

## Strategy and approach to SPP in the Municipality of Copenhagen

Municipality of Copenhagen (Denmark)

### Background

Copenhagen is the capital and most populated city of Denmark, with around two million people living in the wider metropolitan region. The [City of Copenhagen](#) is one of Denmark's largest employers. It consists of seven administrations with over 40,000 employees, and an annual procurement budget of approximately 1.5 billion euro, thus enabling it to exert significant influence on the kinds of goods and services it purchases.

In terms of sustainability, Copenhagen's goal is to become the world's first carbon neutral capital city. This vision was first outlined in the 2009 [Climate Plan](#), coinciding with the city's hosting of the United Nations Conference of the Parties (COP) on Climate Change. This Plan also set a goal - unanimously approved by the city council - to reduce CO<sub>2</sub> emissions by 20% by 2015. This goal has since been exceeded, with CO<sub>2</sub> emissions falling by 38%, compared to 2005 levels.

In 2012, the 2009 Plan was preceded by the [Copenhagen \(CPH\) 2025 Climate Plan](#), which added new objectives and initiatives needed to achieve the goal of carbon neutrality. The CPH 2025 Plan highlights the important role of procurement, stating that "the City will, by virtue of its large procurement volume, actively seek to move the market in a climate friendly direction". To assist with this, a unit called 'Team Green Public Procurement (GPP)' was established to work across all administrative and strategic procurement units, providing support for sustainable procurement and market engagement activities regarding environmental and climate issues.

### Development of approach

Both the 2009 Climate Plan and CPH 2025 were developed with the involvement of many city council departments and numerous external stakeholders, including representatives of NGOs, civil society organisations, the private sector, and national ministries.

These plans recognised that in order to become carbon neutral, climate and environmental requirements had to be introduced into more areas of public procurement. To do so, CPH 2025 outlined areas requiring greater action. These include:

- Reducing energy consumption in city administration buildings by 40%, compared to 2010 levels (by 2025);
- All vehicles used by the city council to run on electricity, hydrogen, or biofuels (by 2025);
- Reducing energy consumption for street lighting by half, compared to 2010 levels (by 2025);
- Installing 60,000 square meters of photovoltaic panels on new or existing municipal buildings (by 2025); and
- Serving 90% organic food in public sector canteens or food services (end 2015).

Alongside these actions, the City set itself targets to reduce the environmental impacts of its operations, which include:

- Developing relevant sustainability criteria for almost all sectors (for example, the [Sustainability in Construction and Civil Works](#) guidance), and using ecolabels where possible;



- Introducing new methods to the tendering process including the use of performance-based specifications and total cost of ownership (TCO) criterion - particularly when procuring electronic devices/equipment and transport services – as well as the introduction of contract clauses requiring suppliers to give advice to product/service end-users (if products are leased, for instance) which could subsequently affect the TCO within framework agreements;
- A focus on implementation and follow-up of contractual agreements already entered into, in order to send an important message to the market and ensure that contract performance clauses are met, as well helping suppliers build their capacity to meet the criteria set by the City of Copenhagen.

The newly adopted [Road Map 2017-2020](#) provides further detail about the steps required to meet the 2025 target. In particular, the City of Copenhagen identifies public procurement as a means to address its own carbon footprint, as well as a driver of green growth. Recognition of the role that ecolabelled goods and services can play in procurement processes, as permitted by the EU public procurement directives, is also made.

## Implementation of approach

The Climate Plan is being implemented in a decentralised manner which corresponds to the structures of the departments, centres and offices where specialists are already available. A high level steering committee and climate action plan secretariat has thus been formed to provide a coordinating mechanism, and to monitor activities.

In general, procurement in the city administration is decentralised, and involves ten units which between them employ around 60 contract lawyers. As such, 'Team GPP' was created to provide coordination and support of strategies and policies, by ensuring that procurement remains an element of all relevant strategies and policies developed by the City. It also focuses on ensuring that procurement can be used as a tool for fostering green growth by setting appropriate minimum criteria, and using award criteria which benefit suppliers with green products or services. Furthermore, Team GPP also focuses on capacity building actions for the various units/departments, in order to further support them in managing environmental requirements of purchasing processes (such as following up agreements), and also works with suppliers through market engagement processes.

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Lastly, in order to improve its own understanding of green growth, Copenhagen is a member of the Nordic Green Growth City Network, which is carrying out a project for 'Creating a Green Market through Public Procurement'. It aims to ascertain a common view on the most advanced approaches to dialoguing with the market as a means for creating greener markets, in order to define the core elements of systematic and efficient approaches to market dialogue. Planned outputs include publishing best practice cases and recommendations, and improving competences through thematic workshops.

## Working in partnership and in networks

Partnerships and networks play an important role in Copenhagen's approach to GPP. In 2006, the Ministry of the Environment and Food, and Denmark's three largest municipalities (Copenhagen, Aarhus and Odense), entered into the [Partnership for GPP](#). The Partnership has since grown to include 13 municipalities and two regions.

The Partnership aims to develop joint, mandatory procurement objectives that have major positive impacts on the environment, both locally and globally. It strives to renew these objectives on an annual basis in order to make continuous progress.

The Partnership for GPP initiative ensures a certain level of coordination in GPP actions from the largest public sector procurers in Denmark, with a total public procurement spend of 5.5 billion euro annually. This represents over 13% of Denmark's total annual spend on public procurement, and 30% of that spent by Danish municipalities. By sharing consistent sets of green criteria, the Partnership makes it easier for the market to respond to sustainability demands from public purchases. More information on the Partnership can be found in the Interview of Iben [Kinch Sohn, Project Manager of the Partnership on GPP, published in the GPP May 2016 News Alert](#).

The Danish Ministry of Environment and Food also facilitates the [Forum for Sustainable Procurement](#), which promotes GPP among professional procurers in public and private organisations. This is a knowledge sharing Forum where procurers can keep updated on best practice, methods and tools for green procurement, through a website, newsletters and various events. The City of Copenhagen is a member of the steering committee.

### Results of the CPH 2025 approach

Since 2005, CO<sub>2</sub> emissions in Copenhagen have fallen by 38%. This is mainly due to sustainability strategies regarding sustainable building renovation works, energy savings achieved in the private sector and the implementation of anti-waste strategies. Consideration is then given to how the City's purchasing actions can help to achieve its strategic (thematic) goals, such as requiring that product packaging originates from reused materials, procuring alternative fuel or zero emission vehicles (now at 53%), increasing the number of organic public sector meals (now at 88%).

### Lessons learned

- Political support for GPP is essential, and the creation of ambitious targets provides a focus for this work.
- Buy-in from top level management is crucial - without this, implementing GPP can be an uphill struggle.
- Capacity-building of the internal organisation, as well as increasing understanding of why GPP is being implemented is important and again requires management support.
- A sense of local ownership should be created, as was the case in Copenhagen regarding organic meals, where all administrations had the responsibility of implementing this target.
- Successful implementation of sustainable procurement requires close cooperation between the person responsible for the procurement and an employee with environmental expertise during the tendering process. As such, an environmental expert is now a compulsory member of any working group set up before a tendering procedure is launched.

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