

OECD Public Governance Reviews

Harnessing Public Procurement for the Green Transition

GOOD PRACTICES IN OECD COUNTRIES



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Foreword

Given escalating environmental challenges, the imperative for governments to embrace sustainable practices has never been more pressing. The urgency of curbing climate change and preserving biodiversity requires concerted efforts across all sectors and stakeholders. Governments play a pivotal role in steering policies and enacting change for a greener future, both domestically and internationally.

The “Governing Green” pillar of the OECD Reinforcing Democracy Initiative demonstrates how global challenges such as climate change offer opportunities for governments to revisit and upgrade public governance tools, including public procurement, to lead by example and drive change. Government procurement is one tool through which the public sector can directly influence the green transition. With procurement making up around 13%, on average, of GDP in OECD countries, governments wield considerable power in various sectors. Outcomes-based procurement strategies can significantly drive progress towards greener societies and economies.

The OECD 2015 Recommendation on Public Procurement calls upon countries to foster a balanced approach to the use of procurement to achieve economy, efficiency, and strategic policy objectives. Green public procurement (GPP), i.e., public purchasing of products and services that are less environmentally damaging, is increasingly used by countries to achieve such policy objectives in the area of environmental protection. In 2015, the OECD carried out a first stocktaking exercise to look at GPP uptake in OECD and G20 countries. This exercise identified some key obstacles to successful implementation of GPP, including the perception that green products and services are more expensive than conventional ones, public officials’ lack of expertise in integrating environmental standards in the procurement process, and the absence of monitoring mechanisms to evaluate whether GPP achieves its goals.

Under the leadership of the Working Party of the Leading Practitioners on Public Procurement (LPP), the OECD conducted a comprehensive survey on green public procurement (GPP) in 2022 to better understand how public procurement is used to generate environmental benefits. In total, 38 countries replied to the GPP Survey, 34 OECD countries and 4 accession candidate countries (Brazil, Bulgaria, Romania and Peru). The Survey closed in November 2022; therefore, any GPP developments after this date is not included in the main report but appear in the country factsheets in Annex A.

This Report builds on the results of the Survey, as well as additional desk research and bilateral exchanges with country representatives. It identifies good practices regarding green procurement strategies but also persistent challenges and provides recommendations to help governments unlock the potential of public procurement towards to support the green transition.

The report strives to empower governments and stakeholders with the insights needed to navigate the complexities of sustainable public procurement and its impact.

It was approved by the Public Governance Committee on 19 June 2024 and prepared for publication by the Secretariat.

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The report benefited from valuable insights and comments from Paulo Magina, Deputy Head of the Infrastructure and Public Procurement Division. Dag Strømsnes, Director of the Division for Public Procurement, Sustainable and Innovative Public Procurement at DFØ on secondment at the OECD (Public Procurement and Infrastructure Division) also contributed to the report.

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Executive summary

Results from the OECD 2022 survey on green public procurement (GPP), carried out in 38 countries, clearly show that countries increasingly recognise GPP as a major driver for innovation. In fact, in 2022, 92% of the surveyed countries (35 out of 38) had adopted a national GPP or policy framework, and 29 of them refer to GPP, or at least to public procurement, in their national environmental commitments as a tool for pursuing sustainability goals. GPP provides industry with incentives for developing environment-friendly works, products and services, particularly in sectors where public purchasers represent a large share of the market, such as infrastructure, health services or public transportation. However, the results also highlight remaining challenges in mainstreaming green objectives in government procurement, including a lack of data on the impacts of green procurement strategies and the need to better capture the lifecycle costs and environmental impacts of goods and services procured to encourage the private sector to compete on green dimensions. Furthermore, the perception that GPP involves higher public procurement costs is still perceived by 22 countries as one of the main obstacles to a better uptake of GPP.

Key findings

Public procurement in general, and GPP in particular, is increasingly seen as a strategic government tool for achieving sustainability objectives and meeting national commitments on climate change under the Paris Agreement. In 2022, almost every OECD country responding to the survey had developed a GPP policy framework or strategy. Mexico and Hungary are the only exceptions, although Hungary adopted a GPP framework in December 2022 after the closure of the Survey.

Furthermore, governments are updating their GPP strategies to align with international and national environmental commitments and to leverage GPP's potential to mitigate the impacts of climate change. Governments clearly refer to GPP in their national environmental commitments.

GPP requires expertise in various disciplines, including environmental science, cost-benefit evaluations, procurement regulation and legal provisions governing public contracts. By developing operational tools such as “ready-to-use” GPP criteria, templates and helpdesks, OECD countries are developing practical support for public procurement practitioners in mainstreaming green procurement practices.

The survey also highlighted several examples of efforts by the public sector to more actively collaborate with the market to increase the uptake of GPP, including the development of guidance materials on market engagement; the creation of networks bringing together stakeholders from the private sector, central and local governments, and civil society organizations; and support for small businesses in the preparation of procurement documents for public sector contracts.

Nevertheless, and despite widespread recognition of the importance of GPP for environmental issues, many challenges still hinder the use of GPP to tackle climate change on a larger scale. Indeed, existing procurement policies and strategies fail to systematically harness GPP's potential to enhance citizens' trust in government's capacity to tackle climate change. While 92% of surveyed countries have set mandatory GPP requirements and targets in public procurement, compliance is not always monitored. Furthermore, while governments tend to monitor the *use* of GPP within their public procurement activities, they rarely evaluate its *impact*, missing an opportunity to better understand -- and promote -- the concrete impact of GPP on environmental factors, such as CO₂ emissions.

Governments could strengthen their efforts to apply a “green lens” to their public procurement strategies and improve monitoring and reporting frameworks for implementing GPP and its outcomes, especially in terms of environmental benefits.

Key recommendations

Develop effective reporting and monitoring systems to track GPP implementation and measure outcomes

- Make it mandatory for contracting authorities to report regularly on the use of green criteria in public tenders.
- Support and facilitate GPP reporting by defining standard reporting templates, including common reporting requirements and indicators, and encourage the integration of GPP reporting into the e-procurement system to ease routine data collection.
- Develop standardised methodologies, including clear indicators and benchmark values, to measure the impacts of green procurement strategies on the environment and to assess the cost-effectiveness of GPP in achieving environmental objectives.
- Complement routine reporting and monitoring with periodic surveys and evaluations, which can help gather additional information on GPP practices, motivations, and perceptions. Conduct in-depth evaluations for certain public tenders or across products/service categories to gather insights on the barriers to the use of GPP.

Invest in the professionalisation of the procurement workforce for GPP

- Encourage the integration of environmental and climate considerations by adopting methodologies that account for the cost of environmental externalities and life-cycle costs. This approach helps overcome the perception that green public procurement is inherently more expensive and highlights the long-term economic and environmental benefits of sustainable purchasing decisions.
- Provide training and capacity building on the design and use of green criteria in public tenders, as well as on the evaluation of the environmental performance of offers at the award phase.
- Communicate effectively to a non-expert audience the advantages of GPP, especially its environmental and economic benefits (e.g., cost savings over the long run), to ensure that all stakeholders involved in the procurement system — including users, senior management, audit bodies, and citizens — understand and appreciate the benefits, thereby incentivizing its uptake.
- Share experience and promote peer-learning to strengthen existing GPP policies and tools by enhancing collaboration across contracting authorities, including in international platforms and fora.

