

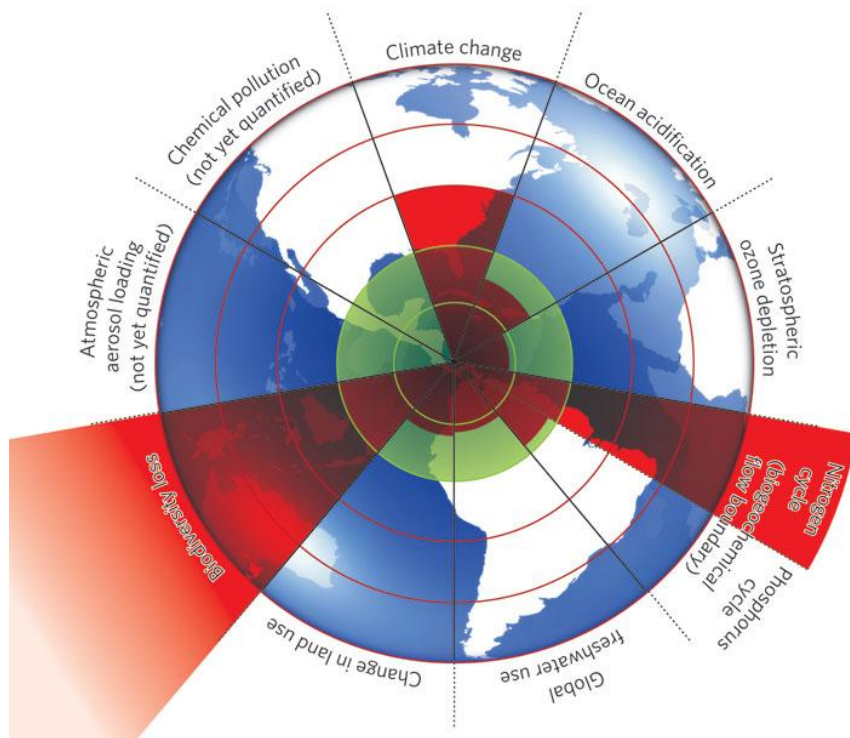


# EU Green Public Procurement Policy

**EcoProcura**  
**Malmö, 19 September 2012**

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# Policy challenge: Economic and Resource Crises



## Economic crisis in Europe

- ▶ GDP Growth 1.5% in 2011 and projected 0% in 2012
- ▶ Public debt 83% of GDP in 2011 and growing
- ▶ Budgetary deficit 4.5% in 2011 and debt crises in several MS
- ▶ Unemployment 10.2% in April 2012

Is Green Economy a solution to long-term resource challenges?  
Is Green Economy a solution to short-term economic problems?

## Resource efficiency - a cornerstone of Green Economy

- ▶ Objective: to use natural resources within limits of Earth's biophysical limits by 2050
- ▶ Potential for economic savings estimated to €2.3 trillion just on projects with high return on investment
- ▶ Countries with high resource productivity are competitive
- ▶ Companies with best environmental performance have higher profits

Resource Efficiency as strategic priority in EU2020 Strategy:

- ▶ Resource Efficiency Roadmap – transformation agenda, 100 measures to be implemented by 2020
- ▶ Industrial Policy Update (forthcoming) – focus on clean technology, sustainable products, clean cars, smart grids also in short-term

