Sustainable public procurement in Finland

Taina Nikula, MoE in Finland
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Finland

- 30 mrd € - 311 municipalities - 21 regions

- Policy instruments
  - Help desk for Sustainable Public Procurement (Motiva Ltd)
  - Financing instrument for Innovative Procurement (Tekes)

- Ambitions
  - Procurement Expertise Network in Sustainability and Innovation
  - Green deal piloting
  - Impact investment
Procurement Expertise Network in Sustainability and Innovation
Procurement Expertise

Network in Sustainability and Innovation

1) Promoting **strategic leadership** in PP;
2) **Developing and disseminating new tools** (innovation partnerships, thematic purchasing, piloting Green deal, pitch & match, risk sharing mechanisms);
3) **Creating criteria and guidelines** and disseminating best practices together with procurers and offerers;
4) **Communicating** on possibilities and opportunities;
5) **Implementing peer support and education models**;
6) **Developing evaluation and measurement**;
7) **Activating players** and organizing possibilities for networking.
Piloting Green deal
Piloting Green deals

Our aim is also to pilot so called green deals with cities and municipalities in order to set ambitious targets and start voluntary piloting phase in certain themes for example in creating circular systems or retrofitting public buildings.
Green deals (thematic or with group of Municipalities)

**Mobility**
- Electric mobility (inc. work machines)
- Biofuels
- Criteria for transport
- Mobility as a service

**Building and Construction**
- Digitalization of building
- Recovered materials in infrastructure/groundworks
- Biobased materials
- Criteria for Green building
- New service models
- Procuring impact

**Food**
- Sustainable local food system
- Nutrient cycles
- Innovation for responsible food systems
- New service models

**Safe environment**
- Substituting harmful chemicals and supporting safe cycles and closed loops
- Cleaning of sewage and clean waters
- Kaupunkien haitallisten aineiden toimintaohjelmien mukaan priorisoidut hankinnat

**Incubator**

**Procurement organisations**
Impact investment
Impact investment ”in pipeline”

- The public organization doesn’t just acquire goods and services, but acquires results and impact.

- The public sector defines specific targets for increasing well-being of people or environment and only pays for the results that fulfil these objectives.

- The goal is to launch the first impact investment in 2019 (Sitra, Ministry of the Agriculture and Forestry and Ministry of the Environment).

- Possible themes safeguarding resource-wise and climate neutral welfare services, upgrading of water management systems, guaranteeing clean air by renovating mould-ridden schools.
Targets – payment for the proven outcome

Impact investing: SIB model

One of the impact investing instruments is the Social Impact Bond (SIB). In SIB, the investor bears all the financial risks and the public sector pays only for the proven outcomes. The investment capital raised is used to promote the achievement of specific outcomes.

1. A community faces a challenge and government makes it a priority.
2. The investors raise the necessary capital.
3. Capital is used for the practical implementation of services.
4. An independent body determines how effective the program has been.
5. If the goal is achieved, local government returns the investment capital to the investors and pays an agreed interest. If the goal is not achieved, local government pays nothing.
Thank you!

taina.nikula@ym.fi
Tel: +358-50-305 6945