

# INPUT PAPER ON EU MARKET AVAILABILITY AND POTENTIAL FOR GREEN PRODUCTS AND SERVICES

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**GPP4Growth**  
Interreg Europe



European Union  
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Development Fund

## Contents

Executive Summary .....	3
GPP4Growth project.....	4
GPP4Growth Summit of Regions.....	6
1. EU market facts and figures .....	8
2. EU market penetration by green products.....	11
3. Public Procurement in the EU .....	15
4. Green Public Procurement .....	17
4.1. GPP uptake .....	17
4.2. Life Cycle Cost (LCC).....	19
5. Market availability for green products.....	22
Conclusion .....	24
Bibliography.....	25



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## Executive Summary

This paper provides the participants of the GPP4Growth Summit of Regions with key facts on public procurement of green products and services. Public procurement is a significant driver of market trends and demand formation and thus it merits its due attention: it contributes to increasing the overall market availability and potential of green products and services in all economic sectors, from the financial to the household sector.

In the pages that follow, one can find useful facts and figures on the EU single market and its characteristics; the extent to which the market is captured by green products and the potential for further capture; basic facts on public procurement practice in member states and in the EU; information on existing and under development procedures for ‘greening’ public tenders and on the range of product categories for which there are operational green criteria for tender awards, as per the EU policy and legislative framework. In doing so, this paper provides a tentative answer to the question of the market availability for green products and services.

## GPP4Growth project

GPP4Growth is a project of the Interreg Europe programme. This programme initiates and advances interregional collaborations among EU regional and local authorities for the effective dissemination of best practices in the field of policy and implementation. The project “Green public procurement for resource efficient regional growth - GPP4Growth” contributes to locating the best practices for integrating green public procurement (also GPP hereafter) in regional policy and supporting public administrations and businesses to adopt lifecycle cost approaches and improve the overall management of resources and waste. The ultimate aim of the project is to improve resource efficiency in European regions.

GPP4Growth seeks to enhance the new EU public procurement reform (2016), i.e. the regulatory framework prepared by the EU to induce eco-innovation, resource efficiency and green growth, by using new award criteria in calls and tenders that integrate environmental considerations. In particular, the new rules enable and encourage public authorities to setup, publish and manage calls and contracts that require businesses / bidders to: a) comply with environmental obligations, b) integrate environmental costs in their offers based on a lifecycle cost approach, and c) deliver goods fulfilling the requirements of environmental labels, reducing at the same time administrative burden.

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 GPP.

To support public administrations and businesses to adopt lifecycle cost approaches and improve the overall management of resources & waste, GPP4Growth includes a wide range of activities, focusing on promoting the interregional learning process and the exchange of experience among regional authorities. Project activities include:

- Analysis of 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 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 learnt beyond the partnership.
- 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.

## GPP4Growth Summit of Regions

The GPP4Growth summit provides an organised forum for EU regions to learn from each other on green public procurement practices. In particular, the objective is to explore a set of questions turning more broadly towards the market availability and potential for green products and services in the EU. As the following is not a research document but it rather serves to provide key information, engender debate, and guide the discussion in the course of the GPP4Growth Summit, it is purposefully not technical and, by necessity, it does not go into much technical detail. The paper at hand provides **a comprehensive overview of how the question of market availability and potential for green products can be conceptually and practically approached in a useful manner so as to promote green growth and eco-innovation through improving the sustainability of public procurement.**

GPP4Growth subscribes to the viewpoint that public procurement is a key market for the promotion, consolidation and expansion of the green economy. Public procurement is key to the economy in general, as it alone represents nearly 1/5 of the EU's GDP, and by consequence, it constitutes the single largest market and demand factor for products and services in Europe. It can thus be reasonably understood as the main vehicle by which to carry forth the green transformation of the economy.

Although in the context of the GPP4Growth project, public procurement is at stake, it is useful to provide a brief description of the broader context and attributes of the European economy as a whole. The Regions Summit is devoted to market availability for green products, therefore, a few remarks will be provided on the economy overall. After settling down key facts, the sections that follow will focus on public procurement.

