



**Project GPP-STREAM “Green Public Procurement and Sustainability Tools for
Resource Efficiency Mainstreaming”**

**FVG GPP ACTION PLAN: GOVERNANCE AND MONITORING
ASPECTS**

ACTIVITY: POLICY BRIEF

Author: PP1 Autonomous Region Friuli Venezia Giulia /FVG/



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1. Overview

In the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Public procurement for a better environment”, Green Public Procurement (GPP) is 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."

Due to the relevance of the topic, both at European, national and regional level, and thanks to the strong experience Friuli Venezia Giulia Autonomous Region has on the topic, knowledge expanded by participating in the Interreg Europe GPP-Stream project, we chose to present our experience and know-how through this policy brief.

2. Introduction

Every product or service bought and consumed has an environmental impact during its life cycle. Choosing to buy "green" means preferring goods that have a reduced impact on the extraction of raw materials, on the emissions produced during the production cycle, and which are easily differentiated and recyclable. In this way it is also possible to take into consideration also the costs for the community.

GPP can affect environmental impact directly – through improved environmental performance of goods, services and works bought or indirectly – through using this market leverage to encourage companies to invest in cleaner products and services.

The GPP integrates environmental considerations into the public administration purchasing processes, directing the choice of these towards goods, services and works that have the lowest environmental impacts. With the introduction of GPP it is possible to address directly to the market, involving companies to environmental innovation and stimulating local supply chains towards an ecological conversion. So, the adoption of GPP can play an important role in spreading a more environmentally friendly market and culture.

Data presented by the European Commission make possible to understand the importance of promoting and adopting GPP in public administrations. As stated by the Directorate General for internal policies of the European Parliament published in 2017 “Every year, over 250,000 public authorities in the EU spend around 14% of GDP on the purchase of services, works and supplies. Therefore, Green Public Procurement (GPP) has a key role in delivering a Circular Economy (CE) in Europe”.



3. Policy Context

EUROPEAN FRAMEWORK ON GPP

As already said, GPP is of great importance at EU level as environmental, industrial and economic policy instrument. In the past years, the EU has developed some GPP criteria for a range of products and services, whose categories are reviewed and updated on a regular basis.

The European Directive of 2004, the first European document introducing environmental considerations, was replaced by with the following: Directive 2014/24/EU on public procurement, and Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors. The new rules will to ensure the inclusion of common social and environmental goals in the procurement process.

The European policy towards GPP provides guidance on how to reduce the environmental impact caused by public sector consumption and how to use Green Public Procurement to stimulate innovation in environmental technologies, products and services. Moreover, as guidance to help public authorities buy goods and services with a lower environmental impact and willing to explain how best to integrate environmental considerations into public procurement procedures.

ITALIAN NATIONAL FRAMEWORK ON GPP

In this framework, at National level, most EU member states have published national action plans (NAPs) which describe a series of actions and support measures for green or sustainable public procurement. Many have set GPP targets from the point of view of overall purchasing procedures or for individual groups of products and services. Often these are similar to the EU GPP criteria, with adjustments to reflect the specific circumstances or priorities of the entities that prepared them.

At national level, the Ministry of the Environment and of the Protection of the Territory and the Sea (MATTM) has approved the **Action Plan for the environmental sustainability of consumption in the Public Administration sector ("National Action Plan on green public procurement - PAN GPP")** with Interministerial Decree of 11 April 2011, subsequently updated with Ministerial Decree April 10, 2013.

The pursuit of the objectives set by the GPP PAN has been regulated in the Public Procurement Code which made the use of green purchases mandatory on the basis of the Minimum Environmental Criteria, as well as the evaluation of the offers according to the criterion of the most economically advantageous offer, linking this concept to the life cycle of products, services and concessions.



As regards the organization of GPP policies, public bodies are required to carry out an analysis of their needs in order to rationalize consumption and promote decoupling, to identify the departments responsible for implementing the GPP and to draw up a specific internal program to implement actions in the field of GPP.

