

## **Questions and Answers on the Communication on Green Public Procurement (GPP)**

### **1) What is Green Public Procurement?**

Green Public Procurement is the process by which public authorities seek to reduce the environmental impact of the goods and services that they buy. The European Commission is issuing a Communication on Green Public Procurement as part of the package of measures in the Sustainable Production and Consumption and Sustainable Industrial Policy Action Plan. The aim is to foster a voluntary framework to ensure the procurement of goods and services that have the least impact on the environment throughout their whole life cycle. The Communication will cover all public procurement procedures. The goal is to use GPP to stimulate innovation in environmental technologies, products and services.

### **2) Why is there a need for GPP?**

The way we consume resources in the EU is causing environmental damage at a rate that cannot be sustained. If the world as a whole followed the EU's pattern of consumption, global resource use could quadruple within 20 years. Apart from the resulting environmental and health problems, this trend could threaten economic growth due to rapidly decreasing natural resources and the cost of addressing these issues.

Public authorities spend 16% of EU GDP – almost €2,000 billion – on goods and services each year. Much of this is spent in sectors with high environmental impacts, such as transport, buildings and furnishings. As purchasers, public authorities have huge buying power and there is enormous scope for them to influence suppliers to innovate and produce more environmentally friendly goods and services. They also have the potential to persuade private sector companies and the general public to change their consumption habits.

### **3) What has the Commission done in the past?**

The Commission has made efforts in the past to encourage public authorities to reduce the environmental impact of their purchases. In 2004, it produced a handbook on environmental public procurement which explained how best to integrate environmental considerations into public procurement procedures based on the provisions of the Public Procurement Directives of 31 March 2004.

A 2003 Communication on Integrated Product Policy encouraged Member States to adopt national action plans on Green Public Procurement by the end of 2006. To date, only 14 Member States have done so. A 2006 study concluded that only 7 Member States were practising GPP to a significant extent, that is, with more than 50% of all analysed tenders including environmental criteria. All other Member States were lagging a long way behind.

#### **4) Why has there been such a low take up of GPP in the past?**

The 2006 study identified the main issues affecting the take-up of GPP:

- limited established environmental criteria for products and services - where these do exist, there are often insufficient mechanisms, such as databases, to publicise them
- insufficient information on the cost of products over their life cycle and the relative costs of environmentally friendly products and services
- low awareness of the benefits of environmentally friendly products and services
- uncertainty about legal possibilities to include environmental criteria in tender documents
- lack of political support and resulting limited resources for implementing and promoting GPP - improved training is necessary
- lack of a coordinated exchange of best practice and information between regions and local authorities

#### **5) What action does the Commission propose to improve take up of GPP?**

GPP depends on clear and ambitious environmental criteria for products and services. A number of national criteria and approaches to GPP have been developed. However, as the use of GPP increases, the criteria used by Member States should be compatible to avoid a distortion of the single market and a reduction of EU-wide competition. Establishing a single set of criteria would considerably reduce the administrative burden for economic operators and for public administrations implementing GPP. Common GPP criteria would be of particular benefit to companies operating in more than one Member State, as well as to SMEs (small and medium sized enterprises) whose capacity to adapt and manage different procurement procedures is limited. The Commission will coordinate the process for establishing and agreeing common GPP criteria.

The Commission proposes a series of new actions aimed at addressing current obstacles to the uptake of GPP. This involves establishing a procedure for setting common GPP criteria and providing information on the costing of a product over its life cycle, legal and operational guidance and political support linked to indicators and future monitoring.

#### **6) How will common GPP criteria be identified?**

Criteria will be developed for product and service groups in 10 priority sectors. The criteria will be based on existing European and national Eco-label criteria, where appropriate, as well as on information collected from stakeholders in industry and civil society. An expert group on GPP, composed of representatives from Member States who are active in the field, has been set up and cooperates closely with the Commission services in the criteria setting exercise. Approval of criteria will be subject to strict consultation standards. This process will be formalised, based on the principles of the open method of coordination - a system of voluntary cooperation and exchange of good practice between Member States. Member States will be invited to endorse the common criteria in their national action plans and in their national guidance on Green Public Procurement.

## **7) What are the priority sectors for setting GPP criteria?**

The 10 priority sectors for implementing GPP have been selected on the basis of the following: scope for environmental improvement; public expenditure; potential impact on suppliers; potential for setting an example to private or corporate consumers; political sensitivity; existence of relevant and easy-to-use criteria; market availability and economic efficiency. The priority sectors are:

- 1. Construction
- 2. Food and catering services
- 3. Transport and transport services<sup>1</sup>
- 4. Energy
- 5. Office machinery and computers
- 6. Clothing, uniforms and other textiles
- 7. Paper and printing services
- 8. Furniture
- 9. Cleaning products and services
- 10. Equipment used in the health sector

## **8) What are the targets for GPP?**

EU leaders adopted a target for GPP under the renewed Sustainable Development Strategy in 2006, stating that, by 2010, the average level of GPP should be the same as the level of the best performing Member States at the time (2006). A recent study of GPP performance across EU Member States has provided the Commission with clear indications on current levels of GPP in the best performing Member States, which provides the baseline for the above target. As a result, the Commission proposes that, by 2010, 50 % of all tendering procedures should be "green". This means they must comply with endorsed common GPP criteria.