This paper is divided in five sections:

The *first* section approaches the EU market in aggregate, to provide an understanding of its size and nature and to enable the reader to grasp what is at stake with a market of such scale. The *second* section, gauges the extent to which the EU market is penetrated by green products. The *third* section, delves into public procurement considerations and provides evidence of how and why public procurement is important in driving the enlargement of the green economy and development, while providing a presentation of the LCC approach. After establishing what segment of the market is penetrated by green products and the significance of public procurement, the *fourth* section estimates the overall market availability for green products as

well as the public procurement market availability for the said products. The fifth and final section focuses on the understanding of market availability – mostly in terms of who, how, why and to what extent is willing to buy such products, will simultaneously delineate the potential of this market to capture to a plausible degree the EU market.

## 1. EU market facts and figures

This section provides basic and indicative figures on EU market characteristics. In the paragraphs that follow, key information on aggregate figures is conveyed for the entire economy, and, in turn, a breakdown of the main institutional sectors are briefly described in terms of their non-financial accounts, notably, production and consumption.

The Gross Domestic Product of the European Union, representing the total value of goods and services produced in the EU reached 15.3 trillion Euros in 2018 with an annual growth rate of +2% between 2014 and 2018. In addition to the GDP, the aggregate investment rate was formed approximately at +4% between 2015 and 2018.<sup>1</sup> These figures are relevant to the question of promoting green products as they indicate very roughly, *first*, the size of the economy in need of transformation, despite the existence of sectors adjured by the responsibility to produce (or consume) sustainably produced products, and, *second*, that there is investment potential for the green transformation of the economy. The sectors accounted for above are non-financial corporations, financial corporations, general government, households and non-profit institutions serving households.

To address indicatively household expenditure, which represents a significant share of the total market consumption of products and services, the table below populated with EUROSTAT data presents household expenditure by category, including :

<b>Expenditure categories</b>	<b>Share</b>
Housing, water, electricity, gas, and other fuels	24.2%
Transport	13%
Food and non-alcoholic beverages	12.2%
Other goods and services	12.2%
Restaurants and hotels	8.8%
Recreation and culture	8.5%
Furnishings and household equipment	5.5%

<sup>1</sup> [https://ec.europa.eu/eurostat/cache/digpub/european\\_economy/bloc-1a.html?lang=en](https://ec.europa.eu/eurostat/cache/digpub/european_economy/bloc-1a.html?lang=en)



Clothing and footwear	4.9%
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The table does not include all expenditure categories, however it presents the main expenditure categories, all of which concern products and services for which there are already sustainability action plans at EU level to increase sustainability levels. For instance, the first four categories exceed 50% of household expenditure and therefore are extremely important in terms of impacting on overall household consumption of sustainable products and services. Furthermore, water and electricity, as well as transport, food production are key focus areas on which a great deal of interventions are focused.

The products and services used as input for the production of other products and services (not for final consumption) are equally important to consider. It is worth reflecting on the fact that, according to data on manufactured goods, the overall quantity of manufactured products in the EU-28 exceeds 10 billion kilograms.<sup>2</sup> This staggering figure provides an idea of just what quantities of waste is produced, were it not for regulations and collective efforts to mitigate environmental harm by applying circular economy principles in the design and manufacturing of products.

### *The public sector*

Narrowing down the focus on ‘general government’ (including all central, state and local governments and social security funds), it should be noted that the aggregate (EU-28) government expenditure in 2018 was equivalent to 45% of the GDP, from which it can be deduced that the public sector does play a cornerstone role in the market of products and services. To name but a few categories of significance, fuel and energy (.3%), transport (.9%), housing development (.2%), street lighting (.1%), medical products, appliances and equipment, (1.0%)<sup>3</sup>, are significant figures that can be assumed to play an important role in forming demand for services and products

<sup>2</sup> <https://ec.europa.eu/eurostat/web/prodcom/data/database>

<sup>3</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php/Government\\_expenditure\\_by\\_function\\_%E2%80%93\\_COFOG#General\\_overview](https://ec.europa.eu/eurostat/statistics-explained/index.php/Government_expenditure_by_function_%E2%80%93_COFOG#General_overview)

overall. Spending related to public procurement represents 19,9% of EU GDP, namely: 3.04 trillion Euros.<sup>4</sup>

A central question is how to facilitate the wider dissemination and increase of demand for green products across societies and for virtually all products. Can public procurement play a role in this effort and be the driver of expanded product sustainability, across countries and across products and services?

