

Science for Environment Policy

Green public procurement: a method to implement environmental policy

Green public procurement (GPP) – authorities considering environmental criteria when allocating contracts to private suppliers – is becoming increasingly popular as an environmental policy instrument. This study analysed data from Swedish cleaning service procurements, finding a 'weak' effect on supplier behaviour in this situation. The researchers say that, for GPP to be an effective policy instrument, it is important to consider suppliers' decisions to participate in procurement and to screen them against mandatory green criteria.

GPP is a way of pursuing environmental policy. It is practised in Europe, where the European Commission (EC)¹ defines it 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'.

The aim of GPP is to influence the market for environmental benefit. Public sector spending is an important part of the economy in many countries. In the EU, public authorities spend €2 trillion every year — equivalent to 19% of its GDP. By using this purchasing power for goods and services with lower environmental impact, public authorities can influence [sustainable production and consumption](#).

Alongside the 'substitution' effect (when a purchasing authority substitutes a conventional product for a more environmentally friendly one), GPP can have a 'transformative' effect. In other words, it provides incentives for industry to develop greener products. This can be especially powerful in sectors where public authorities have a large share of the market, such as public transport or healthcare.

Although GPP is popular in many parts of the world, its value for [environmental policy](#) is not well understood. This study analysed GPP as an instrument for environmental policy, using procurements of internal regular cleaning services organised by Swedish authorities from 2009–2010. Cleaning services are identified as suitable for GPP by the EC, as they have scope for environmental improvement and possible impact on suppliers. A total of 337 procurements were assessed, including information on procurement design, facility to be cleaned, contract and local market characteristics, submitted bids, and whether or not a bid met all of the green criteria.

Within this, 28 individual environmental criteria were identified, which were categorised into six variables: environmental management (i.e. the requirement for a documented environmental management system), eco-labelling (e.g. ecological labelling of cleaning products, such as using the EU Ecolabel), vehicles (e.g. eco-driving), chemicals (e.g. use of environmentally friendly cleaning products), eco-monitoring (e.g. routines for bookkeeping of chemicals), and other eco-demands (e.g. plans to decrease fossil fuel use).

Using this data, the authors investigated the effect of GPP on suppliers' decisions to participate in procurement, the extent of competition, and the likelihood of a bid being disqualified. The main finding was that the design of GPP (for example, the different green criteria used) had a limited impact on suppliers' decisions to participate, and on the total number of bids. In addition, in only 10% of procurements did the authority plan to follow up on the green criteria.

According to how the procurements under study were conducted, the researchers found limited evidence to support GPP as an environmental policy instrument in Sweden and recommend further analysis to understand how GPP can best be used to benefit society. For example, it should be ensured that environmental criteria are not associated with unaffordable costs. The Swedish green procurement rules follow EU procurement directives². These findings may, therefore, have interest for the wider EU, as well as other countries that are using or considering GPP as a means of pursuing environmental policy.



17 March 2016
Issue 451

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Source: Lundberg, S., Marklund, P-O., Strömbäck, E. & Sundström, D. (2015). Using public procurement to implement environmental policy: an empirical analysis. *Environmental Economics and Policy Studies*, 17(4), pp.487-520. DOI: 10.1007/s10018-015-0102-9. This study is freely available at:

<http://link.springer.com/article/10.1007%2Fs10018-015-0102-9>

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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.

1. Communication (COM (2008) 400) Public procurement for a better environment. See: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52008DC0400>

2. Directives 2004/17/EC and 2004/18/EC. See: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32004L0017> and http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.094.01.0065.01.ENG and <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0025>