

Italy

Current national procurement legislation/standards for the project-relevant fields

- IT
- public lighting
- green power
- vehicles (public transport buses)
- building components.

In Italy it is estimated that the value of public procurements represents about 17% of the GDP. The specific legislation on GPP implementing the EU and the national rules dealing with procurement include:

- Published on the Italian OJ of 21/09/2011 the minimum criteria for “windows and fixtures”, adopted by the Ministry for Environment with DM 25 July 2011.

- P
ublished on the Italian OJ n. 64 of 19 March 2011 the minimum criteria for furniture, textiles, public lighting systems and office equipment, adopted by the Ministry for Environment with DM n.21/2011 Criteria for “windows and fixtures” and “catering” are under preparation.

- P
ublished on the Italian OJ of 9/11/2009 n. 261 the minimum criteria for “paper” and “soil improvers” adopted by the Ministry for Environment with DM n.111/09.

- Ministerial Decree 15th April 2009 n.33 (substituting Decree n.185, 18 October 2007) creating the “Steering Committee” of the Action Plan including experts from APAT, CONSIP, ENEA and the Regions and a “Tavolo di lavoro permanente” a permanent consultation forum for stakeholders (such as PA, Agenda 21, etc).

- Interministerial Decree n.135, 11th April 2007 adopting the National Action Plan on GPP. The Plan identifies priority products/ services categories of for which a set of green “minimum criteria” for purchasing has to be identified and made mandatory through specific implementing Decrees. These categories include the above mentioned and additionally: furniture, waste management, public services, energy services, textiles and footwear, paper and stationery, catering, cleaning services (included as “other” and “general/universal”).

- Currently, the criteria for office equipment, paper and soil improvers are under formal approval. Technical WGs are active for the definition of minimum criteria for “Energy services”, “Public services” and “Buildings” and furnishing, catering, cleaning services, building management, waste management.

- Approval of the “Codice Unico degli Appalti” Decree 12th April 2006 n.163 by the Council of Ministers, implementing inter alia directive 2004/18/EC and establishing rules for all public contracts with some more stringent provisions.

- The Financial Law 2007, L. 27 December 2006 n. 296, item 1 p.1126 that foresees the adoption and monitoring of a National Action Plan for the environmental sustainability of the PA expensive” issued by the Ministry for Environment together with the Ministry for Economy and Finance and Economic Development, and p. 1127 and p.1128 where products/services categories and the Ministerial Committee appointed with the monitoring of the environmental sustainability objectives are reported;

- Regional and local Decrees phasing green purchases in PA at regional level, for instance: Lombardy Region: L.R. 2nd December 2006 n° 24, Art. 26 setting energy efficiency requirements and relative enforcement times relative to the purchase of electronic and electronic office appliance by regional, provincial and local Governments; Lazio Region: Decree 24 May 2007 and joined actions; Sardinia

Region: Regional Council approved a decree on green purchasing in February 2007.