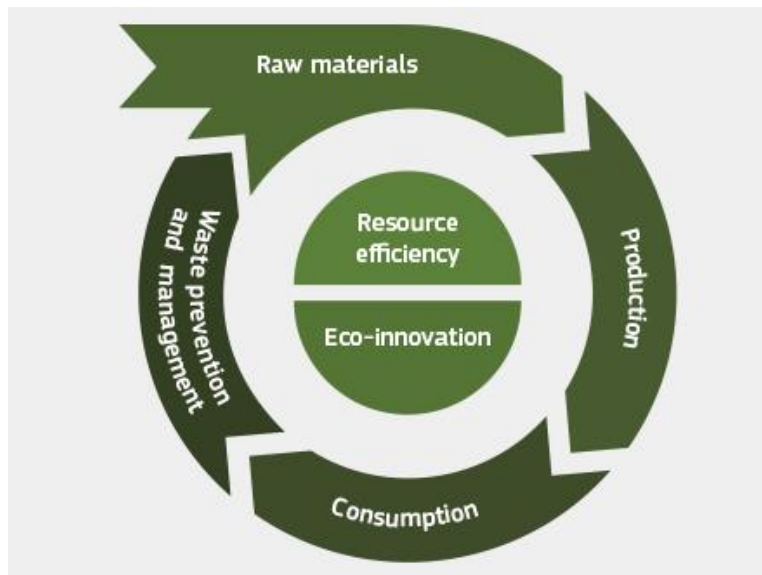
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<sup>4</sup> <https://ec.europa.eu/eurostat/web/government-finance-statistics/publications>

[https://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/public-procurement/study/](https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/public-procurement/study/)

## 2. EU market penetration by green products

Green products and services are broadly speaking sustainably produced products and services. The following diagram depicts the sequence of production, consumption waste management and re-use. Green products qualify as such to the extent that their production and market circulation have a low energy and emissions' footprint and are developed as a result of eco-innovation. Paving the way in the market to be more receptive to green products, presupposes the promotion and support to eco-innovation. In a feedback loop effect, higher rates of circulation of and demand for green products in the market carries the potential for further eco-innovation, green investments and financing.



*Moving towards an energy- and resource-efficient circular economy can cut production costs, allow new business models to emerge and help Europe remain competitive*

Green products and services have been progressively mainstreamed in the course of the past two decades. In the past 3 years alone, there has been an 88% surge: 1575 new EU Ecolabel licenses have been granted, while the total number of EU Ecolabel products and services as of 2019 amounts to 72.797. These numbers are far from negligible and the total number of Ecolabel products and services in 2019 is triple compared to that of 2010 (21.301).<sup>5</sup>

<sup>5</sup> [http://ec.europa.eu/environment/ecolabel/images/Evolution\\_nb\\_products\\_services.png](http://ec.europa.eu/environment/ecolabel/images/Evolution_nb_products_services.png)

In November 2018, it was reported that certain product groups including copying and graphic paper, tissue paper, paints and varnishes and textiles, had the highest growth rates in terms of Ecolabel awards. The countries most implicated in this growth are Spain, Italy, Germany, Belgium and France. As of March 2019, there are 25 product groups for which there are operating Ecolabel criteria.<sup>6</sup>

The above remarks serve to indicate two basic points regarding market availability of green products and services:

- I. There are product categories which are not included in Ecolabel awards and for which there are no EU-level criteria for tender awards. This, however, is not contradictory to certain existing criteria for categories of products not figuring in the EU Ecolabel list of product types, accounted for by the high degree of variation at member state level, whereby there are different methodologies and approaches to measuring, assessing and selecting product categories for eligibility to green awards.
- II. Market availability for green products and services is predominantly defined by demand, which *de facto* entails a demand for product categories for which there are criteria developed. However, what is more difficult to establish is the demand for products and services for which there are no developed 'green' procurement criteria. Differently put, the entire market of consumers has a certain demand for green products and services, irrespective of whether or not it is met, conditioned by parameters like their preferences, emissions' benchmarks and other environmental necessities. The market for green products and services is dynamic, however it is not fully satiated by existing green products, and hence the potential for further green growth.

Below, a number of market characteristics are explained:

**a. Turnover & economic figures**

To provide an indicative image of the sheer size of the market performance of EU green products, it is established that the share of EU companies in the global market for green products is 21%

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<sup>6</sup> The broad categories of products are personal care, cleaning up, clothing and textiles, coverings, furniture and bed mattresses, gardening, lubricants, paper products, holiday accommodation, while criteria are being developed for financial products, food and feed products and office buildings.

