of ICT, procurers need to reach out and collaborate with their fellow procurers on an international scale. Together we can create a collective movement, set a shared baseline and shared base criteria, engage with the market on an equal footing and help set the direction for future development. We can share our best practices and speed up our collective learning. We can make a difference.

The Circular & Fair ICT Pact lays the foundation for this international procurer collaboration. It brings together public and private ICT procurers and governments in a collective movement. The Pact consolidates and harmonizes our collective buyers' voice and creates a strong basis for taking common action in dialogue with the market, non-profit organizations such as circular service providers and relevant NGOs. The Pact is a global initiative under the Sustainable Public Procurement programme of the UN One Planet Network<sup>2</sup>.

1. *Assessing ICT global emissions footprint: Trends to 2040 & recommendations*, Journal of Cleaner Production 177 (2018) 448-463

## Our ambition and scope

Our collective ambition is to accelerate the transition towards circular and fair ICT-products through the power of procurement and have them widely available on the market by 2030. This way we want to contribute to the Sustainable Development Goals. In order to achieve this, we aim to build up as much collective procurement power as possible, starting with a total aim of three million users served by 2023.

Procuring circular means we aim to maximize the lifetime of products and their components, stimulate innovation, boost the use of refurbishment, remanufacturing and repair, close material chains, and minimize carbon emissions and environmental impacts. As a measurable effect we want to push towards a carbon emissions reduction of ICT by an average of one-third to one-half per user linked to the Pact when measured over an eight year period<sup>3</sup>. For every million laptop users, this would equal an approximate total of 0.25 to 0.35 Mton carbon reduction.

Procuring fair means we aim to have transparent value chains and champion social justice, human rights and fair working conditions.

The Pact will start out with a focus on laptops and smartphones (i.e. mobile devices). Over the course of the collaboration, the scope can be widened to include other ICT products in consultation with participants. Such additional products may include desktop computers, display devices, datacenters, peripherals and sensors. In addition, participants are encouraged to work together on any relevant circular and fair ICT products, or to propose setting up international working groups to tackle such products together.

## Our approach

The Pact is a procurement driven partnership that can be signed by both public and private procuring organizations. Their demand forms the backbone of the Pact. To empower them, the Pact will provide ambitious guidelines, examples and common, easy-to-use baseline criteria that will improve over time. These

will build where possible on the valuable work already done in participating countries, on EU Green Public Procurement, on ICT ecolabels and in fair procurement initiatives. In signing the Pact, participants agree to use the baseline criteria where possible or to experiment with more ambitious pilots and share their experiences. To support and inspire procuring organizations, the Pact will establish a network of national (or regional) buyer groups. Long experience shows that procurers are best helped by working together with their peers in their own language. Working in a buyer group means doing your own pilots or tenders, while learning from each other, building up knowledge and tools together, engaging the market together and joining forces when needed in research and innovation. The buyer groups will have a flexible set-up, allowing for differences in how procurement is organized in each country or region.

Governments with circular and fair ambitions for ICT (or other public organizations) can also sign the Pact in the role of coordinating organizations. They bring together and support their own buyer group, help set the ambitions, organize monitoring and communicate the collective results. This role is crucial in building up our collective procurement power.

Other organizations such as ICT producers, value chain partners, NGOs, network and knowledge organizations cannot be participants in the Pact to avoid any conflict of interest. They are invited to support the work under the Pact however. This means they help promote the Pact and its results, and provide constructive input when invited to join a working group dialogue.

The Pact is a voluntary agreement, meaning that no actions are legally enforceable. We all benefit from creating a strong, uniform movement in ICT procurement. Nevertheless, procuring organizations always have the final say in their own procurement decisions.