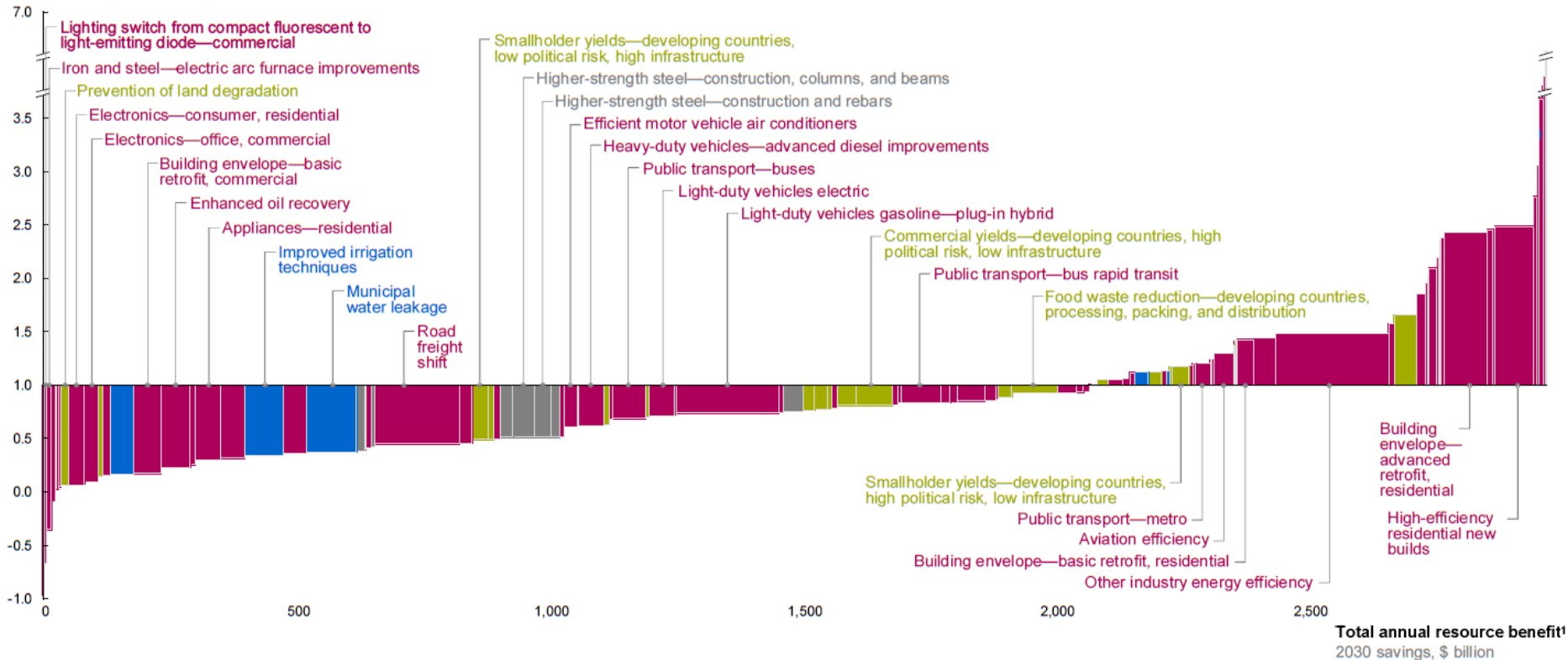
# Economic potential of resource efficiency

The productivity opportunity totals \$2.9 trillion in 2030 from an investor perspective