Each year the EU finances schemes costing many millions of euros in a variety of areas such as research, regional development and economic and social cohesion. Public authorities benefitting from such funding would be strongly encouraged to adopt GPP when purchasing goods and services to carry out the funded project. This would create an important incentive for the overall uptake of GPP, and in Member States where GPP is below EU average it would contribute to achieving the 50% target for tendering procedures.

The European Commission is also committed to implementing GPP in its general public procurement training sessions and to introducing the recommended GPP criteria in its tendering procedures, wherever appropriate.

## **9) How will targets be monitored?**

The Commission is currently developing a method for calculating exact levels of GPP. The target will be measured against both the number and value of green contracts compared to the overall number and value of contracts concluded in the sectors for which common GPP criteria have been identified.

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<sup>1</sup> The Commission's proposal for a Directive on the promotion of clean and energy efficient vehicles would establish a harmonised method for calculating the lifetime cost of pollutant emissions and fuel consumption and provides for the mandatory use of this method in public procurement after a transitional period, but it is still useful to propose GPP criteria for transport and transport services which would apply until the new harmonised methodology provided for under the proposal became applicable

The method will be implemented in the best performing Member States. In 2010, a new EU wide survey will be carried out, so it is important for Member States to endorse the common GPP criteria that are being developed and to implement these in their national action plans and guidance on Green Public Procurement.

### **10) What guidance is currently available on GPP ?**

The Commission's Communication on GPP highlights recently developed guidance on GPP in its Annex. These include:

- Legal and operational guidance for implementing GPP
- Efficient procurement practices which demonstrate and promote GPP as a cost-effective way of purchasing goods or services
- **GPP Training toolkit.** A web-based GPP Training Toolkit, directed towards purchasers, policy-makers, managers and consultants, has been developed. The Toolkit will be endorsed by the Commission services and translated into all EU languages. The Commission will cooperate with the Member States to ensure EU-wide dissemination through existing national and regional platforms.  
[http://ec.europa.eu/environment/gpp/training\\_toolkit\\_en.htm](http://ec.europa.eu/environment/gpp/training_toolkit_en.htm)

### **11) What happens now and will the EU consider mandatory action on GPP in the future?**

The Communication on Green Public Procurement, which outlines voluntary action on GPP, is addressed to the Council and the European Parliament who are invited to endorse the proposed approach and in particular the method for setting common GPP criteria, the political target and the recommended tools for more and better GPP.

At the same time as proposing a voluntary framework for setting GPP criteria, the Communication also invites the Council to support ongoing work aimed at proposing complementary mandatory measures to ensure harmonised development of GPP criteria and targets and to maximize political support for GPP.

The Sustainable Production and Consumption and Sustainable Industrial Policy Action Plan has concluded that to overcome potential market fragmentation as a result of diverging criteria and to further the uptake of energy and environmentally performing products, the Labelling Directive will establish a harmonised base for public procurement and incentives provided by the EU and its Member States. Concerning public procurement, the implementing measures under the Labelling Directive will identify one of the labelling classes as a level below which public authorities would not be allowed to procure. This level will be set according to the outcome of impact assessments for relevant product groups, for which setting such a level would significantly contribute to tapping economies of scale and to encouraging innovation. The level would correspond to the performance class that maximises the potential of public procurement to stimulate the market towards more energy efficient, environmentally friendly products. At the same time it would ensure an adequate level of competition in the market, taking into account product availability, and guaranteeing that the burden to public finance is, in general, not higher than under current procurement practices (when the full life time of the product is taken into account).

### **12) How can the EU influence the global market towards greater GPP?**

Europe is a large importer of raw materials, industrial supplies and consumer goods, which means the EU has the power to influence global markets towards cleaner production.

The guidance and training tools will also be made available to EU partners working on similar initiatives, such as the Marrakech Task Force on Sustainable Public Procurement, which, together with the United Nations Environmental Programme (UNEP), is running a project to promote good practice on sustainable public procurement internationally.

**For more information, visit the following Europa websites:**

**Sustainable Consumption and Production policies:**

[http://ec.europa.eu/environment/eussd/escp\\_en.htm](http://ec.europa.eu/environment/eussd/escp_en.htm)

**EuP Directive:**

[http://ec.europa.eu/enterprise/eco\\_design/index\\_en.htm](http://ec.europa.eu/enterprise/eco_design/index_en.htm) and

[http://ec.europa.eu/energy/demand/legislation/eco\\_design\\_en.htm](http://ec.europa.eu/energy/demand/legislation/eco_design_en.htm)

**Eco-label:**

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

**EMAS:**

[http://ec.europa.eu/environment/emas/about/summary\\_en.htm](http://ec.europa.eu/environment/emas/about/summary_en.htm)

**Green Public Procurement:**

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