



What is GPP?

Green Public Procurement (GPP) is the 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.

What is GPP4Growth?

GPP4Growth brings together the experience and practices of nine public bodies from across the EU in a bid to improve those public bodies' capacity to implement policies that promote eco-innovation and green growth through 'Green Public Procurement' (GPP). 14% of the EU's total GDP is consumed by Europe's public authorities. This public expenditure on goods, services and works has a total estimated value of €1.8 trillion annually. This substantial public authority 'purchasing power' can be utilised to stimulate eco-innovation, resource efficiency and green growth by promoting environmentally friendly, resource-efficient goods and services.

Benefits, barriers and opportunities associated with GPP in European regions



Executive Summary

This policy brief aims to present the results and key conclusions of research conducted in the context of GPP4Growth activity 'A1.1 Specifying the needs of GPP4Growth regions in GPP', with the participation of all GPP4Growth partners.

It highlights the needs of EU regions related to the GPP implementation by summarising the results of analysis that identified the enabling conditions, obstacles, advantages and opportunities associated with the integration and/or more effective implementation of GPP in the regions involved in the project.

The Research

The methods applied in this research activity consisted of a web survey and desk based research. The web survey was promoted to regional stakeholders, e.g. policy makers responsible for public procurement, SMEs and businesses of sectors with green growth potential. The goal was to uncover the needs of GPP territories with respect to GPP, referring to enabling conditions, obstacles, advantages and opportunities. The desk research was used to complement the findings of the stakeholders' survey, by investigating opportunities related to GPP in particular sectors of high interest for the partnership.

Results

The survey data from public administrations showed that a significant proportion but still not the majority of public administrations in EU regions have applied an environmental management system or similar initiatives. Furthermore, 66% of the surveyed organizations declared to be aware of the GPP instrument, despite the fact that only Italy has a proper GPP law.

The "Training Toolkit" for GPP provided by the European Commission is not well known (80% not aware) and only 6% of organisations have developed policy based on GPP with an official act or a formal regulation. On average 40% of the surveyed organizations, carry out green tenders. 37% of the surveyed organizations have a structured collaboration in place between the Department in charge of purchases and the Department in charge of environmental issues. The organization carrying out training and/or information actions about GPP are only 17% of the sample.

Environmental Management Systems

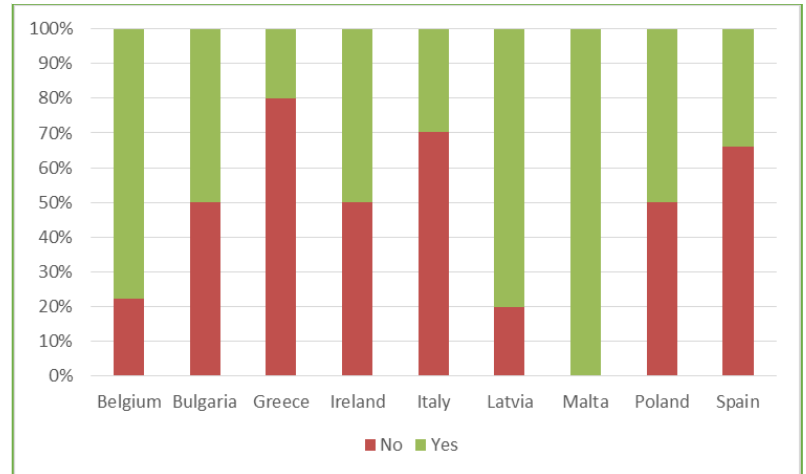
The survey data from enterprises showed that about 50% of the enterprises have an Environmental Management System, with ISO 14001 as the most common

Results

The amount of tenders (green or not) for goods and services bought through Regional or National Purchasing Bodies are often less than 30% of the total purchases. Monitoring of GPP and evaluation systems are rare (4%).

The main obstacle hindering the implementation of GPP is identified as a lack of familiarity with GPP itself. Other reasons are the perceived higher cost of green goods, services and works, the difficulty in drafting green tenders, the lack of knowledge about environmental impacts of goods/services/public works and the difficulties in finding the ecological criteria and brands to be included in green tenders.

% of Green tenders carried out in each GPP4Growth country (per survey results)



Are businesses investing internally in environmental strategies?