Investor perspective, 2030

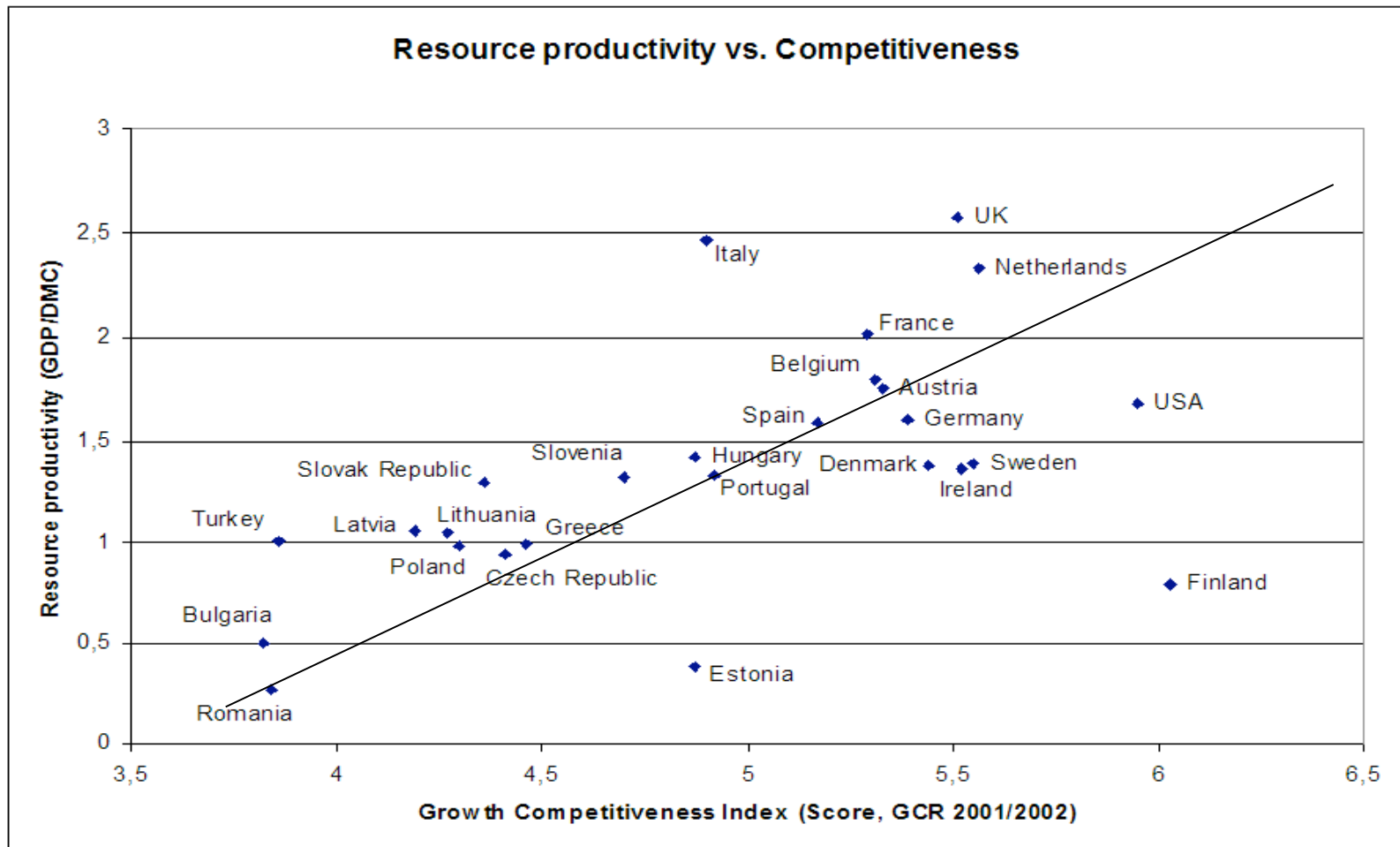
## Cost efficiency of investment

\$ spent for implementation per \$ total resource benefit



1 Based on current prices for energy steel, and water at a discount rate of 10 percent per annum. All values are expressed in 2010 prices.