(UK Department for Business, Innovations and Skills, 2012)<sup>7</sup>. This amounts to 0.89 trillion Euros and this number can be reasonably assumed to be increased by 20% up to date.

**b. Segmentation** (demographics, psychographics, usage, geographic location). Regarding the EU market for green products and public procurement as well, the following categories are worth considering:

- i. Geographic segmentation (i.e. variation across member states)
- ii. Distribution/sector segmentation (channels diversity, PP procurement/ general market)
- iii. Demographic segmentation (green products and services are horizontally addressed to the entire population, everyone is targeted)
- iv. No segmentation: single market.

**c. Consumers' attitudes**

- i. 26% of EU citizens often buy environmentally friendly products, 54% of them sometimes do (Eurobarometer 367, 2013); environmental impacts are the third most important factor for EU consumers, after quality and price (Eurobarometer 2009, 2013); 48% of consumers say current environmental labels are not clear (Eurobarometer 367, 2013); only 6% of EU citizens trust producers' claims about their products' environmental performance completely (Eurobarometer, 2009)<sup>8</sup>
- ii. EU eco-labels. 1,575 licences have been awarded for 72,797 of products and services available on the market, thus showing an increase by 88%, since 2016, of the number of EU Eco labelled products/services. Product groups for which highest growth in product numbers is registered from the last reporting period (November 2018) are: copying and graphic paper, tissue paper, paints and varnishes, textiles. The leading awarding countries for the number of awarded products are: Spain, Italy, Germany, Belgium and France.<sup>9</sup>

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<sup>7</sup> [http://ec.europa.eu/environment/eussd/smgp/facts\\_and\\_figures\\_en.htm](http://ec.europa.eu/environment/eussd/smgp/facts_and_figures_en.htm)

<sup>8</sup> ibid

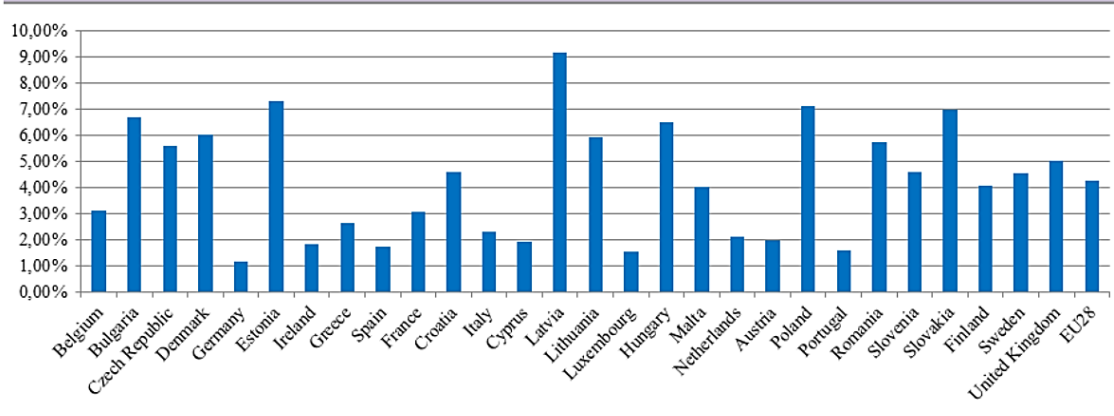
<sup>9</sup> [http://ec.europa.eu/environment/eussd/smgp/facts\\_and\\_figures\\_en.htm](http://ec.europa.eu/environment/eussd/smgp/facts_and_figures_en.htm)



### 3. Public Procurement in the EU

As briefly indicated in the first section, public procurement is of key significance for the entire market. Public procurement is a prime source of demand and due to its characteristics it contributes to boosting competitiveness. In addition, on account of the procedures followed at the EU level and particularly electronic tendering processes, contributing to the integration of procurement markets, public procurement can drive important changes. In 2015 only, there were tenders published worth 450 billion EUR.

The EU bases its public procurement practice on certain fundamental principles: value for money, transparency, fairness and good governance. Transparency and fairness are fundamental for increasing the scope of choice. Provided the implementation of the appropriate criteria, the existing public procurement procedures in the EU can serve to carry forth significant objectives and innovation spill-over. Value for money and good governance, are cornerstone principles of public procurement. Value for money means economic and efficient. Among other things, economic efficiency translates to long-term sustainability, green criteria broadly, and circular economy criteria, more specifically.