Engage with the market to support the development of green markets and ensure that green public tenders align with private suppliers' capacities and resources

- Develop and implement effective collaboration and information strategies. This includes signaling GPP opportunities in annual procurement plans and involving the private sector in defining targets and requirements. Enhance communication on the government's GPP ambitions to ensure suppliers are informed and prepared to meet green procurement criteria are also essential.
- Engage early with the market to inform potential suppliers about GPP criteria and requirements (e.g., green technical specifications, selection, and award criteria) and provide sufficient time and information for suppliers to adapt and respond to calls for tender. In addition, gauge the market's capacity to produce and supply green products and services, and adapt GPP ambitions accordingly.
- Deepen public-private collaboration through sectoral buyers' groups to develop a shared vision and strategies.

1 Understanding how Governments are using public procurement for the green transition

This introductory chapter outlines the methodology and main findings of the OECD Survey on Green Public Procurement (GPP). It details the survey's structure, participant countries, and data cleaning processes, emphasising GPP's growing significance and the need for strategic procurement practices. The chapter identifies key challenges and enabling factors for GPP implementation, highlighting areas for improvement in integrating environmental considerations into public procurement, training procurement professionals, engaging with the market, and enhancing data collection and reporting mechanisms.

1.1. Background

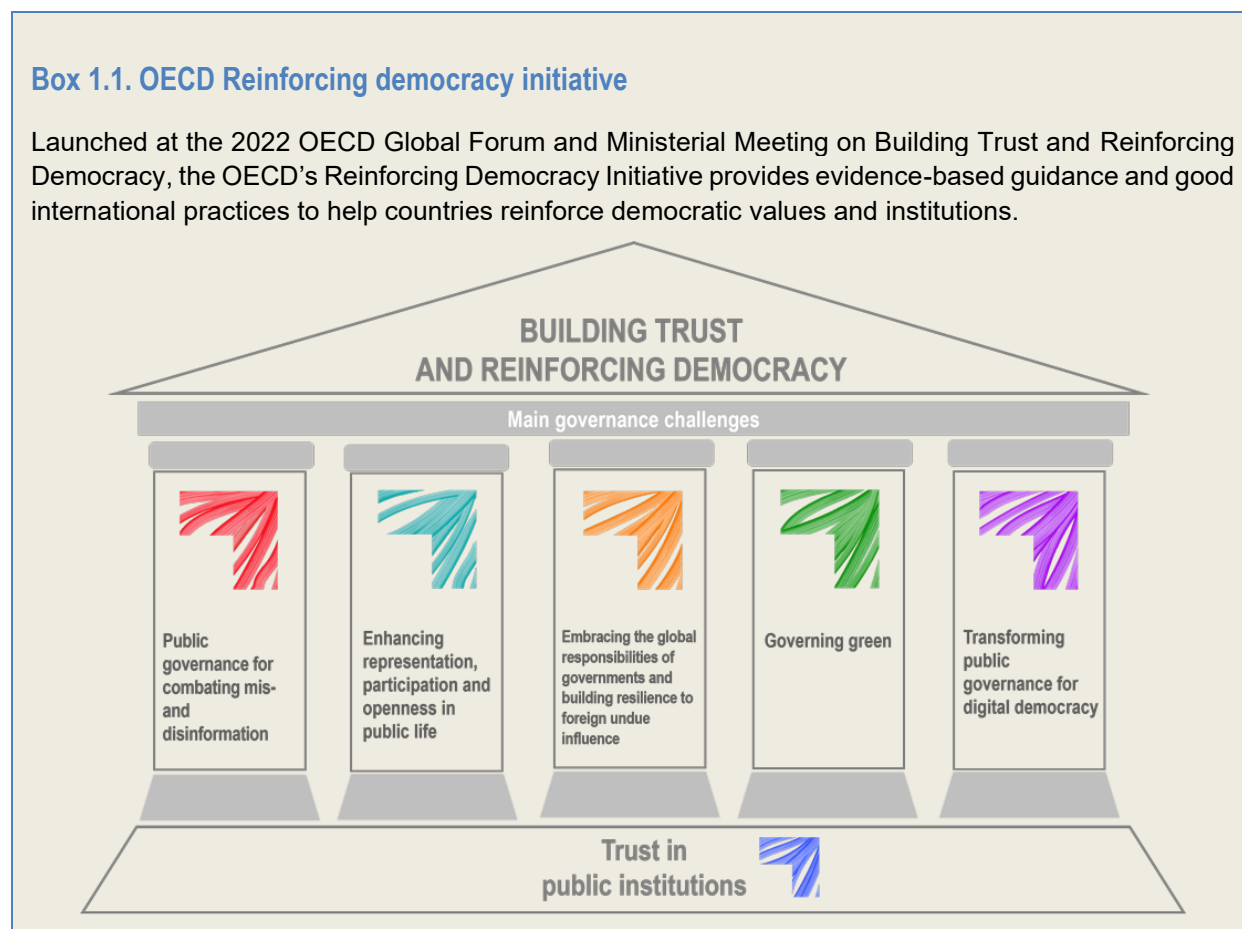
As revealed by a recent survey conducted by the OECD, gearing governments' action towards the green transition is increasingly urgent. On average, 50.4% of OECD citizens think that governments should prioritise climate change. However, people's trust in government's capacity to deliver effective policies and achieve environmental objectives is low (OECD, 2022^[1]). Only 35.5% of people are confident that countries will meet their commitments to reduce greenhouse gas (GHG) emissions (OECD, 2022^[1]). In brief, while half of people think that climate change is a serious issue for governments, just over a third believe that countries will actually meet the targets. To tackle major, long-run societal challenges, such as climate change, governments will need to build trust and invest "upfront" in policies with long-term payoffs (OECD, 2022^[1]).

National targets for climate are ambitious. Governments need to demonstrate that public institutions can be a driving force in the green transition and citizens can have trust in the public institutions as trustworthy players in these transitions. Government operations and contracting practices should also align with the net zero approach to set an example for the business sector and the whole of the society, and to incentivise the right behaviours and innovations to support the climate transition.

Green public procurement is a key tool in this transition as it is also reflected in the 'Governing Green' pillar of OECD's Reinforcing Democracy Initiative. The Governing Green pillar demonstrates how the public sector can lead by example and be a driver for the green transition. Successfully addressing climate change and other environmental threats is a challenge for democratic governments – they need to show that they are fit to handle this long-term, complex, and systemic challenge, manage difficult trade-offs, and achieve wider well-being outcomes (Box 1.1).

Box 1.1. OECD Reinforcing democracy initiative

Launched at the 2022 OECD Global Forum and Ministerial Meeting on Building Trust and Reinforcing Democracy, the OECD's Reinforcing Democracy Initiative provides evidence-based guidance and good international practices to help countries reinforce democratic values and institutions.