- The new EU Energy Star Regulation (2008/106/EC) has been adopted in 2008. This Regulation requires EU institutions and central Member State government Authorities to use energy efficiency criteria no less demanding than those defined in the ENERGY STAR programme when purchasing office equipment. The usual thresholds for public supply contracts (see Directive 2004/18/EC) apply.
- The Financial Law 2006 stressed the need of rationalising the PA expenses, to be achieved also through the mandatory use of the CONSIP's (Concessionaria Servizi Informatici Pubblici/Public Electronic Services Agent) Framework Agreements (or "Convenzioni") if in the second half of 2006 Central PAs will not achieve the defined savings objectives. As alternative the FA benchmark should be reduced by 20% when directly purchasing goods and services on the market.
- Law 191/2004 ("Urgent disposition to reduce the public expenses") established that all PA (with the exception of Municipalities with a population below 1.000 units or Municipalities on the mountains with a population below 5.000 units) could use the CONSIP's FA, or as alternative must use the quality/price parameters defined in the Framework Agreements when procure goods and services as maximum values. Should this be the case, the purchasing contract shall be transmitted to the Control Authority and the person in charge of the contract is legally responsible of the choice.
- Circulars of the Ministry for the Environment related to Decree 203/2003, on the operative indications for the recycled materials of different types: 08.06.2004 (textiles), 04.08.2004 (plastics), 03.12.2004 (paper, wood & furniture), 22.03.2005 (soil improvers), 15.07.2005 (building and road sectors) 19.07.2005 (rubber products).
- Ministerial Decree 203/2003, implementing the "Ronchi" Decree 22/97: norms for the public offices and public societies to cover their annual needs of goods and articles with at least 30% of recycled product.
- CIPE (Comitato Interministeriale per la Programmazione Economica/ Interministerial Committee for the Economic Planning) deliberation 57/2002 on "Strategic environmental plan for the sustainable development in Italy" in which the PA is invited to commit to integrate the environmental aspects into the procurement procedures with the objective of modifying the public contracts for the purchasing of goods and services, including environmental requirements, without infringing the EU legislation.
- DPR (Presidential Decree) n. 101 of 4 April 2002 established, together with the Framework Agreements system the rules for the electronic procurement through the use of the "electronic market" and "electronic tender". Both are aimed at allowing the PA to procure goods and services through an automatic system for contractors selection, respecting all the rules on transparency and procedure simplification.
- Since 2000 a modernisation process for the Public Administration is under development, including the project "rationalisation of the purchasing of goods and services of the Public Administrations", promoted by the Ministry of Economy and Finance through CONSIP, that boosts the purchasing from public Bodies via internet (e-procurement), as consequence of the Law 448/1999.
- Law 448/1999 (financial law 2000): including the obligation of introducing the quality/price ratio concept in auctions, giving prevalence to the product (biologic) quality. Art. 26 establishes that the Ministry for Economy and Finance stipulates, through the controlled society CONSIP framework Agreements with selected enterprises, which are committed to accept the supply orders from PA up to the fulfilling of the specific FA. Central and local PA are obliged to procure goods and services through the FAs while other PA could adhere to the CONSIP initiative, or as alternative must use the same price/quality parameters for the purchases of similar goods and services. The law also establishes the purchasing of 20% of recycled tyres.
- Decree 22/97 (Ronchi Decree), promoting the prevention and the reduction in production and danger of wastes by means of, inter alia, the definition of procurement conditions which show off the capacity and technical competence for the reduction of waste production and foresee the use of recycled materials to promote their market. In particular 40% of the paper should be recycled. Law 9 January 1991, N.10 "Norms for the implementing of the National Energy Plan for the rational use of energy, the energy savings and the development of renewable energy sources which establishes the professional figure of the "Responsible for the conservation and the rational use of energy" and Ministerial Decree 27 march 1998 on "Sustainable mobility in urban areas" which establishes the "Mobility Manager" within companies and prescribes that 50% of vehicles with bio fuels by 2003.

Current national & regional practice

The local/central Authorities are important customers in many markets. As a rule (applicable to both the public and the private sectors) the cheapest supplier is awarded the contract for large purchases, which makes it difficult for innovative or green products, usually more expensive, to be purchased. However, since 2000 actions on green (public) procurement were put in place by local administrations.

Public Administration, unlike the private sector, shall follow laws and rules aimed at transparency (through the use of standardised procedures avoiding subjective decisions) and fair competition (access to procurement schemes to national and international companies). The provision set in the legislation foresee that PA procurement actions, with amount is higher that a certain threshold, shall follow one of the following procedures: Open Procedure through public auction, Restricted Procedure through call for tender or Negotiated Procedure through private contract. "Green" criteria can be added as threshold requirements, when the contract is awarded to the most economic advantageous offer. In the case a "score" system is used, with specific "points" assigned to the environmental quality, only products fulfilling the specific green characteristics (i.e.: energy consumption, end of life collection, recycle and disposal) are awarded with the points. A combination of the two methods is also possible.

In 2010 the guidelines issued by the MEF (Ministry of Economy and Finance) include a focus on GPP:

- analyse and disseminate the possible benefits of GPP on PA expenses
- support the cooperation with public institutional subjects, such as the Ministry for Environment and ENEA
- analyse the level on implementation of green procurement in the PA
- improve the use of green criteria in new initiatives with a high social and environmental impact, whatever purchasing instrument will be used
- focus on the energy saving to reduce the expenses of the central PA.

In 2011 the NEEAP included a specific chapter about green public procurement.

ENEA's experiences in green procurement: the most recent experiences with green procurement is the ENEA-CONSIP-MEF Agreement.

on 1st April 2009, the "Framework Cooperation Agreement" between ENEA, Ministry for Economy and Finance and CONSIP was signed, aimed at the development of measures related to energy efficiency of end-uses and energy services in the sector of public procurement of goods and services.

The Agreement foresees a Technical Annex including GPP. The Action Plan (Technical Annex) of the Agreement titled "New efficient technologies and methodologies in public structures" , was signed on 27th April 2010. It foresees 4 actions to be developed:

- Collection of the consumption data on the Agreements about real estate-energy and definitions of clusters
- New technologies and best practices for schools and public buildings and adoptions of innovative proposals and contracts

- Technologies for efficient public lighting to be integrated with electric energy production
- Analysis of the use of Green Procurement and support to further implementation

ENEA is also the technical support of the Ministry for Environment for the development of the actions included in the National Action Plan on Green Procurement.

