

Role of Green Public Procurement in improving resource efficiency

A Policy Brief from the Policy Learning Platform on
Environment and resource efficiency

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Summary

Public procurements representing approximately 19% of EU GDP. By using procurement as a tool strategic policy goals can be reached. This policy brief addresses the EU policies, approaches and good practices aimed at promoting green public procurement.

Introduction

Public authorities spend public money when they procure products or services. The amount of this public money is currently representing approximately 19 % of the EU GDP, accounting more than 2.3 trillion EUR. By spending such large amount of money authorities could have a significant impact on the market, could create demand and show a good example.

This potential of Green Public Procurement (GPP) as a policy instrument has been increasingly recognised at national, EU and international levels. In 2002, the OECD adopted a Recommendation on green public procurement. The UN also highlighted the importance of public procurement its Sustainable Development Goals (goal 12 on sustainable consumption and production).

Within the EU, the potential of GPP was first highlighted in the 2003 European Commission Communication on Integrated Product Policy. From that time on, understanding the power of public procurement, the European Union in all relevant strategic documents highlights the relevance of GPP in reaching sustainable development. In the light of this tendency nowadays public procurement is not merely treated as an administrative process for buying something, but rather as a useful tool that contributes to reaching strategic goals.

What is GPP

The European Commission in its Communication on Public procurement for a better environment defines Green Public Procurement as "...a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured."

As public procurement is regulated by law it is essential to have a favouring legal framework. In the EU we have a clearly supporting legal background since 2006. The Procurement Directives updated in 2014 enable public authorities to take environmental considerations into account. As part of the procurement process the procurer can set environmental criteria when defining the subject or when determine the technical specifications. GPP criteria can be used as selection or award criteria, and environmental aspects can be integrated also as contract performance clauses.

Furthermore, it is important to highlight than green tenders can be applied in the case of procurements below the threshold of the Procurement Directives as well.

Although in the last decades the improving environmental legislation has set several compulsory targets and limit values (e.g. emissions, electricity consumption, waste recycling etc.) there is clearly still room for improvement on the way to sustainability. Here green public procurement, as a voluntary policy instrument can have a key role.



What the EU did and does

In the Communication on Integrated Product Policy the European Commission recommended to Member States to adopt national action plans for GPP by the end of 2006. Most of the countries (23 Member States) set up these plans that are still alive. The Review of the EU Sustainable Development Strategy in 2006 set the policy objective for 2010 of bringing the average level of EU green public procurement up to the standard achieved by the best performing Member States in 2006.

Two years later, under the Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy (SCP/SIP) the European Commission indicated its commitment to further strengthen GPP and published the Communication on GPP.

In the SCP Action Plan the Commission was entrusted to set up common GPP criteria, to encourage publication of information on life-cycle costing (LCC) of products, to increase certainty about legal possibilities to include environmental criteria in tender documents and to establish support for the promotion and implementation of GPP through a political target linked to indicators and monitoring.

In 2011 the Roadmap to a resource efficient Europe set the framework for the design and implementation of future actions, outlining the structural and technological changes needed by 2050 to reach resource efficiency targets. The Roadmap mentioned the need for encouraging wider use of GPP.

The European Commission in the Circular Economy Action Plan called for an enhanced integration of circular economy requirements into public procurements, as public procurement should play a key role in the transition towards a circular economy. Based on these new developments the term, circular procurement appeared and related approaches are being spread.

With these policies the European Commission created a framework that encourage GPP. However, it should be highlighted that greening the procurement can be inspired and supported by upper level policies but the implementation in practice remains at local and regional level, at the authorities who procure the most. Their role is crucial.

How can local and regional authorities use GPP as a tool?

Although in the last 10-15 years several initiatives and programmes have been undertaken at EU and national level and a high number of projects were implemented at national, regional and local level to promote the implementation of GPP, still there is a huge unused potential.

The easiest way for local and regional authorities to stimulate the take-up of GPP approaches and solutions is to lead by example and include environmental considerations into their own purchasing decisions.

The best approach to have a strategy or policy for greening procurements. That would help to apply environmental considerations from the very beginning (e.g. needs assessment) of the procurement procedure. For example, a needs assessment can conclude, that buying something is even not necessarily needed.

