

## Palm oil and public procurement



Palm oil and its consumption - be it for food or fuel - is one of the big issues under the spotlight in the discussion of deforestation, and understanding the impacts of EU consumption of agricultural commodities on deforestation. With tropical forests disappearing at a rate of about 13 million hectares per year (an area approximately the size of Greece), the current scale and pace of destruction is alarming ([Source](#)).

Earlier this year, the results of a [study on the Environmental Impacts of Palm Oil Consumption and on Existing Sustainability Standards](#) were published. The one-year study, commissioned by the European Commission's (EC) [DG Environment](#), carried out an extensive review of the environmental, social and economic aspects (both positive and negative) of palm oil production and consumption, and analysed existing palm oil sustainability initiatives.

Palm oil today is by far the most important source of vegetable oil in the world. Its high yield means palm oil requires less area than competing oil crops and makes it a very attractive source of income for smallholder farmers, with the added attraction that it is harvested year round ([Source](#)).

The oil palm produces two chemically distinct oils: crude palm oil (CPO) and

palm kernel oil (PKO). CPO is transformed into a variety of different products, including biodiesel, refined palm oil for frying and specialist usage in confectionary, baking and spreads. PKO is the primary feedstock for the production of natural fatty alcohols, which are widely processed into products such as shampoos and liquid detergents. It is also used in specialist food applications. CPO is transformed into a variety of different products, including biodiesel, refined palm oil for frying and specialist usage in confectionary, baking and spreads. Both uses of palm oil are relevant for the area of public procurement.

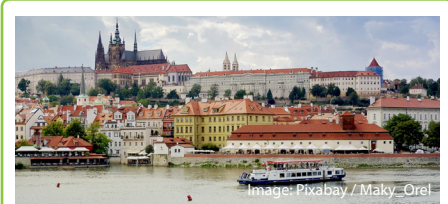
After energy and transport, food is the sector with the biggest impact on our climate – responsible for over 10% of greenhouse gas emissions in Europe ([Source](#)). In terms of public food/catering services and green public procurement (GPP), requirements addressing sustainably produced palm oil form part of the current proposals for the new [EU GPP Criteria](#) for Food and Catering Services. An updated set of GPP criteria for this area are on the table for publication in the coming months.

To read the article in full, click [here](#).



### Zoom in on... [Opinion from Europe's regions](#)

The [European Committee of the Regions](#) (CoR) representing regional authorities in Europe adopted an [opinion](#) on the [EU Public Procurement Strategy](#) in early July. Amongst others, the CoR supports the important role that strategic public procurement can play in addressing challenges such as climate change, promoting digitalisation, innovation, and social inclusion. Challenges in implementing strategies at the local level, including the lack of capacity and resources in public authorities to overcome bureaucratic hurdles while harnessing the benefits of strategic public spending, were acknowledged.



### Zoom in on... [Conference in Prague](#)

The Czech ministries of Labour and Social Affairs, and Agriculture are jointly organising a one-day conference in Prague on 20 September on social responsibility and quality in public procurement. The programme will address topics such as processes and systems, quality versus price in the context of sustainability, and social responsibility in supply chains. Registration for the international event is free of charge. [More information...](#)

## GPP good practice

### Quality cleaning services meeting sustainability requirements by the Consortium of University Services of Catalonia (Spain)

The [Consortium of University Services of Catalonia](#) (CSCU) is a group formed by 10 universities, which share academic and management services, in the Autonomous Region of Catalonia. Following the successful pilot of a new procurement approach in 2014 by the [Polytechnic University of Catalonia](#), CSUC (at the end of 2015) transformed the procurement of its group's cleaning services from a model based on the number of hours spent cleaning, to a 'service' model, based on quality and performance.



An extensive list of mandatory environmental and social requirements were included during the tendering phase - a tender which also included waste collection, in addition to building cleaning services. Performance of the service is monitored through monthly audits, with failure to meet the required level of quality resulting in penalties. Annual reports from the contractor regarding the consumption of cleaning products are also required.

The new contract also aims to reduce the amount of waste generated and improve the quality of the collection service over the contract period. The value of the contract for the joint purchase is estimated at 32.4 million euro over its approximate two year duration.

Download the full case study [here](#).



#### Zoom in on... Costs of green products

The [Institute of Environmental Policy](#) of the Slovak Republic recently published the results of a study ([results in Slovakian](#)) into the cost of green products in their country. The study showed that the total costs of GPP of paper, computers and passenger cars are not necessarily higher in Slovakia. The availability of ecological alternatives for these products was also found to be good, with conclusions being that the market is ready for meeting green future demands.



#### Zoom in on... The Netherlands

Some 150 governmental bodies have formally agreed to implement green and socially responsible procurement in their organisations, since the official launch of the [Dutch Manifesto on Socially Responsible Procurement](#) in December 2016. Signatories have committed to setting up their own action plans (available [online](#)) which describe links to policy goals, how their plans are internally organised and the procurement instruments that will be addressed.

## Interview: Competence centres for innovation across Europe: the Procure2Innovate project



*Marlene Grauer is an international project manager at the Association for Supply Chain Management, Procurement and Logistics (BME) in Germany. On behalf of the Federal Ministry*

*for Economic Affairs and Energy, BME is the expert organisation that runs the National Competence Centre for Innovative Procurement (KOINNO) in Germany.*

### Could you introduce us to the strategy behind the Procure2Innovate project? Why did BME decide to lead such an initiative?

The main goal of [Procure2Innovate](#) is to set up a network of competence centres for innovation procurement across Europe. The

network will enable the competence centres to learn from each other, support each other and speak with a united voice towards policy makers. In addition, we hope to encourage other member states to join us and set up a competence centre of their own.

We want to focus on the knowledge that has been accrued by the already established competence centres so far, both positive and negative. It is often not recognised how valuable such experiences are and how much expertise has been generated over the years. The network is an opportunity to showcase this.

To read the interview in full, click [here](#).

To read more GPP examples, visit the European Commission's GPP [website](#). Previous issues of the GPP News Alert are available [here](#).

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