The Italian NAP aims to promote the dissemination of GPP among public bodies and intends to create the necessary conditions to ensure that GPP can fully unfold its potential as an important tool for environmental improvement.

The Regional Action Plan on GPP, developed by the Autonomous Region Friuli Venezia Giulia, fits into this regulatory framework.

FRIULI VENEZIA GIULIA REGIONAL FRAMEWORK ON GPP

The Regional Action Plan for Green Procurement (PAR GPP) is the instrument with which the regional administration has responded to the recommendations of the European Commission and the MATTM that with the National Action Plan for GPP has recognized the fundamental role that regions can play in promoting green procurement on the territory. **The document has been approved by the Regional Government with the DGR n. 367/2018 of 23 February 2018 and will last three years (2018 – 2020), making possible to work on a short, medium and long term.**

An highlighted strength is that the Friuli Venezia Giulia Autonomous Region Action Plan on GPP is that **actions are connected to other regional planning instruments**, such as the Air Quality Improvement Plan and the related Regional Action Plan, which contains specific measures for the promotion of sustainable mobility, energy efficiency and the use of alternative energies, and the Regional Energy Plan, which promotes energy efficiency and the increase of the use of renewable sources, reducing polluting and climate-changing emissions.

The Regional Action Plan for green procurement goal is to promote and implement GPP policies and practices within the regional administration by introducing green procurement in central departments and regional bodies and by disseminating and promoting GPP, throughout the local public sector.

The ongoing communication with the people involved in GPP practice is also made possible by the participation of the Region to **the Interreg Europe funded project GPP-Stream**. Participation at GPP-Stream has allowed the Region to come into contact with stakeholders, to understand their needs and to present them with the potential of the Regional Action Plan on GPP. The comparison with international partners permitted the administration to deepen the topic from other points of view and to know several best practices adopted in other countries. The actions and initiatives financed by GPP Stream in the regional context have the aim of strengthening, integrating and expanding the provisions of PAR GPP, inter alia by involving a large number of stakeholders and structuring a collaboration with



the Managing Authority of the POR FESR for an application of the principles of green purchasing also to the structural funds.

The Region is also part of the Prepair project, financed by the LIFE programme. The project aims at implementing the measures foreseen in the regional plans and in the Po Valley agreement at a larger scale so to strengthen the sustainability and durability of results. In particular the Region collaborated in the promotion and adoption on Minimum Environmental Criteria in the energy sector: buildings, energy services and public lightning.

In particular, the GPP Action Plan aims to encourage the process of adoption of the CAM by the entities and companies that will participate in the public tenders; to facilitate the participation of micro, small and medium enterprises; to use procurement to encourage process and product innovations; and to introduce in the procurement not only environmental sustainability criteria but also social sustainability criteria.

To make GPP a consolidated practice, clear objectives and targets to be achieved, actions and tools to be implemented are necessary, taking into account in the initial phase the direct and indirect costs of the procedure, in order not to impact excessively on micro, small and medium enterprises.

4. The RAFVG Regional Action Plan

REGIONAL ACTION PLAN: PURPOSES AND OBJECTIVES

The **purposes** of the GPP Action Plan are:

- to encourage the process of adoption of the CAM by the entities and companies that will participate in the public tenders;
- to facilitate the participation of micro, small and medium enterprises;
- to use procurement to encourage process and product innovations;
- to introduce in the procurement not only environmental sustainability criteria but also social sustainability criteria.

To make GPP a consolidated practice, clear objectives and targets to be achieved, actions and tools to be implemented are necessary, taking into account in the initial phase the direct and indirect costs of the procedure, in order not to impact excessively on micro, small and medium enterprises.

The **objectives** of the GPP Action Plan are:



- A. introduction of minimum environmental criteria for all purchases of goods, services and works for which have been defined;
- B. strengthening and extension of the field of intervention of green purchasing to strategic sectors with possible inclusion of social criteria;
- C. dissemination of GPP on the regional territory also through the accompaniment of public and private entities operating on the regional territory;
- D. rationalization of consumption, dissemination of virtuous behaviour and exchange of good practices.