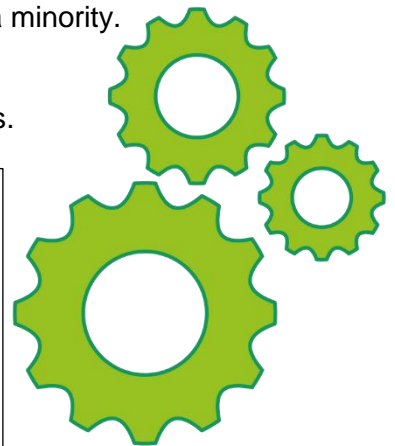
On average about 21% of the enterprises have Corporate Social Responsibility policies/certifications and 22% enterprises have an environmental accounting system or undertake environmental/social balance sustainability reporting. 36% of the surveyed enterprises have a communication plan or have activated some communication initiatives about environmental/social themes. However, those enterprises who are fully aware and informed about GPP and those that have a large turnover of green goods/services/works are still a minority.

With regards to GPP implementation, on average 40% of the surveyed enterprises take part out green tenders.

What are the most common categories of goods and services for GPP?

The results of the survey highlighted that green criteria are most frequently applied to the purchase of

- computers,
- cleaning products and services,
- electricity,
- copying and graphic paper
- transport



Additional results from desk based research

- Buying services rather than goods (e.g. in the information technology market) provides suppliers with a strong incentive to supply top products in terms of energy performance, durability and quality, with less CO2 emissions, less material use, no waste and increasing the level of efficiency for end users.
- The public procurement market, including the centralised public procurement market, is a strategic tool for creating an environmentally friendly attitude and promoting environmentally friendly products.
- Environmental requirements must work together with economic interests (cost efficiency, favourable tender prices).
- Green products have to keep compatibility with other non-green product and services. Therefore, that green products can enter the market gradually, even if not all the chain can be replaced (e.g. the compatibility of the printers and the recycled paper or the bio-fuel and the vehicle engine)
- Raising awareness on available green products, with catalogue and advertisements, is a key factor for their success.
- Obtaining information on GPP tenders/contracts is still difficult, since this market is still not well known.
- The lack of managerial and technical skills to deal with complex/new tender procedures is still slowing the growth of the green products and services market.
- Green products and services are generally innovative and but enterprises need financial resources to keep researching state of the art green alternatives.
- The lack of common green criteria lead to increased administrative burden.



Conclusions

Public administrations have a great capacity to drive the green economy, shaping the market by creating a demand for more sustainable and environmentally friendly goods and services. This is most effectively achieved when all public authorities apply GPP in a widespread way. Public administrations therefore show great potential in guiding the market towards solutions with a lower environmental impact, once the knowledge elements and the specific tools to implement them have been acquired.

For many regions, raising awareness, providing training and ensuring support for procurers in the public authorities is difficult given the voluntary nature of the GPP instrument within those regions. The creation of preparatory initiatives for the adoption of GPP policies at various levels (strategies, plans or programs), with the involvement of all the stakeholders, can represent the opportunity to systematize the initiatives in progress, foster the knowledge and promote contact between demand and supply.



Policy Recommendations

Public Administrations and enterprises have similar visions about opportunities and advantages of GPP. Both see that the most important opportunity for GPP is as a driver to improve the quality of the environment and improve their own public image. However a common vision and a mutual understanding between PA's and enterprises is a crucial factor for the development of the green economy and any policy development must include significant input from both parties.

PAs and enterprises state different obstacles and barriers in implementing GPP and these issues need to be taken into consideration when trying to implement GPP policy. According to the survey Public Administrations often show little familiarity with GPP and the tools to implement it. In many cases they are not fully aware of its environmental and economic implications in terms of benefits generated and real costs of green goods and services compared to traditional ones. As a result policy makers must be sure to take this into consideration when designing policy instruments to increase GPP.

The enterprises surveyed observed problems in adapting their offer to the requests of the PA. Mainly they state increasing costs of products, services and works in order to meet the green requirements. More market engagement and research on green alternatives must be central to new GPP policies.

In both sectors a deeper knowledge is required in some specific topics and regarding the tools to implement GPP. Both PAs and enterprises need training courses, information sessions and workshops as well as guidelines to help them insert green criteria into the tender process. PAs show the need for some practical examples of green tenders with technical specifications. Enterprises need also noted that measures are required to help to simplify regulations in this area.

More Information

This policy brief is provided by Department of Communications, Climate Action and the Environment of the Republic of Ireland / Roinn Cumarsáide, Gníomhaithe ar son na hAeráide agus Comhshaoil, and is based on a research report prepared by the Lombardy Region, Italy, a GPP4Growth partner. The full report is called 'Needs analysis report presenting the benefits, barriers and opportunities associated with GPP in the GPP4Growth regions' and is available on request.

Visit www.interregeurope.eu/gpp4growth for more about GPP4Growth.

QUERIES

Contact :
The Department of
Communications,
Climate Action and
Environment

Address:
Newtown Road,
Wexford, Ireland