The fourth pillar on Governing Green is aiming at gearing up governments to deliver on climate and other environmental challenges. Its action plan clearly refers to public procurement as a key tool to achieve this goal, as highlighted in the actions detailed below:

ACTION PLAN ON GOVERNING GREEN

- *Key area 1 – Steering and building consensus and trust for delivering green in the next decade*
 - Ensure that governance mechanisms are in place to ensure a co-ordinated and coherent approach to address climate change and other environmental threats across the whole of government, using centres of governments to effectively steer and set strategies promoting co-ordination among different government actors.
 - Pursue holistic public communications efforts to support the timely and effective sharing of information and data around climate change and other environmental pressures and develop strategies for preparedness and prevention of mis- and dis-information on environmental threats and policy responses (See Action Plan on Public Governance for Combating Mis- and Dis-information).
 - Strengthen government global climate and other environmental competences, boosting civil service capacities, establishing adequate mechanisms to ensure that global issues are considered across government and considering a stronger global perspective in rulemaking through international regulatory co-operation.
- *Key area 2 – Using the right tools for climate and environmental action*
 - Ensure that regulations are aligned with green goals by promoting the systematic use of regulatory management tools (including RIA, *ex post* assessment and stakeholder consultation) that take into account climate and environmental impacts.
 - Expand the use of green public procurement ensuring, to the extent possible, that all participants in the supply chain for public contracts meet environmental rules and standards and improve the measurement of the impact of green procurement practices.
 - Promote green competencies, skills and leadership practices in government that allow them to mainstream awareness and consideration of the environmental impacts of all government policies and action and ensure environmental stewardship by government.
 - Use behavioural insight approaches to ensure the effective design and implementation of green policies considering behavioural barriers and biases in all the stages of policymaking, including assessment.
- *Key area 3 – Leading by example – a greener and more resilient public sector*
 - Collect data and improve reporting on the environmental footprint of government real property and operations, including GHG emissions.
 - Develop whole-of-public-sector strategies to promote green operations and the achievement of climate and environmental goals, targeting government assets and real property, services, and procurement of goods and services, and aligning internal operation policies with these goals, while enhancing public sector operations for adaptation.

Source: (OECD, 2022^[2]; OECD, 2022^[3]).

Public procurement represents a key leverage for governments to achieve environmental objectives. Over the last decade, the share of public procurement relative to GDP significantly raised across all OECD countries – from 11.8% of GDP in 2007 to 12.9% of GDP in 2021 – and has further increased over the most recent years (OECD, 2023^[4]). Most relevantly, across OECD-EU countries, public procurement

increased from 13.7% of GDP in 2019 to 14.8% in 2021 (OECD, 2023^[4]). Governments cover the largest share of the market in different sectors and can thus use their large purchasing power, to steer the economy and societies towards a more sustainable trajectory, contributing to the green transition.

The potential of public procurement to contribute to sustainable development was originally emphasised during the United Nations (UN) Conference on the Environment and Development (also known as the 'Earth Summit') which was held in Rio de Janeiro in 1992. Governments recognised their role as powerful consumers in the market and their responsibility to drive consumption and production systems towards more sustainable trends. This shift in perception elevated public procurement to a strategic government function to pursue environmental goals (UNEP, 2022^[5]). The importance of the need to change the consumption and production systems to achieve environmental and climate objectives was remarked at the Conference of Parties (COP) 21, when 193 countries approved the 2030 UN Agenda for Sustainable Development. On that occasion, the Paris Agreement to limit the increase in the average global temperature to below 2°C was also signed (UNEP, 2022^[5]).

In practice, the Paris Agreement necessitates a collective effort across all industries to make a substantial shift towards a low-carbon trajectory, aiming to achieve net-zero emissions within this century. For governments that have committed to this Agreement, it signifies a heightened responsibility to harmonise their policies with the pressing climate objectives. This entails setting a precedent by integrating climate-conscious considerations into their regular activities and financial commitments. Public procurement being a key activity within governments, and the most relevant public-private interface, every opportunity should be seized to steer public expenditures in the direction of resource-efficient, low-carbon alternatives for goods, services, and infrastructure projects. With the Paris Agreement it became imperative to maintain the integrity and cost-effectiveness of procurement processes while prioritising these environmentally sustainable choices. Many countries have already taken steps to align their procurement spending with the objective of tackling the climate crisis. Although public procurement frameworks were originally designed to achieve the best value for money, with "value" usually being defined as achieving the highest quantity or quality at the lowest price, in recent years, sustainable procurement policies have started proliferating. Sustainable Public Procurement (SPP) represents a strategic approach to public procurement that promotes the integration of the three pillars of sustainable development in public tendering: economic development, social development, and environmental protection.

To support governments in strengthening the procurement system as a strategic policy lever to achieve broader policy goals, the 2015 OECD Recommendation of the Council on Public Procurement – the overarching OECD guiding framework for public procurement – promotes the strategic and holistic use of public procurement. Among the 12 principles of the Recommendation, the principle of Balance recognises that any use of the public procurement system to pursue strategic policy objectives, such as reducing carbon emission, promoting social values or SMEs participation in public procurement should be balanced against the need to achieve value for money. Both the capacity of the procurement workforce to support strategic policy objectives and the burden associated with monitoring progress in promoting such objectives should be considered. The principle recommends to adherent countries to develop an appropriate strategy for the integration of strategic objectives in public procurement systems and to employ appropriate impact assessment methodology to measure the effectiveness of procurement in achieving those objectives (OECD, 2015^[6]).

Green Public Procurement (GPP) is part of this broader approach to public procurement that aims at delivering on sustainability. GPP however takes a narrower scope compared to SPP, focusing mainly on the environmental pillar of sustainability, and the use of environmental considerations in public tendering. Over the past decade, the approach to GPP has evolved from simply minimising harm to actively using public tenders to accomplish targeted environmental goals. GPP steers public authorities towards purchasing greener products and services and it supports governments in attaining their environmental policy objectives, such as tackling climate change, reducing pollution, enhancing resource efficiency,

fostering the transition towards sustainable production and consumption systems, halting biodiversity loss, bolstering resilience, and curbing GHG emissions (World Bank, 2021^[7]). Through GPP, governments can create incentives for the private sector operators to develop green solutions and invest in green product markets. Moreover, encouraging the use of GPP also send a strong message to citizens, nurturing their trust in government's commitment and capacity to tackle climate change and foster sustainable development.

This policy brief presents the results of the above-mentioned Survey, identifying the key challenges and enablers to GPP implementation as well as good GPP practices to support peer-learning.

1.2. Methodology

In 2022, the OECD Secretariat conducted a Survey on Green Public Procurement to gather data on GPP implementation across countries. Overall, 38 countries participated to the Survey, including 4 non-OECD countries (i.e. Brazil, Bulgaria, Peru and Romania). The Survey contained 31 questions structured around four pillars:

1. Policy and strategic framework
2. Public-private interactions
3. Evaluation of impact
4. Capacity-building and support

The respondents to the Survey were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies.

Once answers to the Survey were received, the Secretariat conducted a data cleaning process that consisted in follow-ups with countries' delegates to ask for clarifications and/or additional information, where needed. As a result, this policy brief includes not only examples shared by countries in response to the survey, but also some other examples identified by the Secretariat via desk research and during bilateral meetings with leading public procurement practitioners.

At the same time, the OECD produced GPP fact sheets for each country responding to the survey. This work required additional documentary research and exchanges with the countries, which took place until early 2024. The country sheets have been reviewed and validated by leading public procurement practitioners and other country representatives and are included in Annex A.

Data from accession countries (i.e. Brazil, Bulgaria, Peru and Romania) is still under review. The results of this review process may affect some of the percentages and figures included in the Policy Brief.

1.3. Overview of the responses to the OECD survey on Green Public Procurement (2022)

The results from the Survey reveal that while the uptake of GPP strategies and policies has substantially grown and GPP is increasingly recognised as a strategic tool to achieve climate objectives, mainstreaming environmental considerations in public procurement still faces several challenges.

OECD countries are currently using GPP as a lever to achieve national commitments on environmental sustainability and climate change. This is shown by the several references to GPP within national policies on climate action, by the regular reviews and updates of GPP frameworks to ensure alignment with the most recent environmental standards, as well as by the involvement of environmental ministries (or similar

institutions) to co-ordinate GPP policies with broader policies on sustainable development and environmental protection.

