



European Union  
European Regional  
Development Fund



# Interreg Europe GPP4GROWTH project's **Action Plan**

by

**Zemgale Planning Region**



Jelgava, 2019

## **Part I General information**

**Project:** Green public procurement for resource efficient regional growth.

**Acronym:** GPP4Growth

**Partner organisation:** Zemgale Planning Region

**Country:** Latvia

**NUTS2 region:** Latvija

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## **Part II Policy context**

**The Action Plan aims to impact:** Investment for Growth and Jobs programme

**Name of the policy instrument addressed:** Latvian Operational Programme “Growth and Employment” (OPGE)

**Further details on the policy context and the way the action plan should contribute to improve the policy instrument:**

**THE POLICY INSTRUMENT:** Latvian Operational Programme “Growth and Employment”

The objective of Latvian Operational Programme “Growth and Employment” (OPGE) is to define the priority axes, objectives and achievable results for the Cohesion Policy funds (Cohesion Fund) in accordance with the Europe 2020 Strategy, Latvian National Development Plan for 2014-2020 and the verve of many other national development documents and programmes created in accordance with the recommendations of the European Council. OPGE also defines general principles for implementation, monitoring and evaluation of priorities co-financed by the Cohesion Fund.

The previous national operational programme for the planning period of 2007-2013 had proven its essential stimulative effect on the national economy and the existing OPGE is developed to be even more effective for the further economical growth of Latvia.

In general, 9 (nine) priority axes have been created in the OPGE. For each priority axis there have been defined investment priorities that correspond to the Cohesion Fund regulations. Specific support objectives have been defined for the implementation of the priority axes and investment priorities, which have the results to be achieved and the indicative actions to be implemented.

For the further effective Cohesion Fund policy implementation, a total of 4 418.2 mil. EUR are available for the OPGE. The operational program prepared for the planning and implementation of Cohesion Fund's investment, which combines the funds available for implementation ensuring the provision of thematically focused and complementary support to the identified priority needs.<sup>1</sup>

#### **GPP4GROWTH PROJECT:**

The “Green public procurement for resource efficient regional growth - GPP4Growth” project aims to improve the implementation of policies on resource efficiency in particular the Circular Economy, by incorporating green public procurement (GPP) criteria to support public administrations and businesses to adopt lifecycle cost approaches and improve the overall management of resources and waste. The project will allow the involved public authorities to share practices and experiences relevant to the benefits and methods for implementing GPP, use of common GPP criteria for key sectors and identification of opportunities to apply GPP to achieve green growth based on regional conditions and challenges.

GPP4Growth brings together 9 partners from 9 countries, involving the managing authorities & regional bodies influencing regional and national policy instruments, to stimulate eco-innovation, resource efficiency and green growth by promoting Green Public Procurement (GPP). The project also aims to support public administrations and businesses to adopt lifecycle cost approaches and improve the overall management of resources & waste. The project includes a wide range of activities, focusing on promoting the interregional learning process and the exchange of experience among regional authorities. Project activities include:

- Analysing the needs of GPP4Growth regions in Green Public Procurement.
- Identification of successful green public procurement cases.
- Evaluation and analysis of existing policies, plans, and criteria for GPP in the key GPP4Growth sectors.
- Analysis of the factors (barriers and enablers) that influence businesses in key GPP4Growth sectors to get involved in green tenders and contracts.
- Promoting public dialogue and the consultation process to build consensus and ensure the successful implementation of regional action plans, through the support and participation of key regional stakeholders.
- Fostering interregional learning and capacity building through workshops, study visits, and policy learning events.
- Development of transferable tools & resources to promote benchmarking and policy learning, and transfer knowledge and lessons learned beyond the partnership.

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<sup>1</sup> Latvian Operational Programme “Growth and Employment”



- Joint development of action plans to promote the improvement of the policy instruments addressed by the project.
- Increasing awareness, promoting and disseminating the project results and knowledge beyond the partnership.<sup>2</sup>

## **POLICY INSTRUMENT'S IMPROVEMENT:**

The GPP4Growth project's action plan by Zemgale Planning Region aims to improve OPGE's 5th priority axis "Protection of environment and effective use of resources" implementation.