If a procurement process is decided it is key where and how environmental criteria can be applied. The term “GPP criteria” refers to selection and award criteria and as already



mentioned above also to technical specifications and contract performance clauses. In line with the task delegated in the SCP Action Plan the European Commission has developed GPP criteria for a number of product and service groups, which are regularly reviewed and updated. The criteria are designed to be inserted directly into tender documents and include information on verification methods. Most of the criteria are available in all official EU languages. These criteria always include two levels for each sector covered: the so-called 'core criteria' are designed to allow easy application of GPP, focus on the key area(s) of environmental performance of a product or service, and aim to keep administrative costs for companies to a minimum.

The 'comprehensive criteria' take into account more aspects or higher levels of environmental performance, and are for use by authorities that want to go further in supporting environmental and innovation goals. Since 2011 the criteria development is mostly coordinated by the Commission's Joint Research Centre in Seville, Spain. Beside the EU GPP criteria several international, national even regional bodies developed criteria, that worth checking especially when the product or service intended to be purchased is not covered by the EU criteria. Environmental labels can also be very useful sources of GPP criteria.

Support from Interreg Europe Programme

The Interreg Europe Programme provides support to the uptake of new procurement approaches as part of the environment and resource efficiency theme. Out of the currently running Interreg Europe projects two have a focus on procurement.

GPP4Growth project brings together nine partners from nine countries, involving the managing authorities and regional bodies influencing regional and national policy instruments, to exchange experience and practices, and improve their capacity on implementing resource efficiency policies that promote eco-innovation and green growth through green public procurement.

SYMBI project contributes to improving the implementation of regional development policies and programmes related to the promotion and dissemination of industrial symbiosis and circular economy from seven participating countries. Through its activities the project, among others, aims to promote and prioritize green public procurement.



Guidelines on how to capitalise green procurement as an enabler of industrial symbiosis

Guidelines on how to capitalise green procurement as an enabler of industrial symbiosis were developed by the SYMBI project. The guidelines outline the results of an analysis of the level of development of GPP in SYMBI partnership regions. The paper highlights policies and measures that support the utilisation of GPP for the initialisation and advancement of industrial symbiosis and circular economy in the partnership countries. The analysis was based on data collected by the SYMBI partners from the partnership countries, i.e. (Poland, Italy, Greece, Spain, Finland, Hungary, and Slovenia). The paper concludes that countries with a low level of systematisation of GPP procedures have just started the strategic planning and implementation of GPP in their territories. Countries on the other side of the spectrum have fully implemented GPP in their public procurement processes and are now starting to regulate and implement it for the advancement of specialised issues such as industrial symbiosis.

<https://www.interregeurope.eu/symbi/>

In conclusion

Public procurement is not any more treated as an administrative procedure to purchase products and services but as an important tool to help reaching strategic goals, including resource efficiency objectives. In the past decade the EU created a highly supporting policy framework for GPP, but the real action should happen mainly at local and regional level. Studies showed that one of the main barriers to up-taking GPP is lack of information, knowledge and co-operation, that follows that it is important to exchange experience, share knowledge and promote the replication of best practices.

The Interreg Europe Policy Learning Platform stimulates knowledge exchange in four thematic areas. One of these is the Environment and Resource Efficiency Platform, which focuses on preserving natural and cultural heritage and promoting resource efficiency. The platform provides space for projects in the same family to share experiences and learn from each other. To ensure that the services and products provided by the platform meet user needs, we encourage you to share your ideas with the relevant platform managers and thematic experts. You will find their contact details here.



Sources, further information

- Buying green! A handbook on green public procurement. (3rd edition)
- Integrated Product Policy COM (2003) 302 final
- Sustainable Consumption and Production and Sustainable Industrial Policy Action COM 2008 (397) final
- Public Procurement for a Better Environment COM 2008 (400) final
- Roadmap to a Resource Efficient Europe COM 2011 (571) final
- Closing the loop - An EU action plan for the Circular Economy COM 2015 (614) final

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#GreenProcurement
#CircularEconomy
#GreenCriteria



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