1 Value of calls for tenders as % of GDP. Source: European Semester

The figures on the table above can be compared with public procurement procedures in member states where no public open tenderers have been documented. **The average value of public**

**procurement contracts without publication in the EU is less than 10%**<sup>10</sup> and the evidence shows that more often than not the single most common criterion is the lowest price, without further considerations. However, it can easily be demonstrated that what is in the short-term value for money, may not also be in the long run. A more comprehensive quality criterion, for instance, the ‘Most economically advantageous Tender’ (MEAT) principle, including green considerations, is promoted by the EU<sup>11</sup>. At present, there is considerable variation in taking up and implementing this criterion by member states contracting authorities.

The existing framework is delineated in the EU public procurement directives and it concerns tenders above values of a certain threshold, however, there are provisions in place for smaller contracts too. The 2014 public procurement reform targeted simpler procedures, digitalization, facilitation of SMEs to qualify as bidders, and specifically, environmental policies. The latter are strategically seen as suitable to promote through public procurement.

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<sup>10</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/european-semester\\_thematic-factsheet\\_public-procurement\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/file_import/european-semester_thematic-factsheet_public-procurement_en_0.pdf)

<sup>11</sup> For more MEAT related information see page 44 of the following link:  
[https://ec.europa.eu/regional\\_policy/sources/docgener/informat/2014/guidance\\_public\\_proc\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_public_proc_en.pdf)



## 4. Green Public Procurement

Green public procurement can be defined 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” (European Commission, 2008).

A robust and expanding legislative framework exists at EU level including the Energy labelling Directive (2010), the EU Ecolabel (2010), the Ecodesign Directive (2009), the EU Eco-management and Audit Schem – EMAS (2009), the EU Energy Star (2008), Clean Vehicles (2009), the Construction Products Directive (CPD), and the Renewables’ Directive. In addition there are in place regulations and directives, for food, waste and timber.

### 4.1. GPP uptake

In the present, the majority of member states have adopted National Action Plans for public procurement to align with the relevant EU directives. The Centre of Expertise in Sustainable Procurement (CESP) Uptake report, was published with the aim of “measuring the level of uptake of EU core GPP criteria by procuring authorities in the EU27.”<sup>12</sup>

National Action Plan or equivalent document adopted	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, UK
No existing NAP	Estonia, Greece, Hungary, Luxemburg, Romania

The report reveals significant cross-country & products variation in uptake, yet an overall significant uptake of core GPP criteria. The variation extends not only across members states but also across different product categories. The EU has proposed core green criteria for selected product groups: Cleaning products & services; construction; electricity; catering services and food

<sup>12</sup> Uptake report (CEPS): <https://ec.europa.eu/environment/gpp/pdf/CEPS-CoE-GPP%20MAIN%20REPORT.pdf>

products; gardening services and products; office IT equipment; copying and graphic paper; textiles; transport and furniture.

Contracts are considered green when they include the EU 'core' green criteria. Twelve countries in the EU have an uptake rate of less than 20%. 7 countries have an uptake rate of 50% or more. Because green public procurement requires familiarization and training with certain methods (e.g. LCC), the adoption by certain countries of National Action Plans, including comprehensive training and utilities to support the procedure, has considerably helped them to increase their GPP uptake rates.

In terms of product categories, it is worth noting that only one product category, namely, transport, meets the 50% uptake target set by the EU. As indicated in the CEPS study, furniture, textiles, food products and catering services, feature an uptake rate of less than 20%. Evidently, there is significant scope for improvement in this regard. It is worth considering that only 6% of contracts are based on LCC alone. This fact relates to another barrier discovered by the survey among public authorities, namely, that the perceived difficulty of including green criteria in procurement plays a crucial role in forestalling uptake.

Given however that purchasing price remains the decisive criterion to evaluate contracts, it is important to consider how to align lower prices with environmental criteria. This should lead not only to more green contracts and biddings requiring all 'core' criteria for existing product categories for which there are criteria in place, but also to the development and implementation of criteria for further product categories. In turn, by increasing the public administration demand for 'green' products and services through the implementation of criteria, market availability for such products shall equally increase.

