



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.

Summary Report on the Interregional Workshop on Eco-Labels and Non-Exclusive GPP Practices.



Executive Summary

An interregional workshop on eco-labels and non-exclusive GPP practices was held in May 2018 in Bulgaria. The Regional Economic Development Agency of Stara Zagora (SZREDA), who are a partner within the GPP4Growth programme, organised and hosted the workshop which took place over two days.

This policy brief summarises the main points concerning three key topics discussed during the workshop by attendees: 1) the use of eco-labels in the GPP process; 2) a case study which demonstrates the complicated nature of businesses integrating eco-label certification as part of their offerings; and 3) the factors which affect public authorities' (large and small) uptake of green public procurement practices. The policy brief then outlines a series of policy recommendations derived from the activities and discussions of the stakeholders during the workshop. These recommendations if integrated with regional policy development will improve the roll-out, management and awarding of green tenders in GPP4Growth partner regions.

The Interregional Workshop

A mixture of representatives from regional authorities across the nine GPP4Growth partner regions and their related stakeholders attended the interregional workshop. 43 people attended on the 16th May and 25 on 17th May.

The purpose of the workshop was for GPP4Growth stakeholders to explore how to use eco-labels to apply environmental criteria and verify compliance with technical specifications in public procurement, and when to require an eco-label without leading to any unfair advantage or disadvantage for potential bidders.

The opportunity for sharing experiences that a workshop such as this offers can reduce the duplication of similar work across partner regions and the wasting of resources. GPP4Growth partners can see what has worked for other partners in relation to GPP policy and what has not. They can thus take a more informed approach to their own policy development.

The interregional workshop included three different types of activities to facilitate the transfer and exchange of knowledge and capacity-building among regional authority representatives. These were presentations, roundtable discussions and site visits. Internal debriefing meetings organised by each project partner wherein the final learning outcomes of the workshop were presented and diffused within each partner's organisation is the final stage of the 'interregional workshop' model.



Many important issues surrounding GPP were discussed over the course of the two-day workshop however three topics stand out as being useful to address in this policy brief. The key knowledge and learnings deduced from the exploration of these topics by the stakeholders who attended the workshop is outlined here.

TOPIC 1: Using Eco-Labels in Green Public Procurement (GPP)

What are Eco-Labels?

'Environmental labels' or 'eco-labels' are a voluntary information and certification scheme that help buyers make purchasing decisions by providing information on a product or service's environmental quality and performance. Eco-labels enable consumers to identify environmentally friendly products while also encouraging the market to produce less environmentally harmful and more sustainable products. It is generally regarded that eco-labels offer a guarantee of impartiality, reliability and scientific accuracy particularly when third party certified

Eco-labels can be used in the context of GPP to:

1. Define environmental criteria (i.e. technical specifications) for the procured products or services, based on the requirements prescribed by the label.
2. Verify that products or services meet the environmental criteria set in the tender, by accepting the label as a proof of compliance with the technical specifications.
3. Prioritise products and services that meet the standards set by eco-labels providing a strong incentive to manufacturers to adopt green practices and deliver sustainable goods of superior value for consumers.

EU Directive 2014/24/EU Article 43 sets out a number of conditions surrounding eco-labels that must be met before a public authority can use a particular eco-label as an evaluation criterion within a public procurement process.

Concerns regarding the use of Eco-Labels in GPP

There are concerns that requiring a specific eco-label as a proof of compliance within a tendering process could lead to preferential treatment towards particular suppliers. To avoid this, procurers should not require suppliers to have their product or services registered under a specific eco-labelling scheme. Suppliers should be able to provide other environmental labels that have equivalent requirements or provide technical documentation that demonstrates compliance with the required environmental specifications.

Eco-labels themselves can help with this issue by providing public authority procurers with an informed source of information that can guide the technical preparation and evaluation of the relevant technical specifications within a green tender. Such an information resource would also help public authority procurers in identifying the most sustainable products or services.

It is important to remember that, in general, participation in eco-labelling schemes is voluntary. The only cases that procurers can require suppliers to provide a specific label is when the national or EU legislation dictates to do so or when such a requirement does not distort the overall competition process because labelling is a common practice within the product category in question.

Eco-Labels and the ISO

The International Organisation for Standardisation (ISO) has classified environmental labels into three broad categories:

1. Third-party certified labels, whereby a company ensures its product meets an environmental standard developed by an objective third-party;
2. Self-declared environmental claims, whereby a company makes positive environmental claims about their own products);
3. Single-issue eco-labels, whereby a specific environmental aspect related to part of the lifecycle of a company's product is measured and communicated e.g. a product's 'carbon footprint'.

TOPIC 2: Problems for business related to Environmental Certification (Sredna Gora AD case study)

The Company: Every year, the Bulgarian furniture manufacturer, Sredna Gora AD buys and processes over 18,000 cubic meters of beech and pine wood, sourced solely from Bulgarian forests. The company produces an average of 2,500 chairs per day and is the largest supplier of pine chairs for IKEA in Europe.



The Problem: In 2013 Sredna Gora AD received a certificate for responsible forest management and environmental impact from the Forest Stewardship Council (FSC). For FSC labels to be valid, the standard requires all organisations in the supply chain to be certified. However, in practice, although they are certified themselves, some processing companies (such as Sredna Gora AD) cannot always buy certified wood as the respective forest holdings do not have an FSC certificate. Thus, the chain of certified deliveries is interrupted by the forest holdings. In Bulgaria, only about 50% of forest holdings are currently certified in line with the FSC standard. (One of the strategic goals of the Executive Forest Agency in Bulgaria is to raise this level of certified forest holdings to 85% in 2019.)