It is possible to see **the governance as the engine of the Plan**: in order to make it effective and to carry out the actions, it is needed to have people and offices able to implement it, and the Friuli Venezia Giulia Autonomous Region has implemented it throughout the creation of an inter-directorate working group.

The realization of GPP requires strong commitment and cooperation between several departments and members of the staff within the organisation. The establishment of a working group with representatives from different departments when defining a GPP policy, setting priorities and objectives and assessing training needs can help to ensure that all stakeholders are engaged and that these needs are met. Bring together people from different key sections is a great opportunity as on one hand it makes possible to consult all of them in one way, and on the other hand is necessary because realizes the opportunity to share responsibilities for procurement are dispersed within the administration.

Since GPP is a horizontal subject, it is necessary to connect several departments, and consequently to combine different aspect of GPP implementation together and allows different sections of the administration, such as circular economy office, regional environmental protection agency, infrastructure department, central procurement office to work together at the Plan implementation. Despite the fact that the coordination of the project is given to the Directorate for environmental protection, energy and sustainable development, the wide collaboration makes possible to set the Regional GPP actions inside extensive and strategic policies. In this case, coordination and collaboration are key words for a successful implementation of the plan.



PAR GPP: THE MONITORING SYSTEM

Another essential requirement of the implementation of a Regional Action Plan on GPP is to build an effective monitoring system: a register of calls for tender and/or awarded contracts including GPP criteria is useful for this purpose. Ideally, information on the environmental impact of procurement decisions taken should also be included in the system. In addition to a quantification of progress made, a qualitative review of GPP is advisable, focusing on the obstacles encountered, corrective actions and further improvements required, together with an assessment of the objectives for the future.

As regards the control and measurement of the green purchasing procedures carried out is provided detecting the number of calls, the product categories, the type of procedure, the amount and the introduction of rewarding criteria.

In order to start the monitoring, a special function has been activated in the online portal dedicated to tender procedures, which allows the administration to collect data related with the notices for which the minimum environmental criteria have been applied. This is a very important tool because it allows them to understand which are the main sectors involved in the GPP market, and which is the size of each sector, product and service. An effective monitoring system could also help to identify where there might be problems and barriers in the implementation of the Regional Plan.

The monitoring system built by the Autonomous Region Friuli Venezia Giulia in order to verify the effectiveness of the Regional Action Plan itself and if needed, to be able to analyse the causes potential obstacles to develop possible solutions, aims at:

- A. Check and measure the green purchasing procedures implemented in the time period underlying the Plan, in terms of:
 - Number of calls (both of the regional structures, of the CUC and of the other entities receiving the Plan's actions)
 - Product category
 - Type of procedure
 - Amount (also on total purchases)
 - Percentage of introduction of the reward criteria
- B. Check the progress of the planned actions and the achievement of the set targets

The set up system for monitoring the purchase procedures in terms of their environmental qualification is carried out starting from the Minimum Environmental Criteria as defined by the Ministry of the Environment, and takes place annually.

Regarding the green purchasing procedures of the Region, the monitoring must identify:



- Percentage of "green purchases", out of total purchases;
- Number of "green purchase" procedures banned;
- Total expenditure value, relating to "green purchases", tendered and divided by contracting station;
- Average number of operators participating in the tenders related to "green purchases";
- Number of tenders relating to "green purchases" that went deserted.

Quantitative monitoring will be accompanied by a qualitative verification system, aimed on the one hand at selecting and enhancing the good practices implemented by regional and local authorities, on the other at detecting any critical issues encountered that could have hindered the fulfilment of regulatory obligations relating to the adoption of CAM.

In addition, a sample of entities will be identified to send a questionnaire in which to report the progress made in setting up a GPP policy (resolutions, setting up internal working groups, training activities, communication actions, specific projects, etc.), type of green supplies acquired in quantitative terms and the percentage weight with respect to the total expenditure.