On the other hand, OECD countries seldomly measure the outcomes of GPP actions, such as the reduction in GHG emissions. Only a few countries are undertaking efforts to monitor and report on the impacts of GPP, losing the opportunity to get a full understanding of GPP potentials and to identify measures to improve the quality of GPP policies and support its implementation. Moreover, the results from the Survey highlight that there is still room for improvement in different areas to strengthen the integration of environmental factors in public tendering:

- The procurement workforce needs to be provided with training and tools to navigate increasingly complex tendering procedures. Supportive materials and activities should cover different topics, such as the definition of effective green criteria to reflect environmental externalities and the necessary competences to collaborate with contractors to identify greener solutions to public needs, among others.
- Public tenders need to better capture the lifecycle costs and environmental impacts of goods and services to incentivise the private sector to compete on the green dimensions of the offers. Asymmetries of information on the environmental performance of the goods, services and works procured, and the lack of unified pricing instruments for climate and environmental impacts often leave public administrations unable to award public contracts based on life-cycle costs (LCC) and the reduction of externalities.
- Contracting authorities need to engage with the market through different communication channels such as request for information, surveys, community of practice or workshops. Early market engagement can help governments gather data to inform the design of LCC tools, compare the environmental impacts of the different solutions proposed by suppliers, and award public contracts based on their environmental benefits. Market engagement, in addition to providing important insights on market readiness to apply GPP standards, can also support public buyers to develop more sustainable supply chains, especially through comprehensive contract management strategies and practices.
- Governments willing to expand the use of GPP should close the data gap to allow for a holistic measurement of the impacts of green procurement strategies, not only to better understand the environmental benefits of greening government operations but also to foster the transition to more sustainable economies (OECD, 2022^[1]). To capture this missing data and to report on GPP objectives, the development of trainings and tools on effective and automated reporting mechanisms would allow for better progress tracking, benchmarking, and data accuracy.

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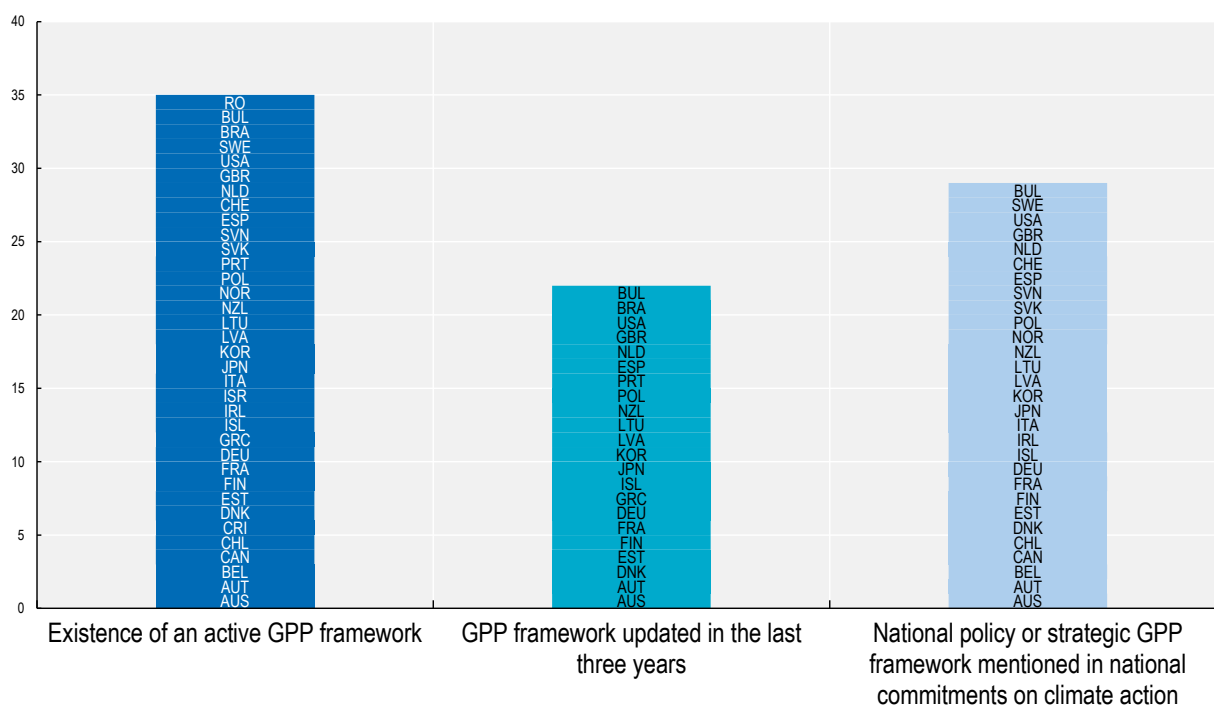
2 A common policy tool for climate actions implemented in diverse ways

Developing a comprehensive strategy or a reference framework for advancing environmental objectives through public procurement is crucial for maintaining policy coherence and aligning procurement practices across diverse government levels. Over the past decade, countries have actively formulated GPP strategies and policies, a momentum that gained further attention with the advent of the UN Agenda 2030 and the Sustainable Development Goals. This chapter explores the detailed policies adopted by countries to support GPP, looking at the incorporation of mandatory requirements and the establishment of GPP-related targets. It focuses on the measures taken to ensure the harmonisation of GPP policies with broader national environmental commitments. Furthermore, the chapter sheds light on the primary challenges encountered by contracting authorities during GPP implementation, identifies pivotal factors promoting GPP adoption, and looks at the incentives employed to encourage the procurement of environmentally friendly products.

2.1. Policy framework to support GPP

GPP can be considered as part of a broader procurement strategy or as a dedicated GPP strategy and action plan. In 35 out of 38 the countries surveyed (92%) there is an active national GPP policy or framework, and 29 out of the 35 countries that have a GPP-specific policy or framework (83%) clearly refer to GPP or public procurement in their national environmental commitments and consider it essential to pursue climate objectives, suggesting that GPP is widely recognised as a powerful tool to achieve the climate action goals countries have endorsed (Figure 2.1). For example, Japan includes its national GPP policy in its Plan for Global Warming Countermeasures and National Action Plan. Similarly, Canada recognises GPP as an important means to achieve its net-zero emissions target by 2050.

Figure 2.1. Green public procurement policy frameworks, 2022



Note: Figure presents the respondents responses to three different questions: (1) “Is there an active national policy or strategic framework on GPP?”, (2) “In what year was the national policy or strategic framework on GPP last been revised?” and (3) “Is the national policy or strategic GPP framework (or public procurement more broadly) mentioned in national commitments on climate action such as strategies to reach net zero or nationally determined contributions (NDCs)?”. Mexico and Hungary are excluded as they indicated they did not have an active GPP framework at the time of the survey (end 2022). Hungary adopted a GPP strategy (2022-2027) in December 2022, after the closure of the data cycle for this questionnaire. Canada updated its national strategy on public procurement in 2024, after the closure of the Survey.
Source: OECD (2022), Survey on Green Public Procurement.

To ensure alignment with their commitments on climate action, most of the surveyed countries revise GPP policies on a regular basis. More than half (22 out of 35, or 63%) of them have updated their GPP framework in the past three years to target high-impact sectors and accelerate the transition towards more sustainable productions patterns (Figure 2.1). In 2021, for example, the United Kingdom enacted a Procurement Policy Note, which introduces a new selection criterion for major government contracts to exclude suppliers from participation if they have failed to produce a carbon reduction plan and if they have not committed to net-zero emissions by 2050 (Box 2.1).