To promote effective use of resources and impact on the environment protection, by promoting adaptation to climate change, risk prevention and management within the framework of the priority axis, it is planned to provide ERDF and CF support, thereby combining priority axes set within the framework of thematic objectives „Promoting adaptation to climate change, risk prevention and management" and „Preserving and protecting environment and improving effective use of resources", taking into account that the planned actions to be implemented are supplementing each other and will provide the possibility to people to live in clean and improved environment, by implementing activities aimed at sustainable development, preserving quality of environment and biological diversity, ensuring sustainable use of natural resources, as well as participation of society in decision making process and its awareness of environment condition.

Areas to improve is that Latvia needs to increase the awareness about the benefits of the implementation of green criteria in public procurement processes, as well as expand their use in its public administrations, in order to modernise the interactions between the latter and the nongovernmental sector, resolve environmental issues, and achieve green growth.

Initially proposed self-defined performance indicator in relation to the policy instrument addressed by Zemgale Planning Region - % decrease in exported recycled waste after the implementation of GPP4Growth action plans. <sup>3</sup>

Nevertheless, the project implementation showed that achieving initially proposed self-defined performance indicator by the means of the green public procurement implementation is extremely difficult and the monitoring of the achievements is also a hard and complex process which requires much more capacity than we currently have. There are no doubts that buying green products and services leads to a lower waste production and a better waste management but, unfortunately, it is hard to monitor and follow the applied improvements. Taking into consideration the mentioned above

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<sup>2</sup> GPP4Growth project's "Good Practice Guide on successful GPP cases"

<sup>3</sup> Interreg Europe programme project GPP4Growth, Application from

Zemgale Planning Region (ZPR) project team together with main stakeholders decided to change the self-defined performance indicator to a new one. The proposed indicator is - **% increase of the green public procurements in Zemgale region and Latvia after the implementation of GPP4Growth action plan**. The new indicator is way easier to monitor and calculate as there would be a statistical data from Zemgale local municipalities (procurement departments) and the national statistical data on GPP implementation would be also available.

## **PROJECT CONCLUSIONS FOR THE FURTHER ACTIONS**

The GPP4Growth implementation and the execution of the project activities had generated variety of findings and results in relation of the actions needed to be included in the regional action plan (AP). ZPR project team had been monitoring and valuating the generated outputs since the project start and the most important conclusions and recommendations, which are mentioned below, play vital role in the madden decisions of the proposed actions.

### **GPP4Growth Joint analyses & peer reviews: Conclusions**

1. PAs and enterprises state different obstacles and barriers in implementing GPP in relation with their economic, social and environmental role in the society. Public Administrations often show little familiarity with GPP and with the tools to implement it such as difficulties in finding the ecological criteria to be included in green tenders a lack of knowledge about environmental impacts of goods/services/public works as well as poor understanding of the environmental and economic implications, in terms of benefits generated and real costs of green goods and services compared to traditional ones. The enterprises found observed problems in adapting their offer to the requests of the public authorities (PA). Mainly they state increasing costs of products, services and works that they must guarantee in order to meet the green requirements. Therefore, the PAs have a great capacity to drive the market through their demand and to stabilize the costs when all the PAs will apply GPP in a widespread way<sup>4</sup>;
2. Local authorities are hesitant to implement green procurement due to the high upfront costs. The inclusion of green criteria into tendering procedures should become a mandatory requirement for all public authorities<sup>5</sup>;
3. Address the definition gaps in legislation concerning fundamental terms related to GPP (e.g. waste, by-products, recycling, reuse, recovery, environmental

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4 The GPP4Growth project's activity A1.1 "Needs analysis report presenting the benefits, barriers and opportunities associated with GPP in the GPP4Growth regions"

5 The GPP4Growth project's activity A1.2 "Identifying successful green public procurement cases"



labelling) and establish a common set of technical, environmental and managerial principles underlying tendering procedures.

4. Resolve issues related to conflicting regulations that prevent companies from adopting green practices<sup>6</sup>;
5. The successive implementation of obligatory environmental criteria instead of fully abandoning them<sup>7</sup>.

