

International Procurement Standards

Procurement of goods and services made by public and private purchasers presents a large share of countries' GLP in European Union. Procurement decisions made by the purchasers not only relate to financial issues, but also to environmental impact of produced and purchased product, sustainability of purchasers' operation, production, and future production and market development.

These are main reasons why public and sometimes private procurement is controlled or guided by legislative acts or sometimes local initiatives.

Legislative acts normally are aimed to fulfill two main tasks:

- encourage efficient use of money and
- prevent preferential treatment or corruption in procurement.

Here, European and international green procurement standards are summarized.

Preconditions for green procurement and European Legislation on Green procurement

Undated in year 2006 Sustainable Development Strategy set a target for EU countries to reach current level of the Member States best performing in Green Public Procurement. Commission's Communication from July 16th, 2008 defines this target as 50% to reach for each Member State starting from year 2010.

According to the research made by PricewaterhouseCoopers 7 most advanced European countries in terms of environment (Green-7) – UK, Austria, Sweden, Finland, Denmark, Germany, and Netherlands have achieved 45% of amounts spent on purchases according to the Green Public Procurement principles in years 2006/2007. The main groups of products where greener purchases were made were furniture, electricity, paper, and office IT equipment. [Collection of statistical information on Green Public Procurement in the EU, PricewaterhouseCoopers 2008]

Action plan on sustainable production and consumption and sustainable industrial policy accepted in year 2008 implies development of a harmonised base for public procurement and incentives provided by the EU and its Member States.

An important incentive was also given by year 2008 A European Economic Recovery Plan that meant to provide support for development of a procurement network of regional and local authorities to pool demand for clean buses and other vehicles and speed up the implementation of the CARS21 initiative.

The fundamental basic requirements of the tendering directives are determined by primary law and comprise the principles of non-discrimination, equal-treatment, transparency and competition.

There are two European directives that implement the legal framework for the public procurement. The EU directive 2004/18/EC that has replaced the directive 93/36/EEC is one of them. The procurement rules contain instructions concerning the choice of contractors and the evaluation of offers. The directive provides the basis for the consideration of environmental aspects in the awarding procedure. It also defines different possibilities to incorporate environmental aspects into the awarding procedure (see

general guideline).

Another directive is 2004/17/EC that is aimed to coordinate the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

Procurement instructions have to be adopted on federal level, state level, municipalities and legal entities of public law (organisations, institutions). The procurement instructions also apply for legal entities of private law, which are publicly funded or the state holds the majority (e. g. hospitals, public waste disposal enterprises, residential sector). These organisations are non-profit and operate for general public interests.

Another related directive and important is Ecodesign Directive 2009/125/EC that came into force in October 2009 settled a framework for defining requirements for energy and environmental performance of energy-using and energy-related products. It implies introduction of improvement of environmental performance for products, by introducing legal requirements for such critically important energy consumption criteria as standby energy consumption and off-mode consumption, energy consumption reduction during a product's life cycle, etc.

By introducing different targets, criteria, and measures Ecodesign Directive will guide product producers to production of more sustainable range of products thus investing in greenhouse gases mitigation and climate improvement.

Also, the Directive involves a requirement for a manufacture or a supplier to provide environment – and energy-related information to the consumer to ensure a best application of the product in terms of energy consumption and environmental performance. The directive will affect the main groups of products: lighting, household appliances, electric motors, etc.

Rules and criteria provided in the framework of the Directive will help to improve and upgrade the requirements to be used in green procurement procedures together with (or even updating) the criteria that are used now based on requirements of energy and environmental labels

Environmental management systems are defined by international standards (ISO 14001) and the EU regulation (EMAS) are also a way how to enhance application of green procurement in private companies and reach certain environmental aims. The aims of the European Union environmental management system are to encourage environmental-friendly activities, products and services and their sustainable realization. The participating companies have to include these environmental goals in their corporate governance.

International framework

There are several global networks and organizations that facilitate development and application of green procurement through their programs and policies. Here we will list some of those.

United Nations: Division for Sustainable Development, Agenda 21 program motivates governments to exercise greener procurement through changing consumption patterns.

United Nations: Division of Technology, Industry, and Economics. Sustainable Consumption and Production Branch. Environmental programme that supports sustainable public procurement by providing practical tools, information, and facilitating global networking.

International Green Purchasing Network. Promotes and shares information internationally in order to promote development of greener product and service offers.

World Trade Organization Government Procurement Agreement is a plurilateral agreement that does not oblige participants to take over green procurement principles, but allows including green and sustainability criteria into tendering documentation.