E-procurement In Italy: in 2008 on-line procurement reached 2,5% of the overall purchased goods and services. The value of the e-procurement was 3,2 billion Euro, against 1,1 Euro in 2007, with an increase of 180%. Most of this value is due to electronic auctions and tenders, and about one third derived from other electronic tools such as the electronic market, electronic catalogues and on-line shops. CONSIP is the leader, with more than 50% of the volumes, but also the major regional e-procurement platforms are growing (especially in Region Lombardy and Emilia-Romagna).

Success factors for e-procurement are the political commitment, the boosting involvement of the purchasing department, and the change in the purchasing scheme. The historical barriers are still there, due mostly to lack of information and - perhaps - prejudices: the local PAs still believes that e-procurement is not sufficiently safe, it will not lead to substantial benefits, the framework legislation is unclear or that the local producers are not ready for this innovation. It is indeed unclear whether this derives from scarce propension of the decision makers to the change or from real problems. Several national and regional e-procurement platforms do exist in Italy.

Recognised barriers

In Italy the EU legislation on green procurement is implemented, therefore there are no legal/standard barriers in the country. Nevertheless, some obstacles still exist to the spreading of green procurement:

- Scarce diffusion of some green (labelled) products;
- Scarce diffusion of a co-ordinated GPP within PA, although some examples do exist (GPPNet, APE project in Turin, Region Lombardy and Emilia Romagna actions, etc.);
- Possibility to use different procurement approaches for the local PA;
- The culture of filing a formal protest in procurement process by those who did not win it lead to the fact that procurers are rather cautious and prefer to define their specifications very detailed, which can lead to a lack of products on the market;
- The provision of technological good, prototype or service cannot be conceived with the current practices (this is more related to the so called "technological procurement").
- Difficulties in the creation of a local green market;
- Lack of a specific purchasing policy by both PAs and private purchasers;
- Scarce professional training of the people involved in procurement;
- Lack of specific technical knowledge on ecological criteria and on product selection criteria;
- Cultural resistance (to the change);
- Objective difficulties to include environmental criteria in purchasing procedures;
- Fear of price increase of products, competition limitation and local market put out of competition;
- Cost/benefit evaluation tools scarcely available and lack of knowledge on their proper use;
- Lack of co-ordinated initiatives with the "offer" side (product policies); if the offer of green product is not properly contemporarily supported, the action on the demand through green procurement are less effective.

Opportunities

However, also strategies to overcome the mentioned problems have been developed:

- Green procurement must be organised in order to increase the chances for innovative products and environmental protection. Green products should guarantee and prove their better environmental performance, evaluated through specific tools, such as a (simplified) LCA), and criteria should not move the environmental problem from one aspect to another of the product life;
- Instead of focussing only on the purchasing price, more weight should be given to other criteria, better addressing the long-term benefit of a product/service to
- promote really innovative products. In this respect, the LCC (life cycle cost) approach, i.e. the cost of the product during the entire life, could be followed; or the value added for the citizens as customers of the State. Some experience show that when green criteria are correctly selected, green procurement can result in a 15-20% cost reduction;
- Use of “variants”: a more flexible approach to the introduction of green criteria. Some general criteria are used as minimum threshold to be fulfilled by suppliers to participate to the tender, while other (more stringent) criteria are considered additional but give an advantage (i.e. more points) to the suppliers when the contract is awarded;
- Sharing of the G(P)P experience and creation of ad-hoc “help-desks” or “call centres” to help local administration officers in the selection of green criteria and their inclusion in procurement actions;
- Improve the knowledge of green products and green market;
- Extension of the GPP to large public & private operators (such as health care, multi-utilities, insurance companies, banks, etc.);
- The implementation of green procurement (although usually gradually introduced) requires the re-organisation and re-definition of the overall purchasing policy, based on a better knowledge of the real qualitative and quantitative needs and of the criteria to be considered;
- Information to suppliers could help to avoid local market put out of competition. An early involvement of suppliers in the process allows the timing adoption of new technologies, with innovation improvement and possibly more product/process R&D. Technological innovation improves industry competitiveness on the local, national and global market, however, innovation always requires investments (human and resources).
- Better co-ordination between GPP and IP policies.

If correctly managed green (public) procurement could be an important driving force for (technological) innovation. This would not only help innovative enterprises, but also the citizens, who would benefit from the resulting greater efficiency of public bodies at all levels. G(P)P could contribute to:

- the improvement of the energy/environmental performance of the goods/services in the purchasing phase
- the promotion of the re-organisation and rationalisation of the public (and private) purchase
- the promotion of an environmental friendly behaviour in consumers (energy savings, resources consumption reduction, etc.)
- indicate to industry of the need to produce environmental friendly/technologically improved goods by following the market rules
- the spread of the energy and environmental labels/ environmental communication/ certification tools.