#### **GPP4Growth regional stakeholder meetings in Latvia: Conclusion**

1. Legal norms: new public procurement law and new regulation (especially mandatory fields) and guidelines on GPP as well as existing regulation of GPP in the transport sector and catering help to implement GPP on the local level;
2. Support tools, e.g. lifecycle cost calculators will also make GPP more easily implementable<sup>8</sup>;
3. New Public procurement law and GPP regulation and guidelines help to implement GPP on the local level, however, there are some regulatory loopholes to be fixed;
4. Amendments should be made to the regulation (Ministers Cabinet regulations) to simplify it and make it easier to implement<sup>9</sup>;

#### **GPP4growth interregional workshops and study visits: Conclusions**

1. The GPP4Growth 4th semester's study visits in Wexford, Ireland which relates to the integration of energy saving innovative solutions into the public infrastructures and buildings provides a clear evidence of the usefulness of the green criteria inclusion into the construction & renovation works tenders. As a result, such activities lead to a great energy consumption savings, CO2 emissions decrease and lower bills for the building's maintenance;
2. The GPP4Growth 5<sup>th</sup> semester's study visits in Antwerp, Belgium provided a better understanding of the circular economy adoption by the means of the smart implementation of the green procurements in the regional public administrations. The Antwerp experience shows the use of the sustainable products and services purchase in comparison with cheaper analogues with the lower sustainability indicators. This experience shows that the expensive but sustainable product is cheaper on the long distance rather than cheap product which is not cheap on

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6 The GPP4Growth project's activity A1.4 "Report on the factors that influence business of key GPP4Growth sectors to participate in green contacts and tenders"

7 The GPP4Growth project's activity A1.3 "Policy recommendation report on the improvement of existing resource-efficiency policies and GPP plans"

8 The Latvian regional stakeholder group meeting's summary No.1

9 The Latvian regional stakeholder group meeting's summary No.2

the long run as, probably, it should be purchased again in the short period of time.

### **Part III – Details of the actions envisaged**

#### **ACTION 1**

#### **Name of the action: Amendments to the Ministers Cabinet's regulation No.353 "Requirements for the Green Public Procurement and its Implementation"**

**1. Relevance to the project (please describe how this action derives from the and in particular from the interregional exchange of experience. Where does the inspiration for this action come from?)**

The inspiration of this idea mainly comes from the regional stakeholder group meetings and the project joint analyses & peer reviews which reflect the need of the legislative basis improvement in Latvia to achieve a better level of the GPP implementation in the region. The conclusions related to the amendment's implementation to the Latvian Ministers Cabinet's regulation No.353 "Requirements for the Green Public Procurement and its Implementation" are briefly described in the current AP section "PROJECT CONCLUSIONS FOR THE FURTHER ACTIONS". In the lower degree the interregional experience from Wexford (also see the current AP section "PROJECT CONCLUSIONS FOR THE FURTHER ACTIONS") serves as a good inspiration source of applying obligatory green criteria implementation in the construction & renovation works procurements.

**2. Nature of the action (please describe precisely the content of the action 2. What are the specific activities to be implemented?)**

The Latvian Ministers Cabinet's regulation No.353 "Requirements for the Green Public Procurement and its Implementation" obligates national procurers to implement a green public procurement in seven procurement categories of goods and services since the 20<sup>th</sup> of June, 2017. The regulations contain mandatory list of the procurement categories which are: office paper; imaging equipment; PCs and ICT equipment; food and catering; chemical cleaning products; indoor lightning; street lightning and traffic signals. The mandatory list contains green criteria which should be observed making the procurement procedure.

Another part of the regulations provides the voluntary list of the 14 procurement categories which proposes national procurers to implement green criteria in these categories as well, providing examples of possible green criteria. The voluntary list contains following procurement categories: Construction works, Road construction, Water-based heaters, Gardening products, electricity, toilet and urinals, combined heat power, furniture, waste water infrastructure, wall panels, sanitary tapware, textiles, transport, electronic equipment in the health care sector. Taking into



consideration the complexity of these categories the regulations cannot obligate procurers to implement green criteria in these tenders as it requires better and deeper understanding of all factors involved in the certain categories. For example, the construction works procurement requires observation of many national regulations and requirements, the technical specification contains complex and sophisticated requirements and including the green criteria in the technical specification is not so easy as it may conflict with many different national regulations and do the limitations to certain construction services providers what violates the free competition principles.