*2. The One Planet Network supports the global commitment to accelerate the shift towards sustainable consumption and production in both developed and developing countries. See also: [www.oneplanetnetwork.org/sustainable-public-procurement/interest-group-circular-fair-ict-pact#](http://www.oneplanetnetwork.org/sustainable-public-procurement/interest-group-circular-fair-ict-pact#)*

*3. Against a baseline of procuring new products every three to four years. Eight years is the time frame in which two to three new devices are normally procured.*

## International collaboration

All buyer groups will be linked together as a single network on an international level. Through this network, the Pact will support setting up buyer groups, capacity building, joint market consultation, a collective tender calendar and the sharing of best practices and lessons learned across borders. This network gives procurers access to a growing base of proven criteria and good examples. It allows procurers to start asking for the best circular and fair products and start making a real difference from the moment they join.

To create common guidelines, criteria and tools for the buyer groups to use, working groups will be established under the Pact. In these working groups procurement specialists from the buyer groups and experts from different countries will join forces to tackle topics like circular criteria and guidelines for specific product groups, social criteria, monitoring, use of recycled materials and others. A working group can also draw up a joint statement of demand for a specific product group that buyers can sign up to, focusing either on current demand or future innovation.

An important part of working group activity is to engage in a high-level dialogue with the supplying market (ICT brands and value chain partners), policymakers, non-profit organizations and NGOs. Not only are their perspectives crucial for creating a movement and products that are both ambitious and achievable. They are also our partners in making real change happen in the market.

To monitor the effects of the Pact, participating procuring organizations will be asked to keep track of a number of easy-to-measure parameters, such as the number and type of devices they procure. This not only showcases our collective procurement power to the market, but also provides sufficient basis for calculating effects in terms of carbon emissions and raw materials

saved. A working group on monitoring will be established to further detail monitoring provisions and provide guidelines and easy-to-use contract clauses to get the requested information.

Apart from its direct impact of participants, the Pact will also have a wider influence on interested non-participants. Buyer groups can greatly boost their effect by informing other ICT procuring organizations of the opportunities and by sharing effective criteria, tools and good examples.

## Signing the Pact

To make the Pact actionable, the Pact should be signed by the person responsible for ICT procurement, such as the responsible director, central procurement officer or similar. For coordinating organizations the Pact can be signed by the person responsible for overall procurement policy, sustainability or similar. Organizations that both coordinate and engage in ICT procurement themselves are encouraged to sign on both levels for the different roles.

Procuring organizations not (yet) supported by a coordinating organization or a buyer group are welcome to join the Pact as well. They can either set up their own buyer group, or simply join in the collective movement, use the same baseline criteria and exchange knowledge and monitoring information with the international community.

## Paragraph 1 – Scope and ambition

### 1.1 Scope of the Pact

1. The starting scope of this Circular & Fair ICT Pact is the procurement of laptops and mobile devices by public and private procuring organizations.
2. The Steering Committee can extend the scope of the Pact to include other ICT product groups.

### 1.2 Ambition

1. Participants decide to:
  - a. work together towards having circular and fair ICT widely available on the market by 2030;
  - b. push towards lowering carbon emissions of ICT products by buying circular, prolonging lifetime and stimulating innovation, aiming for a carbon emission reduction of one-third to one-half when measured over an eight year period;
  - c. push towards transparent and fair value chains in terms of social justice, human rights and labor rights;
  - d. work towards a growing collective procurement volume with a starting aim of 3 million laptop and smartphones users by 2023. The Steering Committee can set further volume ambitions under the Pact.
2. The ambitions are achieved in dialogue between procurement, the ICT industry and value chain, non-profit organizations, NGOs and policymakers.

### 1.3 Definitions

1. A circular economy is defined as: an economic system of closed energy and material loops in which raw materials, components and products lose as little value as possible, while minimizing and avoiding waste creation and negative environmental and social impacts, and in which systems thinking is at the core.
2. Transparent and fair value chains are defined as: transparent and verifiable value chains that generate goods and services while taking into account and stimulating social justice, and recognizing international human and labor rights.
3. Circular and fair procurement is defined as: procurement which facilitates the move towards a circular economy and transparent and fair value chains.
4. Buyer groups are defined as: groups of ICT procuring organizations who coordinate their market approach and share knowledge on ICT procurement to promote mutual learning.