The complete list of product categories for which there are operational GPP criteria, are the following:

- Cleaning products and services
- Computers and monitors
- Copying and graphic paper
- Electrical and electronic equipment (health sector)
- Electricity
- Food and catering services

- Imaging Equipment
- Office building design, construction and management
- Paints, varnishes and road markings
- Road design, construction and maintenance
- Sanitary tapware
- Road lightings and traffic signals
- Textiles
- Toilets and Urinals
- Road transport
- Waste water infrastructure
- Water-based heaters

## 4.2. Life Cycle Cost (LCC)

### *Definition*

The concept of Life Cycle Costing (LCC) has been embraced in the last several years, both by the private and the public sector, who are taking drastic actions to incorporate LCC, as much as possible, in their financial practices. According to the European Commission (EC) definition:

*“Life-cycle costing (LCC) means considering all the costs that will be incurred during the lifetime of the product, work or service:*

- *Purchase price and all associated costs (delivery, installation, insurance, etc.)*
- *Operating costs, including energy, fuel and water use, spares, and maintenance*
- *End-of-life costs (such as decommissioning or disposal) or residual value (i.e. revenue from sale of product)”*

### *Levels of LCC*

An attractive feature of LCC is that its reach and objectives depend on the procurers, so they can adopt it in the way it fits their goals. We can categorize the application of LCC in four levels. In its basic form, LCC is identical to a similar concept, the Total Cost of Ownership (TCO). TCO is an estimate of the direct and indirect costs of a product now and in the future. The focus of TCO is strictly on the financial consequences concerning that particular product. A broader

implementation of LCC may take into consideration consequential costs or benefits that cross over other sectors. For example, will the organization gather knowledge by purchasing this product, will it present opportunities of collaboration and expansion, and will it increase its effectiveness in other aspects? If the answer in the above questions is yes, then it may be for the benefit of the organization to purchase this product even if it will lead to an extra financial cost in its budget.

The first two approaches of LCC take into consideration the short term and long term consequences on the organization that makes the procurement itself. However the third level of LCC, if someone decides to adopt it, transcends the limits of the organization and evaluates the direct and indirect impact of any optional purchase to the society. Social aspects that are usually examined if they are affected in this approach are the environment, (un)employment, health and education. For example, a public institution may identify that the disposal of a specific product is connected with hazardous environmental impact in a region which in turn causes health issues in the nearby residences. This may weigh negatively in purchasing this product even if the price paid to the supplier is lower.

This level of impact can be further divided in two categories. The first is the impact that will eventually translate to financial costs. For example, any increase in unemployment will have a negative impact of the region's GDP. Environmental consequences may also require expensive rehabilitation measures. The estimation of these costs is complicated and it usually requires the support of public institutions (e.g. the efforts of many public institutions to monetize the CO2 emissions related to a product). The second category is the impact that does not translate to financial costs, such as the quality of life in a residential area affected by an environmental impact.

The level that each organization decides to incorporate LCC in its procurement practices depends on its priorities. In the private sector, where financial success is imperative for its survival, the first two levels of LCC are usually preferred. However, in public authorities who ultimately serve society, and the external impacts (out of the organization limits) will eventually reach the society itself, there is a current trend where LCC is adopted in its full potential.

### *LCC in public procurement*

Public procurement is an excellent field for LCC application because procurement needs of public authorities are characterized by regularity, commonality and of large quantity. Regularity makes the adoption of LCC easier, since the methodology of tendering will be consistent. Furthermore, large demand maximizes the long term financial and environmental benefits of the LCC approach and provides incentives for the market to adjust faster to the new requirements leading the EC to support and strongly promote LCC practices across the public authorities in alignment with GPP policies in European countries.

By 2016 every European country had to incorporate to its national law the EU directives 2014/24/EU, 2014/25/EU, which allows and promotes a life cycle cost approach in all public procurement with focus on the environmental impact. Since this introduces a new layer in public procurement procedures which is followed by a series of challenges, it requires calculated studying and careful planning in order to harvest the most benefits. To this end, EC has also financed a number of projects with the objectives to promote LCC in European regions, to study proper methodologies for several basic products, to evaluate and maximize possible benefits and to develop a range of tools that accommodate the incorporation of LCC in public procurement practices.

### *Challenges*

According to the LCC State of the Art report by Regional Networks for Sustainable Procurement (SPP)<sup>13</sup> the main challenges are the need for reliable data for the proper calculations to take place, the complexity of environmental issues making their evaluation uncertain and difficult, the lack of users knowledge and familiarization of LCC concepts in procuring departments and the occasional conflict between cost efficient and environmental friendly solutions. The report has also identified a set of solutions that address these challenges. Among others, it suggests the proper selection of products and services that benefit most by LCC practices, the establishment of a policy framework with clear environmental objectives, the utilization of monitoring during the lifecycle to refine future LCC applications and the training and networking of public authorities staff.