For each objective of the plan, progress and impact indicators of short, medium and long-term actions will be collected and assessed.

5. The way forward

PAR GPP: ITS POTENTIAL, REMAINING OBSTACLES, NEXT STEPS AND THE PARTICIPATION TO GPP STREAM PROJECT

The experience gained has made possible for the regional administration to understand in depth the potential of GPP. First of all, **it favours the diffusion of sustainable consumption and purchasing models** also among private companies and individual citizens, through the role of example that the public administration can play towards public opinion. Secondly, adopting GPP favours the rationalisation of public spending, being careful to contain unnecessary consumption, and promoting of a more correct approach to evaluate the price of the good/service or work purchased.

Moreover, adopting a Plan on GPP makes possible **to promote the integration of environmental considerations into other policies of the institution, involving sectors that traditionally do not deal with the environment** (economics). It also stimulates the spread of an environmental culture in both the supply and demand markets, stimulating companies to invest in R&D and to propose eco-innovative solutions. In this way, public demand can be an important driver to drive supply to qualify for eco-innovation.



From the dialogue with stakeholders some obstacles have raised. First of all, the obligatory nature of GPP in the Italian framework, makes it seen as a burden and not as an opportunity. For this reason, public administration should set it up as a standard and as a chance. To reach this goal the administration's involvement should go beyond the compulsory level, involving the private sector in understanding the importance of this tool both in its commercial relation with the public administration and in the possibility to open to new markets.

Many stakeholders have arisen attention on the **lack of knowledge about the use of GPP**. The Region has answered to this request with two main actions: on one side it set up a technical helpdesk, answering questions arisen from the procurers in a very short time.

As a second action the Region prepared a **training system on GPP**, in order to explain the tool to procurers. The training is divided in three parts: a general training explaining how GPP system works; a specialist training, done on GPP criteria related with specific products or services; and a part of the training which touches the future evolution of the subject, talking about circular economy, LLC system, and the law developments related with Court decisions.

RECOMMENDATIONS

The key points and lessons learnt from RAFVG expertise are the following:

- When possible, create groups of people from different sectors could be a great opportunity making possible to collect several opinions in one time. It is also possible to better organize the tasks within the administration;
- Collaboration between different Directorates is highly suggested because the wide collaboration makes possible to set the institution's GPP actions inside extensive and strategic policies;
- In order to obtain a good result, to set clear objectives and targets to be achieved, actions and tools to be implemented is necessary;
- A constant and profitable dialogue with stakeholder is highly recommended in order to better define needs and to collect their suggestions;
- Another essential requirement is to build an effective monitoring system (qualitative and quantitative) in order to verify the effectiveness of the Regional Action Plan itself.

6. Sources of Information

Informational sources are:



- *Piano d'azione per la sostenibilità ambientale dei consumi nel settore della pubblica amministrazione (PAN GPP) – revisione 2013, adottato con Decreto ministeriale del 10 aprile 2013*
- *Piano d'azione della Regione Autonoma Friuli Venezia Giulia per l'attuazione del Green Public Procurement (PAR GPP) per il triennio 2018-2020, adottato con deliberazione della Giunta regionale n. 367 del 23 febbraio 2018*
- *Generalità della Giunta regionale n. 1675 del 27 settembre 2019. Relazione sugli esiti del monitoraggio sullo stato di attuazione del piano d'azione della Regione Autonoma Friuli Venezia Giulia per gli acquisti verdi (PAR GPP)*
- *Neubauer, Christian, et al. "Green public procurement and the EU action plan for the circular economy." Retrieved online from < <http://www.europarl.europa.eu/supporting-analyses>>[visitato il 09/10/2020] (2017)*
- *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Public procurement for a better environment {SEC(2008) 2124} {SEC(2008) 2125} {SEC(2008) 2126}*
- https://ec.europa.eu/environment/gpp/index_en.htm visited il 14/07/2020

This policy brief is provided by
Autonomous Region Friuli Venezia Giulia,
located in the city of Trieste, Italy



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