## Paragraph 2 – Participants and supporters

### 2.1 Participants

1. The Pact recognizes two kinds of participants: procuring organizations and coordinating organizations.
2. Public and private organizations that buy ICT products can sign the Pact as procuring organizations.
3. National, regional or local governments (or agencies) can sign the Pact as coordinating organizations.
4. Private organizations with a clear conflict of interest cannot join the Pact, such as organizations connected to the sales or production of ICT or ICT components, or organizations representing a specific ICT-related interest. In case of doubt, the Steering Committee decides whether or not to allow participation.

### 2.2 Supporters

1. Any non-participant organization can support the Pact by signing a Letter of Support.
2. Supporters:
  - a. endorse the ambitions of the Pact and promote the criteria, guidelines and tools made under the Pact;
  - b. contribute to the dialogue in the working groups when invited;
  - c. refrain from using the Pact network for marketing and sales purposes, unless otherwise agreed upon.

## Paragraph 3 – Procuring organizations, coordinating organizations and buyer groups

### 3.1 Actions of procuring organizations

1. Procuring organizations take action to:
  - a. harmonize demand by using the baseline criteria, guidelines and tools developed under the Pact where possible or by experimenting with higher ambitions;
  - b. extend the lifetime of devices in use, set conditions for reuse and repair and other approaches that promote circularity;
  - c. provide the time and effort required for ambitious procurement and knowledge sharing;
  - d. help anchor circular and social procurement of ICT within their own organization, including internal customer demand, tools and procedures;
  - e. provide information on coming tenders as part of the collective tender calendar on ICT under the Pact;
  - f. collaborate in a buyer group of ICT procurers linked to the Pact if available.
2. Procuring organizations monitor and report yearly to their coordinating organization:
  - a. the number and type of circular and fair devices procured, both new and refurbished or remanufactured;
  - b. the expected device lifetimes, end-of-life arrangements or other circular approaches;
  - c. the use of ICT labels and criteria;
  - d. other relevant data established in the buyer group or in the international working group on monitoring.

### 3.2 Actions of coordinating organizations

1. Coordinating organizations take action to:
  - a. boost the collective procurement power on ICT by reaching out to ICT procuring organizations in their own area, promoting the Pact and setting up (or linking to) an ICT buyer group;
  - b. actively support this buyer group by organizing meetings and collaboration within the group;
  - c. provide the Secretariat with current information on the number of ICT users served by members and observers of the buyer group;
  - d. actively collect monitoring results, lessons learned, good examples, feedback on criteria and tender calendar information from buyer group participants and deliver a coordinated report in English to the Secretariat once a year.
2. Coordinating organizations share how they address the above actions with the Secretariat in an annual action plan.
3. Coordinating organizations may appoint another organization to carry out their coordinating role as long as there is no conflict of interest as described under paragraph 2.1.

### 3.3 Actions of participants in a buyer group

1. All participants join a buyer group if available in their country or region.
2. Participants in a buyer group take action to:
  - a. collaborate and harmonize their market approach where possible within the buyer group;
  - b. share lessons learned, best practices and examples within the buyer group and with the broader (procurement) community in their country or region;
  - c. generate collective feedback on the use of criteria, guidelines and tools developed under the Pact;
  - d. appoint one or more international representatives to facilitate knowledge sharing with the international Pact community and to collaborate in working groups.
3. Coordinating organizations may allow non-participants to the Pact to join the buyer group as members or as observers, as long as there is no conflict of interest as described under paragraph 2.1.

## Paragraph 4 – Working groups

1. Working groups will be established under the Pact to collaborate on common issues and to set up common criteria, tools, guidelines or joint statements of demand.
2. Participants can join a working group.
3. Each working group will elect a chair from their midst. The Secretariat provides practical support.
4. The working group can invite supporters and other non-participants for a dialogue, such as ICT producers, non-profit organizations, NGOs, policymakers and organizations like the OECD, the UN or the EU. Non-participants have no deciding voice in the final products.
5. Participants can propose a new working group to the Steering Committee.
6. Products made in the working groups will be shared within the international Pact community and be made publically available.

