



Environmental provisions in the procurement directives


Green Public Procurement

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1. What is “Green” Procurement in the EU?
2. Why “Green” Procurement?
3. Environmental criteria: What’s in the directives?
4. Life-cycle costing as a new approach
5. Annex: What is Circular Procurement?



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Green procurement:

1. What is **Green** Procurement?
 - “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”.

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GPP is voluntary...with some exceptions

Clean Vehicles Directive

- Criteria revised Clean Vehicles Directive (Directive 2019/1161/EU), guidance to procure clean and environmentally responsible road vehicles

Performance of Buildings Directive revised in 2018 (2018/844/EU)

- As of 2030, all new buildings in the EU must be zero-emission buildings, while all new public buildings must be zero-emission as of 2027
- at least double renovation rates in the next ten years and make sure renovations lead to higher energy and resource efficiency







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GPP is voluntary...with some exceptions



- **Energy Efficiency Directive (2012/revised 2023):**
- **New:** energy savings obligations: average of 1.49% of new annual savings for the period from 2024-2030
- **NEW:** Regulation on ecodesign requirements for sustainable products (agreement Council/Parliament in December 2023)
 - Digital product passport for specific product groups, which would provide information on performance, traceability, technical documentation, harmful chemicals, user manuals etc
 - The Commission would be empowered to adopt delegated acts establishing ecodesign requirements for public contracts, including mandatory technical specifications and selection criteria;




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Green procurement:

2. Why Green Procurement?






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Green procurement:

- GPP can be a major driver for innovation, providing industry **with real incentives for developing green products and services (construction, transport, etc.)**
- Cost reduction increased by energy/water efficiency
- Energy security – less dependency on external fossil fuel






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Green procurement:

Climate Change Policy EU Objectives 2030/50

Green deal/fit for 55 legislative package 

- Europe's economy and society to become climate-neutral by 2050
- a 55% cut in greenhouse gas emissions by 2030 compared to 1990 levels
- 42.5% share of renewable energy consumption –
- The **public sector will be required to renovate 3% of its buildings** each year, higher efficiency standards

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EU Financing Objectives - Example

- 37% of the €723.8 billion (in current prices) [Recovery and Resilience Facility](#), which will finance Member States' national recovery programmes under NextGenerationEU, is allocated to climate action.

What else?

Green procurement:

Buying timber products from legally harvested regions (fight **against deforestation**)

Improve the health conditions of workers, users of buildings, etc.
by **using non-toxic cleaning products**,

-excluding harmful substances from the list of building materials,

-improving environmental conditions and animal welfare by purchasing
organic **food in canteens**.

- supporting the prevention of waste: **"circular economy"**

Green procurement:

Different national strategies Green/sustainable Procurement

What is needed?

- Political support/well-trained workforce/ strategic procurement/Long-time planning/**Dialogue with the market**/concentration on main environmental impact areas/Monitoring procedures

(DG ENV)