Box 2.1. The United Kingdom's Procurement Policy Note

In 2019, the UK government amended the 2008 Climate Change Act by introducing a target of 100% reduction of GHG emissions (compared to 1990 levels) in the net UK carbon account by 2050-. This is also known as the 'Net Zero' target. To support target achievement, the government issued a **Procurement Policy Note** (PPN) in 2021 that mandates contracting authorities to consider suppliers' plans to achieve net-zero emissions (i.e. Net Zero Carbon Reduction Plans) in the procurement procedures for major government contracts. Moreover, the PPN provides guidance on how to assess and evaluate the net-zero emission plans of suppliers.

The PPN applies to all central government departments, their executive agencies and non-departmental public bodies. These organisations need to comply with the PPN when procuring goods, services or works with an expected contract value exceeding GBP 5 million per annum, provided they fall under the scope of the Public Contracts Regulations 2015. Exceptions to this requirement apply only when it is deemed neither relevant nor proportionate to the specific contract in question.

As part of the assessment of suppliers' technical and professional ability, organisations should include as a selection criterion the requirement to provide a Carbon Reduction Plan (following the provided template) to prove their commitment to net-zero emissions by 2050. The Plan should also outline the environmental management measures already adopted and that will be implemented during contract execution.

The Carbon Reduction Plans must meet the required standards set out in the supporting guidance to the PPN, including:

- Plans need to prove the bidding supplier's commitment to achieve net-zero emissions by 2050 for their operations within the United Kingdom;
- Plans need to present supplier's current emissions for the sources included in Scope 1 and 2 of the GHG Protocol, and a defined subset of Scope 3 emissions;
- Plans need to include emissions reporting in CO₂e (Carbon Dioxide Equivalent) for the six greenhouse gases covered by the Kyoto Protocol;
- Plans need to describe the environmental management measures in place, including certification schemes or specific carbon reduction measures, and that will be adopted during contract execution;
- The Plan needs to be published on the supplier's website.

When applying the provisions envisaged in the PPN, organisations should always act transparently and in accordance with the principles of equal treatment and non-discrimination.

Source: (UK Cabinet Office, 2021^[11]).

The definition of an overarching strategy to mainstream environmental considerations in public procurement is key to ensure coherence and consistency in procurement across levels of governments (OECD, 2022^[21]). In OECD countries, procurement spending is largely decentralised, with sub-central governments accounting for 63% of total procurement expenditure on average (OECD, 2022^[21]). A whole-of-government approach is thus needed to ensure GPP achieve its full potentials and deliver environmental benefits. Some countries have already put in place strategies to ensure a coherent approach to greening government's operations across different administrative levels. For instance, the Canadian government has adopted the Greening Government Strategy to support the country's commitment to net zero emissions by 2050, including an interim target of a 40% emissions reduction by 2025 for federal facilities

and conventional fleet (see Box 2.2). In the United States, the federal government is committed to align its management of federal procurement and real property with achieving a 100% clean energy economy by 2035 and net zero emissions no later than 2050 (OECD, 2022^[2]).

Box 2.2. Canada's Greening Government Strategy

Canada's "Greening Government Strategy" (GSC) calls on government to reduce greenhouse gas (GHG) emissions to the atmosphere, and increase the resilience of government assets, services and operations by adapting to the changing climate. In Canada's greening strategy, the scope of GPP extends beyond what is explicitly labelled as "procurement." It also encompasses other domains such as fleet management and real property, where sustainability considerations play a vital role in aligning with environmental goals. The Canadian government plans to transition to net zero carbon and climate-resilient operations, while also reducing environmental impacts beyond carbon, including on waste, water and biodiversity. The Centre for Greening Government (of the Treasury Board of Canada Secretariat) provides leadership toward net-zero, climate-resilient and green government operations.

To bring about these objectives, the Canadian government has committed to act on the following areas:

- **Mobility and fleets:** Adopting low-carbon mobility solutions, deploying supporting infrastructure in its facilities and modernising its fleets. For example, starting in 2025, 100% of new light-duty fleet vehicle purchases will be zero-emissions vehicles (ZEVs), with the objective that the government's light-duty fleet comprises 100% ZEVs by 2030.
- **Real property:** Maintaining a net-zero climate-resilient real property portfolio plan to determine the most cost-effective pathway to achieve net-zero, climate-resilient real property operations by 2050 (i.e. sharing facilities; maximising energy efficiency, and switching to lower carbon fuels, etc.). In addition, government will reduce its water consumption and its load on municipal systems and reduce the environmental impact of waste. Finally, it will manage its property holdings to retain and restore biodiversity, mitigate, and adapt to climate change by maintaining and restoring wild or near-wild areas that conserve healthy populations of native species.
- **Climate-resilient services and operations:** Minimising disruptions and damage to its assets, services and operations related to the impacts of climate change. Canada is set to increase training and support for public service employees on assessing climate change impacts, and undertaking climate change risk assessments.,
- **Procurement of goods and services:** Supporting the transition to a net-zero, circular economy through green procurement that includes lifecycle assessment principles and the adoption of clean technologies alongside environmentally products and services.
- **Policies:** Aligning relevant government operations policies to further incorporate greening and climate resilience, and including greening priorities into the responsibilities of senior officials who will ensure that climate issues are addressed comprehensively in planning and operations.

Oversight and performance measurement tools will soon be in place (the GSC foresees the year 2025) to ensure accountability for the government's environmental performance following the principles of transparency and open data.

Source: (Government of Canada, 2024^[3]).

2.1.1. The use of mandatory GPP requirements and targets

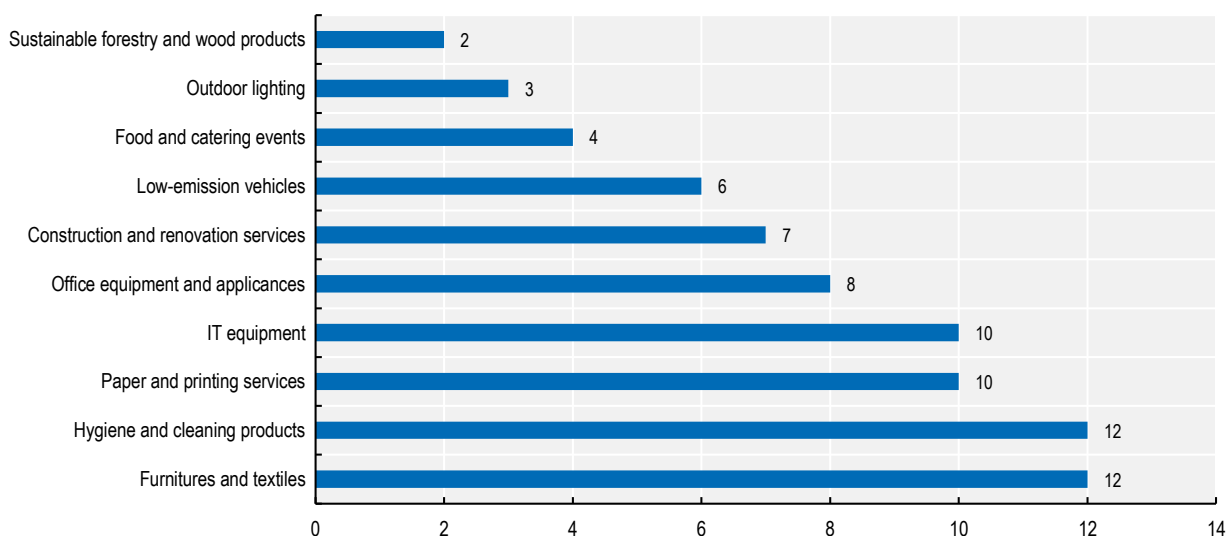
The broad objectives contained in GPP policies are usually translated into more tangible obligations or objectives assigned to public procurement practitioners. The final scope is to foster and guide implementation, as well as to facilitate monitoring and reporting. Countries might establish an obligation to introduce green requirements in public tenders or they can set more incremental targets such as the percentage of goods or services subject to green strategies. The provision of mandatory GPP requirements and targets limit the discretionary power of public contracting authorities to decide whether and how to adopt GPP, while promoting its wider uptake.