Why is this a problem? At the moment, there is a real danger that large European furniture retail companies may redirect their production from Bulgaria to countries that have 100% certified forests and thus are regarded as having a low risk status. This will have a significant negative effect on the production of furniture in Bulgaria and may result in the closure of individual companies such as Sredna Gora AD.

How GPP4Growth can help: Both the local stakeholder that presented the case study at this workshop and Bulgaria's Executive Forest Agency who also spoke to the group at this interregional workshop have agreed that they need to work together to draft a proposition for a policy change to address this issue and try to secure the sustainability of the furniture production sector in Bulgaria. This will be a positive outcome that came directly from this interregional workshop and the GPP4Growth project in general.

TOPIC 3: Factors affecting GPP uptake by Public Authorities (including the uptake by smaller procurers)

The factors which affect the uptake of GPP practices by public authority procurers were identified and discussed at the workshop. The model of 'joint procurement' (outlined on the following page) was suggested to address the main issues raised by these factors. The factors affecting the uptake of GPP by public authorities are:

- Political support at institutional level (i.e. the contractor) and at the level of the national agencies responsible for public procurement.
- Access to legal expertise in applying environmental criteria in tenders.
- Cooperation between authorities to exchange best practices.
- Myths about green procurement needing to be overcome, such as the popular perception that "green is more expensive", a myth driven by evaluating the purchase price alone rather than the full life-cycle cost of a product or service.
- Availability of practical tools and information.
- Training of public procurement experts and administrative staff.
- Systematic implementation and integration into management systems to enable decentralized decision-making.
- Availability/access to clear and verifiable criteria which can be incorporated into the tendering documentation while complying with EU procurement directives.
- Low level of consumption and administrative capacity of smaller municipalities.

Why use an Interregional Workshop?

As an INTERREG programme, the sharing of knowledge and expertise among project partners is critical to GPP4Growth. During interregional workshops, project partners are provided the opportunity to: gain insights and understanding of the political priorities and initiatives within the field of green public procurement; identify challenges and needs to be addressed at the implementation phase of their action plans (Phase 2 of the GPP4Growth initiative); and ensure the participation of key stakeholders in the development and facilitation of their action plans.

Joint Procurement

It was noted at the workshop that joint procurement would address many of the issues raised by the factors above. 'Joint procurement' is combining the procurement actions of two or more contracting authorities so that only one tender is published and managed on behalf of all participating authorities.

The benefits of this model of public procurement are:

- Lower prices of environmentally-friendly products;
- Administrative cost savings (and enabling the participation of smaller municipalities);
- Combining expertise and competencies;
- Potential introduction of greener products to new markets or countries e.g. in a cross-border collaboration;
- A tool to promote innovations.



A good example of joint procurement is the city of Stockholm's joint procurement for buying electric vehicles. In that instance, 296 organizations (260 public, 36 private) drafted the tender procedure. The estimated purchase volume of this consortium was 1250 vehicles per year. There were only two separate contracts tendered in that instance, one for the public organizations and one for the private organisations. This approach saved on tendering administration costs, increased the overall bargaining power of the procurer (leading to a lower price achieved) and enabled smaller municipalities to participate in the procurement process.

Policy Recommendations

- Develop a national action plan that will outline key actions and measures to promote green public procurement.

In relation to the application of green criteria in public tenders:

- Apply monitoring methods for public tenders that allow data collection, dissemination of information and continuous assessment and revision of the procurement process.
- Expand the application of green criteria by overcoming the misconceptions that often cause distortion in markets.
- Make the implementation of green criteria in public procurement mandatory.
- Foster capacity-building for public sector employees in relation to applying green criteria to public tenders.
- Expand the categories of products, works, and services in which green criteria can be applied.
- Develop tools and inventories to facilitate the application of green criteria, such as a 'green products' database.
- Develop support systems for public buyers and suppliers to facilitate the networking and production of goods/services.

In relation to monitoring green public procurement (GPP) procedures:

- Create a unified catalogue of contracting authorities that shows the extent they use green criteria in public tenders.
- Develop a database tracking businesses' participation in public procurement and especially in green tenders.
- Develop a user-friendly, accurate region-wide monitoring system to measure the number and value of green contracts.
- Carry out periodically qualitative reviews on GPP data to identify and monitor environmental and economic achievements, best practices, obstacles, shortcomings, necessary adjustments and opportunities.
- Set up a centralised portal for green tenders where all calls for public tenders will be published and interested parties will have access to procurement information.

In relation to networking with GPP stakeholders:

- Organise training workshops that familiarise public sector employees and SMEs with GPP processes & requirements.
- Develop learning materials such as handbooks, presentations and videos to increase the capacity of public administration staff i.e. the procurers.
- Organise events to facilitate the exchange of information between 'green' suppliers and public administrations.

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 report prepared by the Stara Zagora Regional Economic Development Agency (SZREDA), a GPP4Growth partner. The full report is called 'Summary Report on Interregional Workshop on Eco-Labels and Non-Exclusive GPP Practices' and is available on request.

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