New and old documents

Commission Handbook: Buying green! (2016 update)
Circular Economy, 2017





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Data base DG Environment

green-business.ec.europa.eu/green-public-procurement/good-practice-library_en

Environment > Green Business > Green Public Procurement > Good Practice Library

Good Practice Library

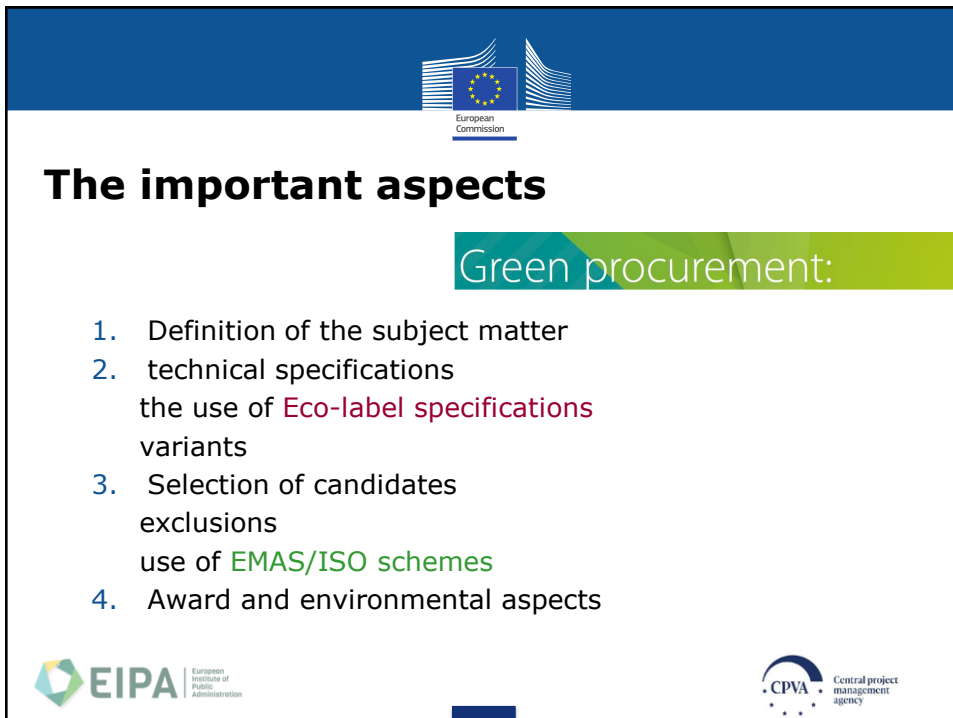
Compilation of case studies on green and socially

https://green-business.ec.europa.eu/green-public-procurement/good-practice-library_en

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The important aspects

Green procurement:

1. Definition of the subject matter
2. technical specifications
the use of **Eco-label specifications** variants
3. Selection of candidates
exclusions
use of **EMAS/ISO schemes**
4. Award and environmental aspects

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Most important: subject matter

Green procurement:

The Directives are less concerned with “ what” than with “how” you procure

Work contracts: best possibilities with respect to the **design and conceptual work** (clear instructions on energy efficiency, materials etc.)

Service contracts: **prescribe a mode of performing** (cleaning with certain products, transport on natural gas)

Supply contracts: organic food, (more tricky, respect of non-discrimination, case by case assessment)

Green procurement:



Subject matter:

“Supply of electricity from renewable energy sources to all public utilities of the city of Avigliana”
(City of Avigliana, Italy)

Green technical Specifications?

Green procurement:

Article 43 'Labels'

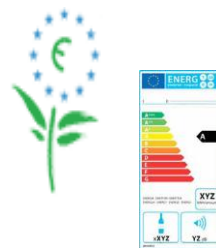
- "Where contracting authorities intend to purchase works, supplies or services with specific environmental, social or other characteristics they may,... **require a specific label** as means of proof that the works, services or supplies correspond to the required characteristics..."



ECO-Label:

European Eco-label (regulation No 1980/2000), more than 300 products (according to product groups)
national (Blauer Engel, D, Nordic Swan)

private (e.g. TCO, S, sustainable forestry, etc.)
organic farming (new logo EU)



Use of ECO-Label

Green procurement:

Article 43

- “ contracting authorities shall **not require the label as such** but may define the technical specification by reference to those of the detailed specifications of that label ...
- “ Contracting authorities requiring a specific label shall **accept all labels that confirm that the works, supplies or services meet equivalent label requirements.**”

Technical Specifications – Best Practice

The City of Kolding, Denmark, incorporates eco-labels into all its procurement actions.

The applicable criteria from the eco-labels are inserted directly into technical specifications and/or award criteria.

1. It is stated that a copy of the eco-label certificate is seen as full verification that the criteria are met, but also that alternative documentation will be accepted.
2. Recent tenders using eco-label criteria include cleaning products, copy paper, uniforms, laundry services (for the detergent used), printing services (for the paper used), tissue paper, and fleet management (for the lubricants used).

Performance

Article 42(3) of Directive 2014/24/EU and Article 60(3) of Directive 2014/25/EU

- The directives explicitly allow contracting authorities to apply specifications **based on performance or functional requirements**
- A performance-based/functional specification will describe the desired result and outputs in terms of quality, quantity, and reliability...



Performance – Best Practice

Selection criteria “training of cleaning personnel”:

“The bidder is required to attest

that all staff involved with the contracted services have received the appropriate and necessary professional training (from a technical, safety and environmental point of view).

.... Moreover, the cleaning personnel must be trained and informed about the methods, the dosage and the safety precautions pertaining to cleaning detergents, their packaging and preparation/conditioning, as well as the waste disposal (waste separation and evacuation). ...”