The project implementation and the project outputs like policy analyses, recommendations, stakeholder group meetings have multiple evidences that improving the existing Ministers Cabinet's regulation No.353, would lead to a general and rapid GPP increase in the country. Taking into consideration that the existing regulation No.353 is relatively new legislative act which wasn't amended before it requires reinvestigation of several included terms because the two years' experience, of the act being in force, showed that the better harmonization within the act is required, evidences also show that external harmonization of interaction with other legislative acts is required because many gaps have been found by the procurers and responsible Ministry of Environmental Protection and Regional Development.

The only way to achieve the improvement of the legal act is to provide the amendments. The amendments procedure is a complex process which should contain concrete steps of the implementation. The Latvian main stakeholder of the GPP4Growth project the Ministry of Environment and Regional Development is the national GPP policy responsible body so it has rights to propose the amendments to The Latvian Ministers Cabinet's regulation No.353 "Requirements for the Green Public Procurement and its Implementation".

Therefore, at the ending stage of the GPP4Growth project's phase one Zemgale Planning Region agreed with the representatives of the Ministry of Environment and Regional Development that both parties would promote the idea of the amendments to existing Ministers Cabinet's regulation No.353 and include it into the regional action plan as the core action.

The action implementation foresees the experts' working group which is going to suggest amendments for the Ministers Cabinet's regulation No.353. The working group would have several sessions/workshops, at least four, to suggest the possible solutions for the legal act's harmonization and improvements, in addition the possibility of the new procurement categories transfer from the voluntary list to the mandatory list would also be discussed. The solutions should contain the harmonization of the legislative and regulative basis, clear and transparent green criteria which should be included in the technical specifications of the transferable



categories, field experts' consensus on proposed criteria and etc.. Zemgale Planning Region's GPP4Growth project manager would be a member of the working group and would provide the experience and knowledge gained within the project to achieve a better harmonization level of the made decisions on green criteria in the regulation No.353.

The suggested action is being considered as the best because of the following factors:

- a) Action doesn't require noticeable budget. Core activities like workshops and administrative expenses would be covered from the existing budget of the Ministry of Environment and Regional Development.
- b) The action's successful implementation would lead to a general and rapid GPP amount increase in the country.
- c) The achievements of the implemented action would be easily monitored with the help of the national statistical data on the GPP implementation. And the self-proposed indicator - **% increase of the green public procurements in Latvia after the implementation of GPP4Growth action plan** would be monitored and reported.

**3. Stakeholders involved (please indicate the organisations in the region who are involved in the implementation of the action 1 and explain their role):**

**Ministry of Environment and Regional Development.** As the managing authority of the Latvian policy instrument. The Ministry would initiate the amendments procedure for the Ministers Cabinet's regulation No.353 "Requirements for the Green Public Procurement and its Implementation". The Ministry would be also responsible of the submission of the proposed amendments to the State Secretaries Council. Core activities like workshops and administrative expenses would be covered from the existing budget of the Ministry.

**Latvian Procurements Monitoring Bureau.** As the national monitoring and control responsible body the Latvian Procurements Monitoring Bureau would participate in the experts' working group and influence the made decisions relevant to the further amendments of the regulations.

**The Ministry of Agriculture.** The ministry would participate in the experts' working group and influence the made decisions relevant to the further amendments of the regulations in the context of the ministry's niche and vision.

**The Ministry of Economic.** The ministry would participate in the experts' working group and influence the made decisions relevant to the further amendments of the regulations in the context of the ministry's niche and vision.

**The Ministry of Finance.** The ministry would participate in the experts' working group and influence the made decisions relevant to the further amendments of the regulations in the context of the ministry's niche and vision.

**Latvian Chamber of Commerce and Industry.** The Chamber would participate in the experts' working group and influence the made decisions relevant to the further amendments of the regulations.

**National field experts' representatives: environmental organisations, NGOs, field experts in construction and furniture industries.** Experts would participate in the experts' working group and influence the made decisions relevant to the further amendments of the regulations.

**National procurers' representatives.** The procurers would participate in the experts' working group and influence the made decisions relevant to the further amendments of the regulations.

