Green Procurement

By using their purchasing power when choosing goods and services that respect the environment, buyers can make an important contribution towards sustainable development.

Green public procurement covers areas such as the purchase of energy-efficient computers and building components, lighting equipment, recyclable paper, clean vehicles, environment-friendly public transport, electricity deriving from renewable energy sources, household appliances or air conditioning systems complying with state-of-the-art environmental solutions.

Green purchasing is furthermore about setting an example and influencing the market place. By promoting green procurement, big buyers can provide industry with real incentives for developing green technologies. In some product, works and service sectors, the impact can be particularly significant, as public purchasers command a large share of the market (e.g. in IT equipment, energy-efficient building components, lighting).

Finally, if one considers life-cycle costs of goods and service, green procurement allows saving money while protecting the environment at the same time. With green purchasing one can save materials, energy, reduce waste and pollution, and boost sustainable patterns of behaviour.

Total public procurement in the EU – i.e. the purchases of goods, services and public works by governments and public utilities - is estimated at about 16 % of the Union's gross domestic product or € 1,500 billion in 2002. Its importance varies significantly between Member States ranging between 11 % and 20 % of their gross domestic product.

Legal Framework

The framework for the national legislation on public procurement is the European Directive 2004/18/EC and Directive 2004/17/EC. These Directives were modified in 2004 after the interpretative communication on 4 July 2001 of the European Commission and the Judgement of the European Court of Justice of 17 September 2002 (Case C-513/99 - Concordia Bus, Finland) and 4 December 2003 (C-448/01 – Wienelectricity). The Directives deepen the opportunities for adopting environmental considerations in technical specifications selection, award criteria and also contract performance clauses for public procurement.

The Directives only apply to public procurement contracts that will probably exceed fixed thresholds as mentioned in the Directives. All legal principles like equal treatment, transparency, as well as free movement of goods have to be fulfilled by the procurement procedure.

Green Procurement in Practice

Green public procurement is a systematic process that should be done step by step.

Step 1:

Consider which products, services or works are the most suitable on the basis both of their environmental impact and of other factors, such as information about the market, available technologies, prices and visibility.

Step 2:

Clarify your needs and express them appropriately. Choose a green title to communicate your policy to the outside world. It is a good way to ensure transparency for potential suppliers or service providers and for the public.

Step 3:

Draw up clear and precise technical specifications, using energy labels and/or environmental factors if possible. Energy labels and technical specifications which can be used can be found on this website and in the guidelines.

Step 4:

Establish award criteria based on the exhaustive list of criteria mentioned in the public procurement directives (Directive 2004/17/EC, Directive 2004/18/EC). Where appropriate include environmental criteria to prove technical capacity to perform the contract. Inform potential suppliers, service providers or contractors that they can use environmental management schemes and declarations to prove compliance with the criteria. You will find award criteria in the guidelines and performance sheets.

Step 5:

Lay down the award criteria (in accordance with the procurement Directives of the European Union) of the ‘economically most advantageous tender’. Then you have to define relevant environmental criteria either as a benchmark to compare green offers with each other (in the case where the technical specifications define the contract as being green). The other possibility is that you take the relevant environmental criteria as a way of introducing an environmental element (in the case where the technical specifications define the contract in a ‘neutral’ way) and give it a certain weighting. Do not forget to consider the life cycle costing.

Step 6:

Using contract performance clauses is a way of setting relevant environmental conditions in addition to the green contract. The contractor will than be obliged to fulfil all performance clauses of the contract. It

would be an optimum if you can insist on environment-friendly transport methods.