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<sup>13</sup> [http://www.sppregions.eu/fileadmin/user\\_upload/Life\\_Cycle\\_Costing\\_SoA\\_Report.pdf](http://www.sppregions.eu/fileadmin/user_upload/Life_Cycle_Costing_SoA_Report.pdf)

## 5. Market availability for green products

The previous section suggested that there is scope for market availability improvement for green products. Existing criteria are refined and transformed and new products and services are gradually becoming subject to green criteria. Notably, ‘food and catering services’, ‘data centres’, ‘maintenance of public spaces’, ‘imaging equipment’ and ‘computers and monitors’ are among those product categories for which there were inadequate or non-existent criteria. The European Commission’s Joint Research Center (JRC) is leading the effort of developing in a participative approach criteria for these product categories. These developments indicate that market availability shall be on the rise, should the EU continue its efforts to expand GPP across member states, levels of administration and product categories. Further crucial product categories for which there are currently criteria under development include:

- Paints, varnishes and road markings<sup>14</sup>
- Cleaning products and services

Regarding paints and varnishes, for instance, research reveals that some 16% of the total market of paints is utilised for social housing and 11% for public non-housing works. In sum, 27% of the total market concerns public procurement. It is a large market segment with the potential for flow-on, uptake effects as well as increasing the supply of ‘green’ paints. Similar to many other product categories, the criteria for this category include consideration of the following:

- Cost of purchasing and delivery
- Application performance
- Lifetime performance
- Disposal costs

It is obvious that if a total of 27% of the market concerns public procurement, then the latter is a key demand factor, and the new legislation to be progressively adopted by member states signals market availability, that is, that there is increasing demand for green paints. If then it is assumed that the public sector forms market trends by virtue of its size, then it is clear that there is significant market potential too, beyond the public sector.

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<sup>14</sup>[https://ec.europa.eu/environment/gpp/pdf/Technical%20Report%20for%20Paints%20Varnishes%20and%20Road%20Markings%20\(FINAL\).pdf](https://ec.europa.eu/environment/gpp/pdf/Technical%20Report%20for%20Paints%20Varnishes%20and%20Road%20Markings%20(FINAL).pdf)

To give another example: the EU ecolabel criteria require that at least 50% of all cleaning products used must be eco-labelled. To mention but a few key facts regarding cleaning products and services: the annual turnover of cleaning services was in 2010 81 billion EUR in EU27 (Eurostat, 2010). The numbers of signatories to eco-charters (AISE Sustainable Cleaning Charter) are on the rise, indicating ‘a market and interest for sustainable products and services’.<sup>15</sup> The total value of cleaning supplies in EU28, plus Norway and Switzerland is 52 million EUR. What drives sustainable practices in cleaning services, including the use of ecolabelled products, are ‘resource and cost saving opportunities, government policies, voluntary standards and market demand’. Areas of improvement addressed include:

- Cleaning products with lower environmental impact
- Cleaning product concentration at purchase
- Cleaning product dosing
- Cleaning supplies and accessories with lower environmental impact
- Use of microfiber products
- Cold/room temperature water use in cleaning services
- Energy efficiency of cleaning power equipment
- Wastewater discharge
- Solid waste collection, sorting and recycling

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<sup>15</sup> [https://ec.europa.eu/environment/gpp/pdf/tbr/181113\\_jrc113795\\_gpp\\_cleaning\\_services\\_tr\\_final.pdf](https://ec.europa.eu/environment/gpp/pdf/tbr/181113_jrc113795_gpp_cleaning_services_tr_final.pdf)

## Conclusion

This paper introduced a set of considerations on the availability of green products in the market, in the EU and in member-states. As the GPP4Growth project is focused on public procurement, the Regions Summit for which this document has been prepared, is primarily addressing the public procurement market but also the market across all sectors. The paper identifies key areas of work at the level of EU policy and regulation making, specifically, regarding the development of standardized award criteria for extended product categories, and it also provides an overview explanation of why public procurement market is significant in shaping the broader societal and consumer trends and practices. Importantly, the question of market demand for green products is at the forefront of sustainability and economic efficiency considerations and the uptake of GPP procedures and methods can be said to trigger further demand for green products and thereby increase market availability.



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