



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

**STRATEGIC ACTIONS FOR THE INTEGRATION OF GPP INTO
POLICY INSTRUMENTS**

ACTIVITY: POLICY BRIEF

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1. OVERVIEW

Although Green Public Procurement (GPP) is one of the main tools through which the PAs can contribute to the promotion of more resource efficient economies, its adoption and management in relation to EU-funded programs and other policy instruments is still very limited. This is mainly due to the limited experience of the public administration on how to include environmental criteria into financing instruments and in the implementation of sectoral plans.

If the potentials for GPP to stimulate the transition towards a more resource efficient economy want to be fully exploited, strategic actions must be taken to improve the adoption and management of this tool in relation to EU funds, in its undertaking by beneficiaries and in the monitoring of GPP implementation.

This policy brief presents a set of strategic actions and recommendations on integrating GPP into the policy instruments and the related procedures of selection and implementation of projects. It is targeted at the EU funds Managing Authorities (MAs) and the managers of sectoral development plans. It is mainly based on the experience gained on the topic by Fondazione Ecosistemi throughout the implementation of the GPP-STREAM project and the technical assistance activities provided in the past to several Italian public administrations (e.g., Sardinia Region, Metropolitan City of Rome, Puglia Region, Sicily Region) in relation to the elaboration of GPP action plans. Some recommendations included in this documents were also inspired by the good practices included in the DG Environment study featured in the Interreg Europe Policy Learning Platform news.

2. INTRODUCTION

GPP is one of the main tools that PAs can use to influence the market, and stimulate the development of eco-innovative products and services with the ultimate aim to contribute to the Europe's new agenda for sustainable growth (i.e., **EU Green Deal**¹), in particular the promotion of more resource efficient, clean and circular economies. This role is highlighted by the **new Circular Economy Action Plan** (2020) that foresees to introduce “minimum mandatory green public procurement (GPP) criteria and targets in sectoral legislation and phase in compulsory reporting to monitor the uptake of Green Public Procurement (GPP) without creating unjustified administrative burden for public buyers”².

So far, many efforts have been made at both national and EU level to support a wider uptake of GPP, especially by providing sets of environmental criteria for certain products, services or works (e.g., EU common criteria, Italian minimum environmental criteria), training materials and helpdesk support services to guide the public procurers and purchasing bodies in their implementation (e.g., GPP toolkits, collections of good practice on GPP, Buying Green Handbook, LCA and LCC tools).

¹ EC (2019), *A European Green Deal*, 11.12.2019 COM(2019) 640 final, available at: https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF

² EC (2020), *A new Circular Economy Action Plan for a Cleaner and More Competitive Europe*, 11.3.2020 COM(2020) 98 final, available at: https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0017.02/DOC_1&format=PDF



However, these efforts have been mainly focused on ensuring that environmental criteria were included in the tendering processes linked to the acquisition of ordinary goods, services and works by the public administration, thus overlooking their inclusion into the procedures of selection and implementation of projects linked to the policy instruments funded by the EU (e.g., regional operational programs, sectoral development plans).

The result is that so far the application of GPP has mainly affected the ordinary public spending of the public administration and not also the wider public spending linked to EU funded projects. Among the main factors that have been limiting the application of GPP also to this share of public spending there are: the lack of regulations for the introduction of environmental criteria into the policy instruments, the lack of awareness and information by enterprises about the environmental externalities of their projects, difficulty in defining environmental and social criteria for public interventions for which common criteria are not already available, difficulty in applying the LCA tool within the assessment of the projects, difficulty in involving internal and external relevant stakeholders.

If the potentials for GPP to contribute to environmental policy goals want to be fully exploited, the adoption of GPP in relation to EU funds needs to be improved. The wider is the share of the public spending concerned by the application of GPP, the greater would be in fact the ability of this tool to drive the transition towards a more resource efficient and circular economy (see **box 1**). To this aim, GPP criteria should be used, within the policy instruments funded by EU, to select only the public or private projects which entail a product or process with a reduced environmental impact, and to refund only the project expenses linked to the acquisition of green products, services and works.

The strategic actions that can be undertaken in this sense are many: they can be related to one or more stages of the policy cycle (i.e., design, implementation, and monitoring) and require the support and engagement of a more or less wide number of stakeholders.

Box 1 - It was estimated (analysis carried out by Fondazione Ecosistemi in relation to the ROP of Sardinia Region) that a ROP with a budget of 800 million euros, if properly “greened”, could generate a demand for green products and services equal to at least 560 million euros, which represents 70% of the overall budget of the ROP. If to this value is added the money spent for the tendering processes linked to the acquisitions of ordinary goods and services, the overall public spending for green products reaches the amount of 3.2 billion euros.