**Zemgale Planning Region.** ZPR would participate in the experts' working group and would provide the experience and knowledge gained within the project to achieve a better harmonization level of the made decisions on green criteria in the transferable procurement categories. ZPR would also monitor the process and the achieved results.

#### 4. Timeframe (please specify the timing envisaged for action 1)

ACTION	TIMEFRAME
<p>1. <b>Ministry of Environment and Regional Development</b> initiates the experts' working group on the regulation's No. 353 amendments. Latvian Procurements Monitoring Bureau, Latvian Chamber of Commerce and Industry, National field experts, National procurers, Zemgale Planning Region delegates its representatives for the working group.</p>	November – December, 2019
<p>2. Working group's sessions on the further amendments of the regulation no 353. and the decision making of the prosed amendments. At least four</p>	November, 2019 – April, 2020



sessions. Ministry of Environment and Regional protection hosts and run the sessions.	
3. Ministry of Environmental protection submits the proposed amendments to the State Secretaries Council	April - June, 2020
4. Zemgale Planning Region would monitor the statistical data of the green procurements in the country after the amendments of the regulations No.353 would stay in force.	July, 2020 – December, 2021

**5. Costs (please estimate the costs related to the implementation of action 1)**

**Ministry of Environment and Regional Development** - Relative administrative costs for initiating and managing sessions/workshops of the experts' working group and submission of the proposed amendments to the regulation No.353. Core activities like workshops and administrative expenses would be covered from the existing budget of the Ministry of Environment and Regional Development. The ministry would also cover all related expenses by its own means in the framework of its duties execution.

**Zemgale Planning Region** – relative administrative and travel expenses for participating in the expert's working group and monitoring the action implementation. The costs would be covered from the existing ZPR project budget of the 2<sup>nd</sup> phase.

Action doesn't require additional funds. The own funds of the involved parties would ensure the action implementation.

## ACTION 2

**Name of the action: The execution of the green public procurements in Zemgale region local municipalities after the provided technical specifications' templates**

- 1. Relevance to the project (please describe how this action derives from the and in particular from the interregional exchange of experience. Where does the inspiration for this action come from?)**

The inspiration of this idea mainly comes from the regional stakeholder group meetings and the project joint analyses & peer reviews which reflect the demand of the supportive tools for procurers to implement GPP. The conclusions related to the GPP support tools are briefly described in the current AP section "PROJECT CONCLUSIONS FOR THE FURTHER ACTIONS". In the lower degree the interregional experience from Wexford and Antwerp (also see the current AP section "PROJECT CONCLUSIONS FOR THE FURTHER ACTIONS") serves as a good inspiration source of providing support tools for a better GPP implementation.

- 2. Nature of the action (please describe precisely the content of the action 2. What are the specific activities to be implemented?)**

The main Latvian stakeholder is Ministry of Environment and Regional Development which is responsible policy maker for the GPP implementation in Latvia. In the framework of the Ministry's responsibilities and tasks it has ordered a big research on the GPP implementation in Latvia to an external consultation company "Gateway & Partners" in May, 2019. In addition to the research the externals are helping ministry to organise the regional trainings and workshops on GPP implementation in different procurement categories which are taking place in October, 2019 (4 sessions are appointed in four different cities of Latvia). During these trainings there are discussion sessions among procurers to help them better understand the possible application of green criteria in the different tenders' categories. The research and workshops results are being considered to be useful to provide the co-shaped templates for several procurement categories (categories are not defined yet as the research is still in process). The templates would provide technical specifications for some procurement categories which contain green criteria and could be used for the execution of GPP by national procurers. The responsible organisation of the templates provision is also "Gateway & Partners".



After ZPR project team had got the information on the ongoing processes, project manager shared the project outputs and interregional experience with the “Gateway & Partners” company to help them with the ongoing research, in addition to that ZPR representatives participated in the workshops organised by the Ministry and the externals on the GPP implementation and shared information and experience gathered through the GPP4growth project to improve the quality of the existing research and further templates.

