Green Public Procurement promotes sustainable living and cuts costs

Public authorities in Europe have the purchasing power to encourage a shift in society towards greener production and consumption patterns by including environmental criteria in public tenders. A recent study has concluded that Green Public Procurement (GPP) has had a positive environmental impact: public authorities in the seven ‘greenest’ EU Member States achieved a 25 per cent reduction in carbon emissions for 10 key product groups.

Public authorities spend around 16 per cent of the EU’s Gross National Product, purchasing goods, services and works. In a recent Communication¹ the European Commission (EC) proposes that each Member State reaches 50 per cent GPP by 2010. This implies that, on average, 50 per cent of criteria in public tenders are green (in terms of value and number of contracts). The EC has developed a Training Toolkit² to help those tasked with public procurement which includes concrete examples of green specifications that can be included in tendering procedures for 10 commonly purchased products and services: cleaning, construction, electricity, catering, gardening, office IT, paper, textiles, transport and furniture.

On behalf of the EC, a survey of over 1105 purchasing authorities was undertaken in the ‘Green-7’ (countries which have previously been shown to include more environmental criteria in public tenders than others: Austria, Denmark, Finland, Germany, The Netherlands, Sweden and the United Kingdom). The study focused on the abovementioned 10 “priority” categories of products and services. Using data from 2006/2007, the study evaluated the greenness of each purchased product and service according to key environmental impacts: it distinguished between ‘core greenness’, taking account of the most significant environmental impacts, and ‘comprehensive greenness’, taking into account additional environmental impacts and therefore addressing the most environmentally-friendly products on the market.

When GPP was analysed across the seven countries, 45 per cent of total public procurement contracts in terms of monetary value and 55 per cent of total public procurement contracts in terms of number of contracts were ‘green’ (i.e. at least core greenness). The UK scored best, in value terms, with 75 per cent classified as green. Judged in terms of percentage of contracts, Austria achieved the highest GPP rate at 62 per cent, with Germany the lowest at 46 per cent.

Large differences in GPP practices were found for each product group. Overall, electricity, office IT and furniture are the products where GPP was most practiced. Construction, gardening and transport were the lowest scoring product groups.

When costs of a green product were compared with those of a non-green product, using a Life Cycle Costing (LCC) approach (purchase, operational and disposal costs), overall costs were reduced by 1.2 per cent on average. Initial purchasing costs were higher, but savings were made in operating costs. In particular, transport, construction and cleaning services contributed most to a reduction in the total cost of the purchases. The UK achieved the highest savings of 5.7 per cent.

By comparing the CO₂ emissions of a green product with that of a similar non-green product, the researchers concluded that an average 25 per cent reduction in CO₂ emissions was achieved in the seven countries, across the ten product groups. This reduction varied from 47 per cent for the Netherlands, to 9 per cent for Germany. Electricity, construction and paper contributed most to this reduction in CO₂ emissions. Furthermore, the study suggests that product groups with the biggest potential for reducing both CO₂ emissions and overall costs are transport, construction and cleaning services (provided that ‘comprehensive’ GPP criteria are used with cleaning).

2. See: http://ec.europa.eu/environment/gpp/toolkit_en.htm

Contact: klaas.van.den.berg@nl.pwc.com
Theme(s): Sustainable consumption and production

Additional information: The LIFE funded GPPnet project is a successful example of how to reduce expenses through Green Public Procurement: www.compraverde.it

Opinions expressed in this News Alert do not necessarily reflect those of the European Commission
To cite this article/service: "Science for Environment Policy": European Commission DG Environment News Alert Service, edited by SCU, The University of the West of England, Bristol.