

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

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|--|--------------|
| - IT | (yes / no)* |
| - household appliances | (yes / no) * |
| - public lighting | (yes / no) * |
| - green power | (yes / no) * |
| - vehicles (public transport buses) | (yes / no) * |
| - building components | (yes / no) * |
| - other (that could serve as a relevant example) | (yes / no) * |
| - general/universal | (yes / no) |

* A governmental Decree on Green Public Procurement is in draft circulation (status: October 2009). It will regulate green public procurement and present requirements for inclusion of green criteria into public procurement proceedings. See text below for details.

Current national / regional practice

Slovenian statistical data show that public procurement represented 12,98 % of GDP in 2007, which accounts for as much as 47,35 % of national budget expenditures. This shows a clear upward trend if compared to around 10 % of GDP (24,3 % of the value of the national budget) in 2001. Through practising of green purchasing the public sector in Slovenia could thus be one of the most important actors when it comes to environment- and energy-conscious activities.

In spite of these facts and opportunities procurement in the public sector mainly still follows traditional, only lowest cost oriented patterns. The same practice could be identified in the majority of private sector, too. Recent legislative attempts, described below, should bring forward a noticeable shift towards green(er) decision making at least in the public sector, while in the private sector such activities are becoming also a question of corporate image.

For a longer period no specific legislative documents existed, which would handle green procurement in general or some of its individual fields. There are, however, regulations and other documents constantly present, which deal with energy- and environmental issues (energy efficiency, emissions, labelling, etc.) and can serve as a foothold when planning of green purchasing.

The first version of the “modern” national Public Procurement Act (ZJN) came into force in April 2004, as an update and upgrade of the version from the year 2000, which took into consideration Directives 92/50/EEC, 93/36/EEC, and 93/37/EEC. These procurement regulations did not comprise environmental (or green, sustainable, energy, etc.) criteria, although green procurement was being informally encouraged by the Government.

The implementation of EU Directives, 2004/18/EC (on the co-ordination of procedures for the award of public works contracts, public supply contracts and public service contracts), and 2004/17/EC (procurement procedures of entities operating in the water, energy, transport and postal services sectors) represented the framework and basis for further amendments of the above-mentioned Act.

In December 2006 a new version of the Public Procurement Act (ZJN-2; later with some further alterations as ZJN-2A), fully harmonized with the EU legislation, had been promulgated. For the first time energy and environmental criteria were explicitly brought forward, not as an obligation, but as a (recommended) possibility in contract award procedures. The Act introduced terms such as environmental protection, environmental characteristics, and similar. Criteria from different green labelling schemes can be included in the tender documents and taken into account when assessing economically most viable offers.

Even though this Act does not comprise actual legal obligation for green public procurement, a clear trend towards taking these issues into consideration can be observed. One of the reasons is certainly the potential many-sided benefit and added value recognized by purchasers.

It was expected that this Public Procurement Act would at least draw stronger attention towards an inclusion of green issues within technical specifications into the tender documents. The requested characteristics should of course be closely connected to the product and to its intended function. The most important issue is that conditions and standards stated in tender documents are not discriminatory and that they do not limit the competition. In theory, public institutions (including the Government itself) would become more aware of the importance and benefits of green procurement, serving as an example also to subjects not legally bound to the mentioned Act (“top-down”).

Several national strategic and umbrella documents actually provided a binding basis for green procurement. These documents include National development strategy (2005-2013), National Reform Programme – Lisbon strategy (2008-2010), National Energy Efficiency Action Plan (2008-2016), Operational Programme for Reduction of GHG (2009-2012), Resolution on National Programme of Environmental Protection (2005-2012), and Memorandum to join OECD partnership.

Lacking so far was an explicit instrumentalization of green public procurement. That is why on May 21, 2009, the Government promulgated the national **Action Plan for Green Public Procurement**. The overall aim of this plan is to establish an operational system of green public procurement. Concrete

specific targets are aimed at achieving certain shares of green public procurement by 2012: construction and buildings (30 %), cleaning (60 %), office IT (95 %), vehicles (40 %), electricity (100 %), furniture (50 %), paper (70 %), and catering (40 %).

The Action Plan for Green Public Procurement lists 14 measures, including: preparation of a governmental decree on green public procurement, trainings and educational activities, green procurement web platform, dialogue with commercial sector to develop green market, and introduction of EMAS into the public sector.

Based on some of the successful activities within the IEE GreenLabelsPurchase project and close cooperation between Building and Civil Engineering Institute ZRMK and responsible ministries of the Slovenian government (Ministry of Public Administration, Ministry of Environment and Spatial Planning), the IEE Buy Smart project has explicitly been included in the text of the national Action Plan for Green Public Procurement as one of the supporting elements for realisation of planned measures.

In October 2009 a draft version of the Decree on Green Public Procurement has been prepared. The Decree will regulate green public procurement and present requirements for inclusion of green criteria into public procurement proceedings. Appendices to the decree provide basic and additional requirements for certain public procurement procedures for the following product groups: electricity, personal and transport vehicles, office IT, office paper, appliances and other energy labelled products, construction and renovation of buildings, construction and renovation of public lighting systems, furniture, cleaning products and services, and food and catering.

Recognised barriers

As visible from above statements, there are no formal obstacles for introduction of regular green procurement practice. National legislation (the amended Public Procurement Act) and accompanying legislative documents present legal groundwork and thus encourage green procurement. The national Action Plan and especially the Decree on GPP bring forward strict requirements for practical implementation. It is time for the eminent actors to serve as good practice examples.

The practical success depends to a significant extent on accompanying activities, especially promotion, qualification and training, various incentives, and also on wide dissemination of good practice examples as role models.

Some more obvious obstacles in this process are probably:

- - lack of relevant trained personnel responsible for work on procurement, tendering, etc.,
- - fear of excessive work load in case of green procurement practices,

- - lack of detailed and consistent / standardised (green) criteria for procurement procedures, which is now being corrected by the governmental decree,
- - lack of tools or at least lack of knowledge about existing tools,
- - weak green market in several segments / product groups, where demand exceeds provision,
- - on an average still a low level of recognition of eco labels among purchasers and distributors.

Opportunities

As described, the Government has been shaping up a set of activities regarding the green procurement practice. A systematic approach is vital if the goal of 50 % of all public procurement in Slovenia resulting in purchase of green products and services is to be achieved by 2012.

In some cases the private sector at the moment shows even more green procurement initiative than the public one. It is expected that the above presented legislative steps and a consequent shift in public procurements activities towards green elements will stimulate private sector even further.

With priorities, goals, and criteria well defined in the short-term future, and by formation of a set of good examples as a stimulus, “green” should gradually become a standard content of procurement practice. In this way environmental impacts will be reduced, (public) funds will be used more efficiently, commercial green market will receive a significant boost, as well as R&D work in the field of environmentally-friendly products.

An important aspect is recognition of long-term benefits achieved through careful selection of purchased products and services via LCC methods (value for money) instead of short-term effects obtained by selection on the lowest cost basis only.

A valuable opportunity to foster penetration of green procurement practices lies also in cooperation among public and private institutions. A positive example is development of activities as described in the national action plan, where the IEE Buy Smart project with its tasks and tools will facilitate this process in Slovenia.

Relevant sources of information

Various national documents and legislation as mentioned in the text.