Taking into consideration mentioned above, ZPR project team sees a great opportunity to join the ongoing processes and disseminate the templates among Zemgale local municipalities and encourage them to use the provided templates in their procurements on the voluntary basis. This action would lead to a direct stimulation of the green tenders in the region, and would also stimulate the GPP adoption on the national level as well. After the templates would be disseminated and the responsible municipalities would agree to adapt the templates into their existing tenders, ZPR project team would follow this process and monitor the effectiveness of the template use in the GPP implementation, also the necessary statistics on the implemented procurements with the help of templates would be monitored and gathered.

**3. Stakeholders involved (please indicate the organisations in the region who are involved in the implementation of the action 2 and explain their role):**

**Ministry of Environment and Regional Development.** As the national authority responsible for the GPP promotion, in May,2019 the ministry had ordered a big research on the GPP implementation in Latvia to the external consultation company which would additionally provide the templates of the GPP tenders.

**“Gateway & Partners” Ltd..** This is an external expert (consultancy company) which provides a big research on GPP implementation in Latvia for **Ministry of Environment and Regional Development** and as an addition to the research several GPP technical specification templates would be developed and provided.

**Zemgale region local 22 municipalities.** After the GPP technical specification templates would be delivered by the **“Gateway & Partners” Ltd.**, Zemgale planning region would disseminate the templates among all 22 Zemgale local municipalities and encourage them to implement the provided templates in practice on the voluntary basis. Later the municipalities would apply the templates to the planned procurements.

**Zemgale Planning Region.** Zemgale planning region would disseminate the templates among all 22 Zemgale local municipalities and encourage them to implement the provided templates in practice on the voluntary basis. Later after templates would be accepted and used in practice ZPR would monitor the results.

4. Timeframe (please specify the timing envisaged for action 2)

ACTION	TIMEFRAME
<p>1. <b>“Gateway &amp; Partners” Ltd.</b> Provides GPP templates for several procurements’ categories. The templates would be also accepted and granted by <b>Ministry of Environment and Regional Development</b>.</p>	December, 2019
<p>2. <b>Zemgale planning region</b> disseminate the templates among all <b>22 Zemgale local municipalities</b> and encourage them to implement the provided templates in practice on the voluntary basis.</p>	December, 2019 – February, 2020
<p>3. <b>Zemgale region local municipalities</b> which agreed to apply templates to their planned procurements start the GPP implementation in practice. Also inform ZPR on the progress and achievements.</p>	January, 2020 - November, 2021
<p>4. <b>Zemgale Planning Region</b> is monitoring and summarizing the data on the implemented GPP with the help of the templates and reports in the region, and gathers the results of the action, providing the statistical information on the implemented GPP count and qualitative data of the implemented GPP.</p>	January, 2020 – December, 2021

5. Costs (please estimate the costs related to the implementation of action 2)

- a) The costs related to the templates’ development are fully covered by the existing budget of the **Ministry of Environment and Regional Development** within the framework of the external expertise provided by the **“Gateway & Partners” Ltd.**;

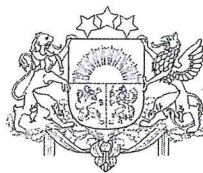


- b) The costs related to the dissemination of the templates to the Zemgale region's municipalities would be covered from the existing staff costs budget of the GPP4growth project, as only human hours are necessary and no additional budget required;
- c) The implementation of the GPP with the help of templates would be provided by Zemgale municipalities in the framework of their planned activities – procurements, and there are no additional expenses needed.

Action doesn't require additional funds. The own funds of the involved parties would ensure the action implementation.

**Date: 30.10.2019**

**Zemgale Planning Region**



Vides aizsardzības un reģionālās attīstības ministrija

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Rīgā, 02.03.2020. Nr. 1-14/1915.

Uz \_\_\_\_\_ Nr. \_\_\_\_\_

**Zemgale planning region**

*On the Interreg Europe 2014-2020 GPP4Growth  
Project's Action Plan support*

Ministry of Environmental Protection and Regional Development (hereinafter - MEPRD) has received an Action Plan developed by Zemgale Planning Region (hereinafter - ZPR) in the framework of the "Green Public Procurement for Resource Efficient Regional Growth" (GPP4Growth) project to support and promote Green Public Procurement (GPP) in Latvia.

In accordance with mentioned above MEPRD confirms the actions included in the Action Plan elaborated by ZPR and supports Action Plan implementation.

Yours faithfully,  
Deputy State Secretary

E.Turka

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