3. POLICY CONTEXT

First, it must be considered that the implementation of specific policy instruments may include the following three different case scenarios:

1. Transfer of funds to a regional/local body entitled for the realization of the intervention;
2. Funds to enterprises for the realization of their entrepreneurial projects;
3. Acquisitions of goods and services and works by third beneficiaries (e.g., enterprises, public administration) for the realization of public interventions or entrepreneurial projects;



In the first case, GPP provisions have to be included in the acts/protocols that regulate the transfer of funds and it must be ensured that the implementing body has the knowledge and skills to include resource efficiency criteria in the realization of the intervention.

In the second case, general selection criteria have to be included in the funding calls so that are selected only those projects that entails products or process with a reduced environmental impact (compared to those already available on the market). To this aim, assessment tools such as LCA and LCC, should be more widely used.

In the third case, the adoption of GPP will be stimulated by revising selection and award criteria, but also execution clauses. Verification and control systems are crucial (and should be identified as so far both the first and second level controls do not include the verification of the social and environmental criteria) to ensure that commitment of beneficiaries of funding does actually result in the implementation of GPP measures.

Regardless of the abovementioned case scenarios, an effective integration of GPP criteria into a specific policy instrument, always require the adoption of systematic actions and a widespread support and engagement from several stakeholders.

The systematic actions can be categorized in six different types of strategic actions. For each of them the following subchapters provide examples of measures that can be adopted and the potential results which can be expected from their implementation.



3.1 SUPPORT FOR THE ECOLOGICAL TRANSITION OF THE ENTERPRISES

No public spending, including the one related to the implementation of policy instruments, can be effectively “greened” through GPP if the market cannot fully answer the public demand of green products and services. So, a successful integration of GPP into a policy instrument necessarily requires the adoption of actions addressing not only the demand but also the supply side of the market.

An example of such type of actions is the organization of industrial sector specific **working tables** on GPP and resource efficiency participated by the representatives of the MA and the local producers’ associations. Such working tables could be used to explore and address the reasons why the enterprises cannot meet the public demand of green products and services, so as to improve their capacity to participate to GPP tenders.

Another example is the establishment of a **helpdesk** (ideally once per industrial district in the region) to provide information and technical support to enterprises for the improvement of their production process, the qualification of their supply chain and the certification of their products. The technical support could be provided by an external GPP expert with specific expertise in the industrial sector of interest and could significantly contribute to increasing the availability of green products and services on the market.



Another action through which it is possible to strengthening the offer of green products is the adoption of **fiscal incentives** for SMEs and/or the creation of **networks** among these enterprises to favor their transition towards greener production processes.

The last example is the **greening of both the institutional and the private search engines** for new calls for tenders by including a “green” icon right next to the tenders which integrate GPP criteria. This action can facilitate the identification and consultation of green tenders by enterprises, and by doing so, it improves the overall matching process between the public demand and market supply of green products and services.



3.2 ENHANCEMENT OF GPP AND ENVIRONMENTAL POLICIES GOVERNANCE

The potential resource efficiency gains related to the integration of GPP into a specific policy instrument cannot be fully exploited without a coordination among all the existing sustainability policies managed by the same MA. A coordinated governance of these policies can significantly improve their effectiveness in terms of sustainable development and resources efficiency benefits.

An example of such type of action, is the establishment of a **permanent discussion table**, participated by the officials in charge of the various sustainability policies managed by the same MA (e.g., GPP policies, ROPs, Agenda 2030, circular economy strategies, etc.), aimed at identifying synergies and defining integrated sustainability strategies.

Another example is the organization of a **Forum** dedicated to GPP policies. The event should include workshops and information/training activities addressed in particular to representatives of local institutions, and should be aimed at improving their knowledge on GPP and their engagement in the definition of integrated environmental policies.



3.3 GPP CAPACITY BUILDING FOR PUBLIC ADMINISTRATORS

No action can be effectively put in place with respect to any policy instrument if both the staff involved in the policy making process and the actors addressed by the policy instrument are not provided with the proper motivations and skills to act. For this reason, the integration of GPP into a specific policy instrument should always be complemented by support measures such as training activities, guidance documents, helpdesk, etc.

An example of this type of action is the organization of **training activities** (such as workshops, coaching on the job, webinars, etc.) aimed at supporting the MA public procurers and/or the EU funds beneficiaries in the integration of GPP criteria into the tenders linked to the implementation of the policy instrument. The training activities could be delivered by in-house experts or specialist organizations.



Another example is the establishment of a dedicated **office** or **working group of GPP experts** within the MA's Environmental Department, aimed at providing the support needed for the integration of GPP (e.g., by providing the right interpretation of the applicable regulations, receiving answers from the Ministry of Environment to specific questions related to GPP, etc.).