The adoption of GPP requirements typically means the adoption of regulations that establish minimum environmental criteria (e.g. energy-efficiency standards or a specified percentage of recycled content) for either all or specific procurement categories.

Mandatory requirements to use GPP

Initially, mandatory GPP was limited to a few procurement categories with a strong risk-reward rationale, however, the scope has gradually expanded to many different categories of goods and services. 24 of the 38 countries surveyed (63%) have set mandatory requirements for GPP¹. Estonia has established mandatory environmental requirements for four product groups, and it is currently working to extend it to five more, including construction and road transportation. Similarly, Italy has developed Minimum Environmental Criteria (Criteri Ambientali Minimi or CAM) for 18 product categories. The CAM are mandatory for all contracting authorities, at each level of government and for all public tenders, regardless of the contract's value (for more information on Italy's CAM, see (Box 2.3) To date, however, none of the countries examined has adopted mandatory GPP requirements for all procurement categories. The graph below highlights the most common categories for which respondents to the survey have indicated setting mandatory requirements to use GPP (Figure 2.2).

Figure 2.2. Most common categories for which countries have set GPP mandatory requirements



Note: The graph presents the respondents responses to the question “Does the national policy or strategic framework include a mandatory requirement to use GPP in specific instances?”

Source: Survey on Green Public Procurement (2022).

Box 2.3. Italy's Minimum Environmental Criteria

The Minimum Environmental Criteria (Criteri Ambientali Minimi or CAM) are environmental requirements defined for the various phases of the purchasing process (e.g. selection, technical specification, contractual clauses, awarding) with the aim of supporting contracting authorities in identifying the best solution from an environmental point of view, also considering the entire lifecycle of products and services and the capacity of the market. CAM are mandatory for all public contracts, across all levels of government and regardless of the contract's value. Such a strong obligation ensures that GPP policy is effective not only in reducing the environmental impact of the government, but also in promoting more sustainable, "circular" production and consumption systems as well as green jobs opportunities.

CAM were designed based on a comprehensive market analysis of the sector and on the analysis of a wide range of available requirements, including those proposed by at the EU level (e.g. EU GPP Criteria, the EU Eco-label, etc.). Moreover, CAM took into account national and European regulations that impose certain environmental standards as well as the inputs provided by the relevant stakeholders, such as enterprises and trade associations, consumers and users.

The definition of CAM falls under the competences of the Circular Economy Directorate of the Ministry of Environment and Energy Security. The Directorate is supported by technical working groups made by representatives and experts of the Public Administration and central purchasing bodies, research institutes and universities, as well as representatives of the trade associations. Once developed, CAM are submitted for approval to the GPP Management Committee. The final document is adopted by means of a Decree of the Ministry, which is published in the Official Gazette.

To date, CAM have been adopted for 20 procurement categories:

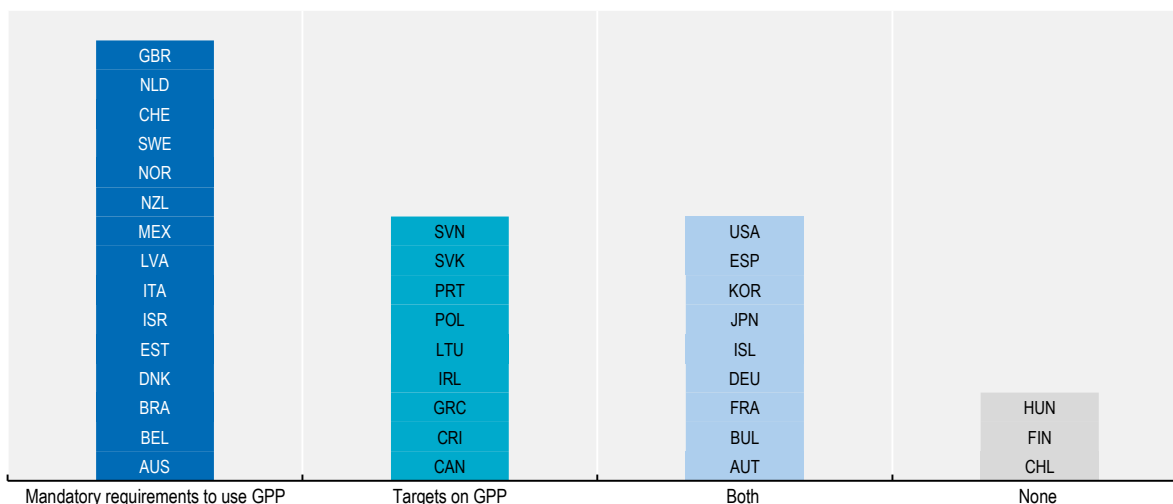
- Interior furniture
- Street furniture
- Incontinence aids
- Work shoes and leather accessories
- Paper
- Cartridges
- Building
- Cultural events
- Public lighting (supply and design)
- Public lighting (service)
- Lighting, heating/cooling for buildings
- Industrial washing and rental of textiles and mattresses
- Municipal waste and street sweeping
- Refreshment and vending machines
- Catering
- Cleaning and sanitizing services
- Printers
- Textile
- Vehicles
- Public green spaces

Source: (Ministry of Environment and Energy Security, n.d.^[4]).

GPP targets

Nine other surveyed countries (Canada, Costa Rica, Greece, Ireland, Lithuania, Portugal, Poland, Slovakia, and Slovenia) (24%) have decided to set targets, nine countries (Austria, Bulgaria, France, Iceland, Japan, Korea, Spain, the United States, and Germany) have adopted both mandatory requirements and targets, while three (Finland, Chile and Hungary) have neither mandatory requirements nor targets related to GPP (for a summary of the results see Figure 2.3).

Figure 2.3. GPP mandatory requirements and targets



Note: Figures shows respondents responses to two different questions: (1) “Does the national policy or strategic framework include a mandatory requirement to use GPP in specific instances?”, (2) “Does the national policy or strategic GPP framework include targets in terms of procurement subject to GPP?”. Peru and Romania did not answer to the question. Hungary adopted a GPP policy framework in December 2022 after the closing of the Survey.

Source: OECD (2022), Survey on Green Public Procurement.

Targets associated with GPP, such as the proportion of public tenders incorporating green criteria, may be established by either the central-level institution overseeing GPP reforms or the procuring agencies individually. These targets can take the form of milestones, intermediate levels, or performance tiers, providing a structured framework that serves as a source of motivation. By defining achievable objectives, targets play a pivotal role in recognising accomplishments at various stages of implementation. Targets are most effective when they are developed in consultation with the contracting authorities, as the latter are the one responsible for meeting the targets and can directly influence performance. It is important to set targets at realistic levels to ensure effectiveness, including by considering implementation challenges and market constraints. In many cases, GPP targets are based on a concise set of core implementation indicators (World Bank, 2021^[5]).