## Paragraph 5 – Governance and finance

### 5.1 Steering Committee

1. A Steering Committee is established to determine the overall strategy and budget, monitor the progress of the Pact and to set out further targets. It takes action to promote the uptake of Pact commitments and ambitions by individual procuring organizations and buyer groups.
2. The Steering Committee approves the criteria, tools, guidelines and the collective annual progress report made under the pact.
3. The Steering Committee has a minimum of five and a maximum of eleven members and will elect a chair from their midst.
4. The first Steering Committee will be composed of high level representatives put forward by participating coordinating organizations in order of joining the Pact. Membership will be updated every two years using a rotating membership to ensure both good representation, expertise and continuity.
5. The Steering Committee meets two or three times a year.

### 5.2 Secretariat

1. A Secretariat is established, responsible for organizing and supporting the Steering Committee and the working groups.
2. The Secretariat organizes communication, a website, events and knowledge sharing within the international Pact community and organizes support in starting up buyer groups.
3. The Secretariat actively collects the monitoring reports from Participants and buyer groups, and draws up a collective annual progress report for the Steering Committee.
4. The Secretariat provides a transparent annual financial report on their work.

### 5.3 Financing the Pact

1. Coordinating organizations pay a yearly contribution to finance the work of the Secretariat and the working groups. Procuring organizations are not required to pay a fee, but are encouraged to contribute if possible.
2. The yearly contribution is established by the Steering Committee. The initial contribution is set at €15,000 per year. In consultation with the Secretariat, coordinating organizations can also provide an in-kind contribution to the Pact instead.
3. Coordinating organizations are encouraged to contribute in other ways to the advancement of the Pact, such as by financing a specific Pact working group or project.
4. Coordinating organizations are responsible for their own costs in supporting a buyer group.

## **Paragraph 6 - Functioning of the pact**

### **6.1 Legal status of the Pact**

1. This Pact does not create any rights or obligations under national, European and international law.
2. The Pact does not create any private or public body.
3. All information shared by participants, by supporters or by the Secretariat as part of the Pact is considered in the public domain.

### **6.2 Entry into effect and duration of the Pact**

1. This Pact will come into effect on June 14<sup>th</sup> 2021 and will be terminated on December 31<sup>st</sup> 2030.
2. The duration of this Pact may be extended by the Steering Committee if sufficient participants agree by written consent to stay part of the extended Pact.

### **6.3 Implementation of the Pact**

1. Participants will begin implementation of the Pact as soon as possible after its entry into effect.
2. The Pact will be implemented in accordance with national, European and international law, in particular with legislation on procurement, competition, state aid and technical standards and regulations.

### **6.4 New Participants and supporters**

1. New participants may join the Pact by sending a written application to the Secretariat. New supporters can send in a filled out Letter of Support. Information on how to apply will be made available on the website.
2. The Steering Committee decides on approval of new participants and supporters within one month of receipt of the request, based on the following criteria:
  - a. they endorse the ambitions and commitments of the Pact;
  - b. they can demonstrably contribute to the objectives of the Pact;
  - c. there are no grounds for doubting their integrity.
3. The Secretariat will publish the names of all participants and supporters on the website.

### **6.5 Amendment of the Pact**

1. Any participant can request the Steering Committee in writing to amend the Pact.
2. Any amendment requires the consent of at least 75% of all participants.

### **6.6 Ending participation or support**

1. A participant or supporter can terminate its participation or support of the Pact at any time. The Secretariat will publish the written notice of termination on the website.
2. Participation or support of the Pact by an organization may be terminated by the Steering Committee if it has reasonable grounds to attribute to a lack of integrity or effort which could negatively affect the implementation of the Pact, and only after hearing the organization.

### **6.7 Resolution of disputes**

1. Participants will seek to resolve any disputes relating to this Pact in mutual consultation. Failing this, they may present their dispute to the Steering Committee.
2. In seeking to resolve the dispute, the Steering Committee will give the participants involved an opportunity to present their views. If after six months the dispute has not been resolved, the Steering Committee will issue its recommendations to the participants involved. Participants agree to accept the recommendations as the final resolution of the dispute.

Signed,

Organization	
Name	
Title	
Participation type	Coordinating organization / procuring organization / both
Date	
Signature	