To the same aim, another example of implementable action is the creation of a **platform of competencies on GPP**, an online platform on the public entity institutional website where the most skilled officials can share their knowledge and experience on GPP with the less skilled colleagues.



3.4 ESTABLISHMENT OF TOOLS, METHODOLOGIES AND PRACTICES TO ACCOUNT AND MONITOR GPP IMPLEMENTATION AND ITS ENVIRONMENTAL AND ECONOMIC BENEFITS

Another important element which cannot be missing when integrating GPP into a policy instrument is the monitoring activity in terms of GPP implementation and resource efficiency benefits achieved. Without specific monitoring activities, it is not possible to track the progress in this sense and adjust the actions depending on the effectiveness of the interventions.

For monitoring the environmental and economic benefits linked to the integration of GPP, the MA should define specific **GPP indicators**, for each product and service category, and the supporting **calculation tools** to apply these indicators.

For monitoring the application of GPP within the tenders linked to the implementation of the policy instrument, there are many approaches which could be adopted by the MA. The choice depends on the GPP aspects which one wants to prioritize and on the institutional level of the monitoring (so, whether it is at the local, regional or national level). For more details about the available approaches, please check the guidelines elaborated by the GPP-STREAM project – A19 **GPP monitoring guidelines** – which can be found at the following link:

https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1608024280.pdf



3.5 SUPPORT THE DISSEMINATION OF GPP AT ALL LEVELS OF PA

The potential resource efficiency gains related to the integration of GPP into a specific policy instrument cannot be fully exploited without a widespread uptake of GPP at all the institutional levels, starting from the local public beneficiaries of the EU funding programs (such as municipalities, park authorities, local health authorities, research institutions, etc.).

Two examples of actions that can be adopted in this sense, are the establishment of an **helpdesk service** to support the EU funds public beneficiaries (i.e., local authorities) in the integration of GPP into their public tenders, and the creation of a **GPP products and services price lists** based on the eligible expenses of the specific funding program.



3.6 IMPROVE THE COMMUNICATION TO CITIZENS REGARDING GPP AND ITS ENVIRONMENTAL AND ECONOMIC BENEFITS

Communication to citizens plays an important role within the integration of GPP into a policy instrument as it contributes to the creation of a critical mass of individual private purchasers which is necessary to stimulate and support the offer of green products and services.

The actions which can be adopted in this sense are many. An example of such actions is the **greening of the procurement awarding decisions**, which can be done by including, in the official document by which the contracts are awarded, a table which shows the amount of energy, material and financial resources saved thanks to the green tender (if compared to a traditional tender).

Another example of action is the organization of dedicated **open days initiatives** aimed, on one side, at informing the citizens on GPP, funding programs and virtuous enterprises and, on the other, at awarding the most innovative green products and enterprises that contributed the most in the ecological transition of the market.

4. THE WAY FORWARD

This section seeks to reinforce some key aspects that should be borne in mind by MAs considering the integration of GPP aspects and objectives into the design, implementation and monitoring of their policy instrument:

- A successful integration of GPP into a policy instrument requires the adoption of a systematic approach which should ideally involve a wide range of stakeholders and address all the three phases of the policy cycle (i.e., design, implementation and monitoring).
- When planning the integration measures to be adopted, the two following different levels of environmental objectives should be set: transversal objectives in relation to all the supply chains involved by the funded interventions (i.e., horizontal objectives); and specific objectives for the supply chains with greater environmental impacts (i.e., vertical objectives). Once these two levels of objectives are set, the MA should establish the minimum environmental criteria necessary to achieve them.
- The minimum environmental criteria to be integrated into the policy instrument should be defined through a constant collaborative dialogue with all the local stakeholders addressed by that specific policy instrument (such as local enterprises, industrial associations, research centers and universities). A continuous dialogue with these stakeholders, especially in the design phase of the policy instrument, allows the MA to adjust the minimum environmental criteria based on the actual local



enterprises' environmental innovation levels and to identify awarding criteria which can stimulate proper levels of competitiveness in each relevant industrial sector.

- The staff members of the MA involved in the policy making process and the actors addressed by the policy instrument should be always provided with the necessary skills and tools to uptake the GPP and monitoring its implementation. Useful support measures in this sense are: training activities, guidance documents, helpdesk services, etc. These measures could be carried out through the collaboration of environmental advisory bodies or other GPP experts. Their involvement could be particularly useful for the development of the sets of minimum environmental criteria and for the monitoring of the GPP implementation.



5. SOURCES OF INFORMATION

COWI and Milieu (2020), *Integration of environmental considerations in the selection of projects supported by the European Structural and Investment Funds*, final report prepared for the EC, DG ENVIRONMENT, available at: <https://op.europa.eu/en/publication-detail/-/publication/25295fb0-c577-11ea-b3a4-01aa75ed71a1/language-en>

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