The results from the OECD Survey show that countries have adopted different types of targets, such as overall procurement targets, e.g. 80% of procurement (by value and/or by number of tenders) should include GPP criteria by 2025. For example, in the Slovak Republic, pursuant to the Strategy for environmental policy, the targets for GPP are 70% of the total value and number of contracts by 2030, for all levels of government. Targets might concern only certain product/service groups, and can differ across national, regional, local levels. For example, in Denmark, contracting authorities are required to buy eco-labelled products when purchasing cleaning agents, paper, printed matter, soap and hygiene products, but only at the central level. Moreover, governments can also decide to adopt green operational targets – e.g. all procurement staff will receive GPP training by 2025. Box 2.4 provides additional examples of the use of GPP targets across OECD countries.

Box 2.4. GPP targets across OECD countries

Lithuania

In 2021, Lithuania launched an ambitious public procurement reform to reduce the country's carbon footprint and ensure public procurement decisions considered environmental factors. To support implementation, the Ministry of Environment developed a roadmap for the reform through a ministerial decree that defined the GPP criteria. The decree also envisaged regular reporting to track progress.

Prior to the reform, in 2020, only 3% of the total public procurement spending incorporated green award criteria to promote environmentally friendly purchases. The national government aimed at increasing this percentage up to 50% by 2022, and ultimately achieving 100% of GPP by 2023 and beyond.

To monitor progress, the Lithuanian Public Procurement Office (LPPO) uses open procurement data through a user-friendly public dashboard. It also nudges to authorities, encouraging them to catch up if they fall behind in adopting green procurement practices. Additionally, various initiatives, including green fairs, catalogues, and outreach events for vendors, have been implemented to persuade government buyers to change their procurement habits and embrace more environmentally conscious choices.

As of 2022, GPP uptake across Lithuanian public institutions has increased significantly, accounting for 59.7% of the total procurement value and 32.6% of the total procurement procedures. Moving forward, the LPPO is shifting its focus beyond just measuring outputs, such as the use of green criteria, to assess the broader outcomes resulting from improved procurement practices, particularly in terms of reducing Lithuania's overall carbon footprint.

The Netherlands

Due to past failures of top-down targets for sustainable public procurement, the Netherlands has decided to make contracting authorities responsible for setting their own SPP targets. In 2016, the Dutch procurement agency launched a “Socially Responsible Procurement Manifesto” and public agencies were invited to sign up. Within six months upon signature, public agencies have to develop a SPP action plan, which includes setting up their level of ambition for SPP; identifying areas of intervention according to the level of expected impact; defining measurable goals; and explaining how they plan to achieve targets and mainstream SPP practices.

Although each participating party can decide its own level of ambition, the Manifesto is a binding instrument: all participating parties commit themselves to creating and publishing an SPP plan based on the above six themes. Moreover, they need to monitor implementation and report on progress on an annual basis.

Since the launch of the SPP Manifesto 170 agencies are now signatories and the use of award criteria that promote SPP has increased (from 39% in 2015 to 49% in 2020 of the procurement processes). SPP is more often included in market consultations (from 18% to 46%) and a higher number of organisations are now equipped to apply SPP (from 28% to 54%). With the SPP Manifesto, government agencies are motivated to pursue ambitious goals and to implement them. Signing the SPP Manifesto has had a positive effect for the majority of the signatories in the form of awareness-raising, commitment and as a basis for their own SPP policy. Nevertheless, a proper translation from ambition to concrete implementation is still lacking. SPP can increase (perceived) costs and complexity and is therefore often not included in purchase orders, or only marginally. Moreover, commitment to SPP often depends on enthusiastic individuals such as a director or buyer, with structural anchoring still lacking.

The six SPP themes of the Manifesto are linked to the UN SDGs: Social Return, Diversity & Inclusion, International Supply Chain Responsibility, Environment and Biodiversity, Circular Economy and Climate.

The Dutch Public Procurement Expertise Centre (PianoO) provides support on how to develop GPP action plans and promotes peer-learning by sharing best practice examples and lessons learned.

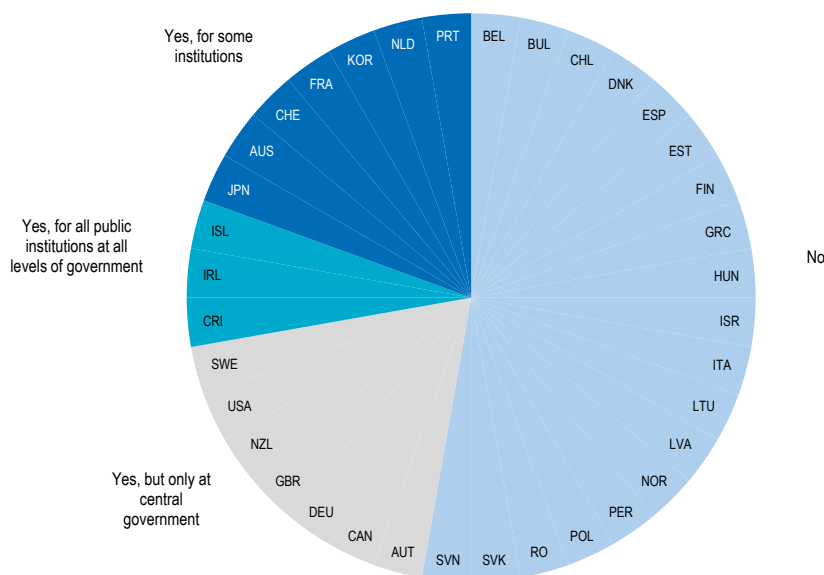
Source: (Open Contracting Partnership, 2022^[6]); (Interreg Europe, n.d.^[7]); (World Bank, 2021^[5]); (European Commission, 2022^[8]); (Government of Germany, 2021^[9]).

2.1.2. Reporting obligations on CO₂ emissions

To meet the goals of the Paris Agreement, OECD countries have endorsed strong climate commitments, including CO₂ reduction targets for the medium to long term. Nevertheless, 53% of the surveyed countries do not mandate public institutions to disclose their carbon emissions, and only 11% make it mandatory for all levels of government (see Figure 2.4). These findings reveal a gap in data collection and monitoring, which hinders the ability to assess whether the actions taken by governments, and the public sector more broadly, are delivering the expected environmental benefits.

In many countries, national environmental legislations acknowledge the environmental impact of public sector activities, including CO₂ emissions. However, they often fall short of introducing monitoring mechanisms to track environmental performance. Results from monitoring could serve to inform citizens about progress and achievements and reinforce their trust in the government's capacity to tackle the climate crisis. For instance, in Ireland, public sector entities are mandated to report annually on their climate and sustainability initiatives, with this information made accessible to the public (Government of Ireland, 2022^[10]). As a result, citizens were informed that public bodies and government departments improved energy efficiency by 34% compared to 2009, surpassing the 2020 target of 33%. Moreover, the public sector achieved substantial savings of EUR 1.8 billion and reduced emissions by 6 million tonnes between 2009 and 2020 (SEAI, 2021^[11]). In Iceland, a stringent requirement compels public institutions at all government levels to publish their climate policies and measure their environmental outputs through a green accounting system called "Green Steps", which represents a structured approach toward an all-encompassing environmental framework (more details on the Ireland's and Iceland's example can be found in Box 2.5).

Figure 2.4. Public institutions required to report on their CO₂ emissions and/or annual reduction targets



Note: Figure shows the respondents responses to the question "Are public institutions required to report on their CO₂ emissions and/or annual reduction targets?" Mexico and Brazil did not reply to the question.

Source: OECD (2022), Survey on Green Public Procurement.