European Commission, Office of Infrastructure and Logistics, tender for window cleaning services

Under the 2014 directives contracting authorities may require evidence of **the environmental management system** which an operator has in place for any contract, provided this is proportionate and related to the subject-matter.

Equivalent certificates must be accepted...

Article 62(2) of Directive 2014/24/EU; Article 81(2) of Directive 2014/25/EU.



Suitability and EMAS

Case Law: *Evropaïki Dynamiki v European Environment Agency* (Case T-331/06 of 8 July 2010)

- 10% of the marks at award stage were based on the 'General environmental policy of the company',
- highest marks to a company which had a third-party certified environmental management scheme

Court: While third-party certification cannot generally be required, **it may be treated as strong evidence of a company's environmental standards.**

Award of the contract

You may **allocate points during** the award stage to recognise environmental performance beyond the minimum requirements set in the specifications.

Adopting **a life-cycle costing** approach reveals the true costs of a contract. Considering energy and water consumption, maintenance and disposal costs in your evaluation may indicate that the greener option is also the cheaper option over the full life-cycle.



Labels and other forms of third-party evidence can help you to assess how well a tender performs against your chosen award criteria, and to verify tenderers' claims.



4 conditions:






- should be linked to the **subject matter**
- environmental requirements must be specific and **objectively quantifiable**
- mentioned **in the contract documents** or in the tender notice;
- they have to comply with the general EC Treaty principles.

Life-cycle costing (LCC) means considering **all the costs that will be incurred during the lifetime** of the product, work or service:

- Operating costs, including energy, fuel and water use, spares, and maintenance
- End-of-life costs, such as decommissioning or disposal
- may also include the cost of **externalities...**

DG Environment Homepage

■ News on Life Cycle Costing

<p>• Vending Machines User Guide</p> <p>• LCC Tool</p> 	<p>• Imaging Equipment User Guide</p> <p>• LCC Tool</p> 
<p>• Computers and Monitors User Guide</p> <p>• LCC Tool</p> 	<p>• Indoor Lighting User Guide</p> <p>• LCC Tool</p> 
<p>• Outdoor Lighting User Guide</p> <p>• LCC Tool</p> 	

The costs **for society of specific environmental impacts**, such as those linked to climate change or acidification of soil or water.

Calculation?

- is based on objectively verifiable and non-discriminatory criteria;
- the data required can be provided with reasonable effort by normally diligent economic operators

Clean Vehicles Directive (2009/33/EC)

- ... requires that **environmental impacts** linked to the operation over the lifetime of vehicles are taken into account in public procurement purchase decisions. **It defines common rules on how to monetise impacts** and calculate the operational lifetime costs for energy consumption, CO₂ emissions and pollutant emissions (NO_x, NMHC, PM) of vehicles.

The European Commission's calculator for LCC for vehicle procurement:

<http://ec.europa.eu/transport/themes/urban/vehicles/directive/>





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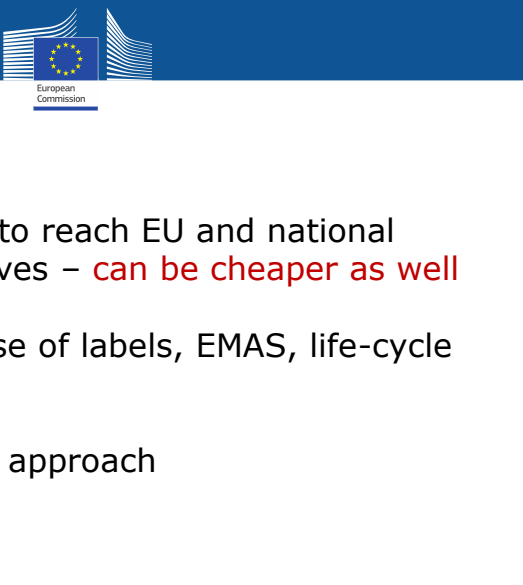
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“Green” Procurement to reach EU and national environmental objectives – **can be cheaper as well**