# Resource efficient economies are competitive



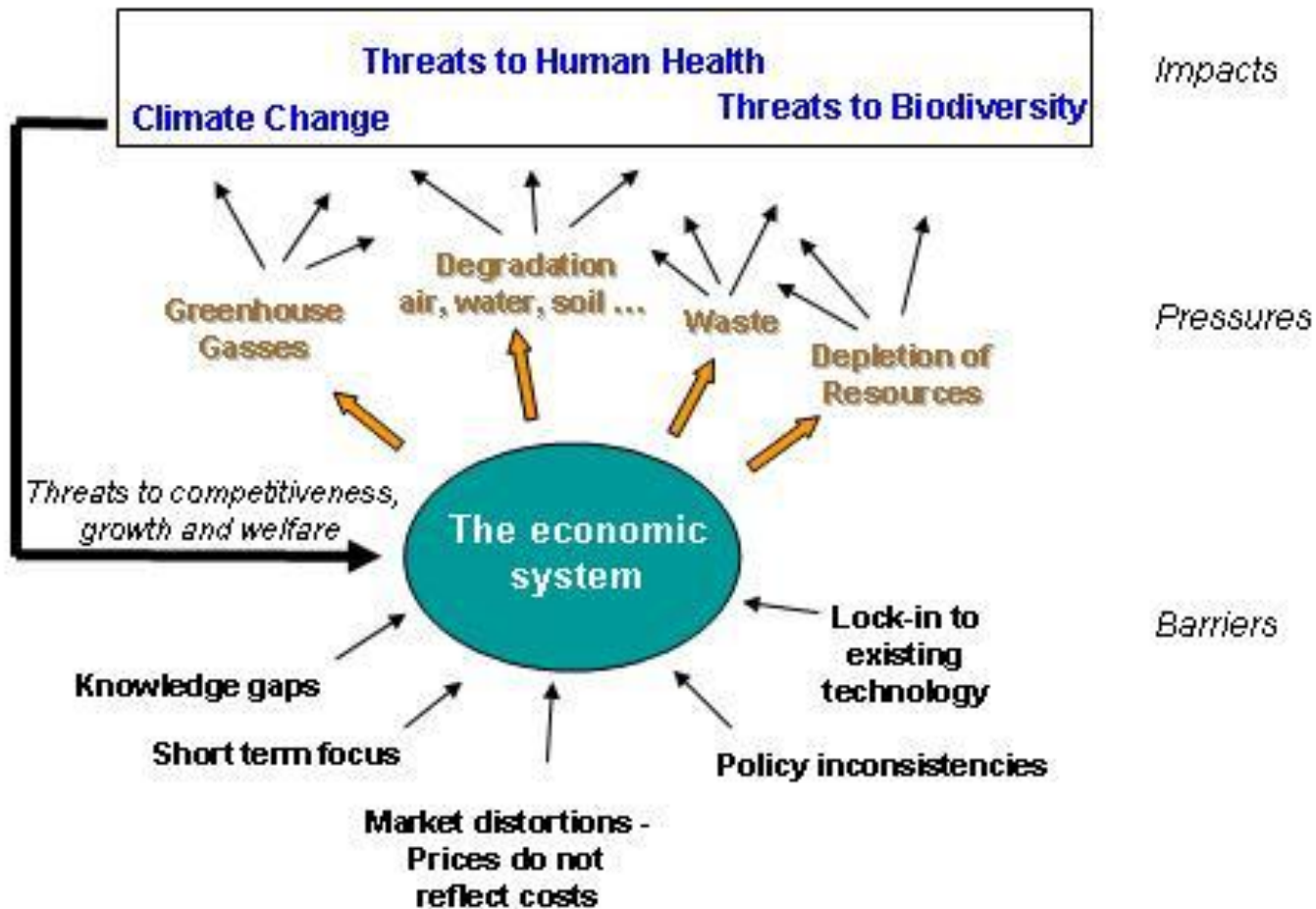
# Resource efficient companies are competitive

14 CPLI [2010-12] RETURNS AGAINST OVERALL GLOBAL 500 POPULATION<sup>10</sup>

● CPLI  
● G500



# Barriers to resource efficiency



## The Role of Public Authorities in Green Economy

### Barriers

- ▶ Knowledge gap
- ▶ Short-term objectives
- ▶ Policy inconsistencies
- ▶ Market prices do not reflect public costs
- ▶ Lock-in to existing technologies and infrastructure

### Role of PAs

- ▶ Policy setting
- ▶ Enabling, incentives
- ▶ Provision of public infrastructure
- ▶ Improving resource efficiency of own operations

### Mechanism

- ▶ Policy-making process
- ▶ Public spending (including Public Procurement)



## EU stimulates Green Public Procurement

- ▶ **Legal provisions** in internal market and sectoral legislation in the most relevant sectors (i.e. transport, construction and energy)
- ▶ **GPP Support programme** as part of EU Environmental Policy to assist governments and contracting authorities to implement GPP and reduce their environmental impact
- ▶ Support to **public procurement as part of demand side measures within Lead Market Initiatives** to use public procurement strategically to stimulate innovation and other policy objectives (recycling, sustainable construction and renewable energy)

# EU Legal Framework

## **Procurement Directives – they enable but do not oblige GPP:**

- ▶ Directive 2004/17/EC for water, energy, transport and postal services sectors and Directive 2004/18/EC for goods, works, services
- ▶ Reform process on-going

## **Sector Specific Mandatory GPP Rules:**

- ▶ Energy Star Regulation (2008): obligation to buy energy efficient office equipment
- ▶ Clean Vehicles Directive (2009): obligation to buy environmental friendly vehicles
- ▶ Energy Performance of Buildings Directive (2010): obligation for new buildings owned and occupied by public authorities to be “nearly zero-energy” by end of 2018
- ▶ Energy Efficiency Directive (2012, adopted last week): "soft" obligation to purchase energy efficient buildings and equipment of the highest energy labelling class



# EU GPP Support Programme

- ▶ Outlined in 2008 Communication *Public Procurement for a Better Environment*
- ▶ Encourage MS to set up/revise National Action Plans for GPP
- ▶ Sets political target for uptake of GPP in MS (currently the target is: 50% of tendering procedures to be green)
- ▶ Development of common EU GPP criteria for frequently procured products and services
- ▶ Provide legal guidance and other forms of support (training, helpdesk, etc.)

## GPP Programme: Implementation Status

- ▶ GPP National Action Plans adopted in almost all Member States
- ▶ GPP uptake in 2011: 50% target not met across the EU, but more than 50% of public authorities are doing some sort of green procurement
- ▶ 19 EU GPP criteria sets developed. MS often refer to EU GPP criteria in their national policies. Public consultation in 2012 revealed that 53% of procurers and 50% of policy makers use or recommend criteria which are the same or very similar to the EU GPP criteria
- ▶ GPP helpdesk in place: [gpp-helpdesk@iclei.org](mailto:gpp-helpdesk@iclei.org)
- ▶ *Buying Green* handbook ([http://ec.europa.eu/environment/gpp/buying\\_handbook\\_en.htm](http://ec.europa.eu/environment/gpp/buying_handbook_en.htm)), newsletter, case studies and other resources available for contracting authorities

# Future development of GPP (I)

## Further implementation of the existing GPP policy

- ▶ Objective is to assist contracting authorities on what and how to procure to improve resource efficiency and reduce environmental impacts of their activities
- ▶ Gradual update and development of GPP criteria
  - ▶ Focus on criteria that are demanded by procurers in MS
  - ▶ Support implementation of EU Structural Funds, i.e. GPP criteria for infrastructure projects
- ▶ Promote LCC in public procurement
  - ▶ Development of practical LCC tools
- ▶ Update legal guidance to ensure it complies with the revised public procurement directives
- ▶ Explore possibilities to integrate GPP and social elements of sustainable procurement

# Future development of GPP (II)

## Strategic application of GPP/SPP

- ▶ Our objective is to assist and stimulate contracting authorities to use GPP/SPP in a strategic way to achieve broader policy objectives, i.e. what should be achieved by procurement rather than what to procure
- ▶ Policy and legal framework will be provided by actions in the area of resource efficiency, climate policy, industrial policy and innovation, e.g.:
  - ▶ New targets for waste policy, reviewed air quality legislation
  - ▶ Removal of environmentally harmful subsidies, more support to climate and resource efficiency measures from EU funds in the multiannual financial framework 2013-2020
  - ▶ Demand side measure to stimulate clean technologies, sustainable products, clean cars and smart grids as part of the new EU industrial policy.

**Thank you for your attention!**

**More information on EU GPP:**

**[http://ec.europa.eu/environment/gpp/index\\_en.htm](http://ec.europa.eu/environment/gpp/index_en.htm)**

**[gpp-helpdesk@iclei.org](mailto:gpp-helpdesk@iclei.org)**

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