Directives allow the use of labels, EMAS, life-cycle costing

Externalities as a new approach



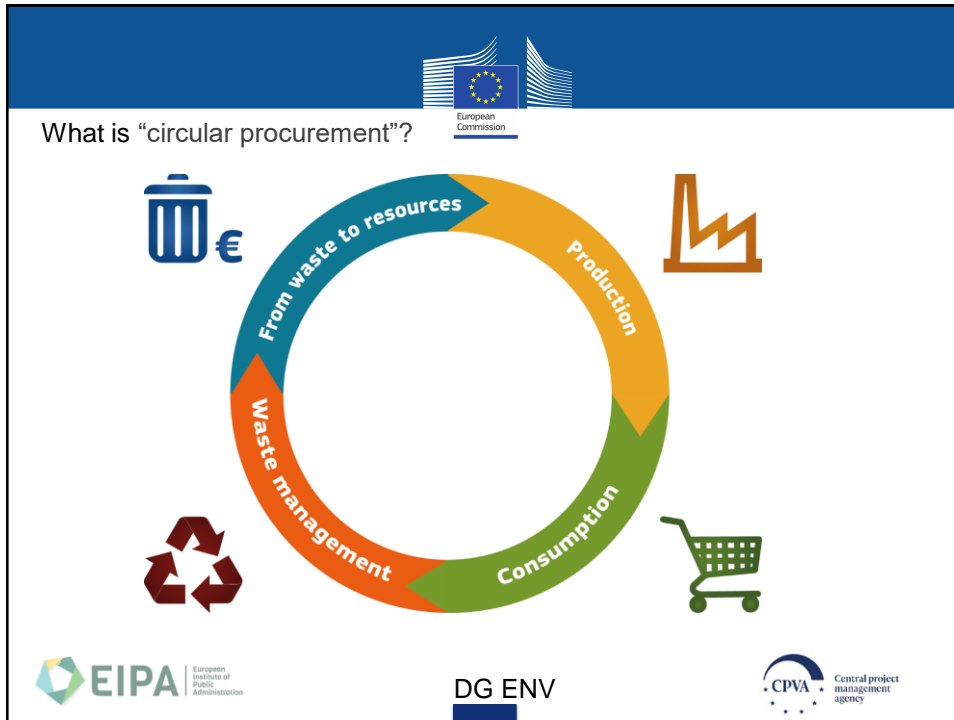


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Examples

- Germany/Bremen: Replacing vehicle fleet with car-sharing services
- Wales: New office building: **refurbishing and reuse** of office furniture
- Berlin (DE): New Life Science Laboratory built with **recycled concrete**
- NL: Using **technical specifications** and award criteria to require recycled textiles
- BE: Using „**cradle to cradle**“ **certification** for cleaning products

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CIRCULAR PROCUREMENT MODELS


1. System level	2. Supplier Level	3. Product
<ul style="list-style-type: none"> → Product service system → Public Private Partnership → Cooperation with other organisations on sharing and reuse → Rent/lease → Supplier take-back systems including reuse, recycling, refurbishment and remanufacturing 	<ul style="list-style-type: none"> → Supplier take-back system → Design to disassembly → Reparability of standard products → External reuse/ sale of products → Internal reuse of products 	<ul style="list-style-type: none"> → Materials in the product can be identified → Products can be disassembled after use → Recyclable materials → Resource efficiency and Total Cost of Ownership → Recycled materials

(Source: SPP Regions Best Practice Report)



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1. What is “circular procurement”



- Circular procurement can be defined as the process by which public authorities purchase works, goods or services that seek to contribute to closed energy and material loops within supply chains,
- whilst minimizing, and in the best case avoiding, negative environmental impacts and waste creation across their whole life-cycle.

(DG Environment 2017)



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- A common EU target for recycling **65% of municipal waste** by 2030; recycling **75% of packaging waste** by 2030;
- reduce landfill to maximum of 10% of municipal waste by 2030;
- concrete measures to promote re-use and stimulate industrial symbiosis - **turning one industry's by-product into another industry's raw material**;
- Economic incentives to put greener products on the market and support recovery and recycling schemes



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- actions to keep resources in the economy,
- retain the value of these resources,
- which will contribute towards delivery of a **sustainable, low carbon, resource efficient** and competitive economy.



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New documents

Circular Economy, 2017



Best Practice

- http://ec.europa.eu/environment/gpp/index_en.htm
- <http://www.procuraplus.org/index.php?id=5551>
- <http://www.topten.eu/>





Thank you!

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