Box 2.5. Requirements for contracting agencies to report on their CO₂ emissions

Green steps and Green Accounting in Iceland

The Green Steps Program (Græn skref) was developed in 2014 with the aim of promoting environmental awareness among public employees as well as decreasing environmental impacts from daily operations in the public sector. The Ministry of the Environment, Energy and Climate finances the programme and participation is therefore free of charge. Moreover, the national Environmental Agency oversees its implementation and provides support and guidance to government agencies in its implementation. According to the Government Offices Climate Policy, all government agencies must complete the five steps and they also need to implement Green Accounting.

The Green Step Program aims at promoting sustainable practices through systematic approaches. It provides several benefits, including improving the environmental impacts of public sector operations and services and reducing operating costs. The Green Steps consist of five different steps, and the implementation of an environmental management system represents the last step. Each step includes actions, which are divided into seven different categories:

- Procurement
- Communication and management
- Meetings and events
- Waste reduction and recycling
- Electricity and heating

- Transportation
- Kitchen and cafeterias

To successfully advance through each step, specific actions must be undertaken, and the difficulty of the task increases as the agency moves forward. These actions include limiting the use of energy and the production of waste, adopting green public procurement, promoting sustainable transport solutions and implementing Green Accounting. The completion of one step is a prerequisite for moving on to the next. When an agency completes the initial step, a representative from the Environmental Agency will conduct an audit and subsequently issue a completion acknowledgment, which serves as a sort of clearance to proceed to the next step.

Green Accounting is one of the actions of the Green Steps Program and it dates back to 2011. It consists in a simple accounting form that generates statistical information regarding the main environmental aspects of an agency's operations, e.g. fuel use, energy consumption, paper use, cleaning products, and waste generated. Through Green Accounting, agencies can monitor their purchases, consumption, resource use and emissions more effectively, assess their environmental impacts, set up appropriate goals and track progress.

As of April 2024, 178 of 200 state agencies participated in the programme, totalling about 18 000 employees. That constitutes almost 90% of state offices and 5% of the Icelandic population. In addition, municipalities are progressively offering the Green Steps Program, making the total participation even higher.

Public sector energy efficiency performance report in Ireland

To align with EU and national environmental objectives, Ireland has committed to achieve a 51% reduction in GHG emissions from the energy sector and to improve public sector's energy efficiency by 50% by 2030. To support monitoring and ensure success, the Public Sector Energy Efficiency Programme requires all public sector entities to submit their annual energy consumption data. Since the Climate Action Plan 2021, energy use has been converted into emissions and progress towards public sector emissions reduction targets has been monitored.

Public bodies are required to report annual energy data every year. The Sustainable Energy Authority (SEIA) manages the reporting process on behalf of the Department of the Environment, Climate and Communications (DECC).

There are two key obligations for public sector organisations:

- Requirement – under the provisions of SI 426 of 2014 – to report energy management and performance data directly to SEAI, each year, in order to track progress towards the set targets.
- Requirement to publish an annual statement on energy performance. This statement must describe *'the actions it is (the organisation) taking, or has taken, to improve its energy efficiency and an assessment of the energy savings arising from those actions'*.

In Ireland the definition of the public sector encompasses a wide range of organisations, including the civil service, local authorities, non-commercial state bodies/ agencies, commercial state bodies and organisations in the health, justice, defence and education sectors.

34 810 public bodies and 3 669 standalone schools were requested to report data to SEAI through the 2021 reporting cycle.

Source: OECD (2022) Survey on Green Public Procurement, (The Green Steps Program, n.d.^[12]), (SEAI, 2022^[13]).

In 19% of OECD countries², such as Canada and the United Kingdom, the requirement to report CO₂ emissions applies exclusively to central government institutions. In Canada, the Net-Zero Emissions Accountability Act enshrines the country's commitment to achieve net-zero GHG emissions by 2050, and it sets out an accountability and transparency framework for its delivery. Most relevantly, the Act envisages the requirement of setting national emissions reduction targets for 2035, 2040, and 2045, a decade in advance. Each target is underpinned by a realistic, science-based emissions reduction plan that outlines strategies for reducing emissions in federal government operations, including procurement.

Similarly, the United Kingdom's Greening Government Commitments set out the specific actions that government departments and agencies will undertake in the period between 2021 and 2025 to reduce their environmental impact. These actions encompass reducing water consumption, GHG emissions, and waste, promoting resource efficiency, sustainable public procurement, developing Nature Recovery Plans and Climate Change Adaptation Strategies, as well as reducing the environmental impacts from Information and Communications Technology (ICT) and digital services. Moreover, the national government regularly publishes annual reports to gauge progress against Commitments. The Department for Environmental, Food and Rural Affairs, in its annual report published in April 2023, share the first results on the implementation of the Greening Government Commitments. In relation to reducing GHG emission, in financial year 2020 to 2021, government reduced its GHG emissions by 57% from the baseline year, exceeding the 43% target. Regarding commitments related to public procurement, departments had to report on the systems they have in place and the action taken to buy sustainably, including to embed compliance with the Government Buying Standards (GBS) in departmental and centralised procurement contracts, within the context of government's overarching priorities of value for money and streamlining procurement processes and to understand and reduce supply chain impacts and risks. Ten departments reported against the procurement commitments in financial year 2020 to 2021. This was a significant reduction compared to the 21 that reported in the previous financial year, which was due to reprioritisation of staff resource during the COVID-19 pandemic. Six of the 10 departments reported having a written sustainable procurement policy in place with a further 3 having a policy in draft form or under development (The Department of Environmental, Food and Rural Affairs, UK Government, 2023^[14]).

In Spain, while there is no obligation for public institutions to disclose their emissions performance, several municipalities and some line ministries voluntarily measure their carbon footprint. For instance, the Ministry for the Ecological Transition and Demographic Challenge has been monitoring its carbon footprint since 2010. Furthermore, the sixth section of the Green Public Procurement Plan of the General State Administration 2018-2025 acknowledges that the goods and services purchased by the public administration can contribute to global warming through their associated carbon footprint. For this reason, the public administration has committed to purchase goods and services with the lowest possible carbon footprint. To support this, the country promotes the inclusion of an award criterion that assesses registration in the Carbon Footprint Register in public procurement of the 20 groups of priority goods, works and services identified by the Green Public Procurement Plan of the General State Administration 2018-2025. The Registry, created by Royal Decree 163/2014, includes the efforts of Spanish organisations in the calculation and reduction of GHG emissions generated by their activity. The Registry is a tool to help organisations to monitor and reduce GHG emissions and it is organised in 3 sections:

- Carbon footprint (CF) and GHG reduction commitment section: organisations calculate and reduce their carbon footprint every year.
- CO₂ sequestration projects section: forestry projects that increase CO₂ sequestration.
- CF offsetting section: organisations offset by acquiring CO₂ sequestered by forestry projects.

The organisations who calculate their CF and establish a reduction plan, can register in section A. In the same way, if these organisations wish to offset their CF, it can be done through agroforestry carbon-sink projects in Spain, that would be registered in section B of the Registry. Finally, section C checks such offsetting and gives institutional backing (Ministry for the Ecological Transition and Demographic

Challenge, n.d.^[15]). The Registry not only ensures that public organisations measure their emissions but also mandates the development of reduction plans. The integration of these priorities will occur gradually, following a defined schedule, by each contracting body.

2.1.3. Co-ordination mechanism to ensure alignment between environmental and GPP policies

Considering the expertise needed to define ambitious and coherent objectives in GPP policies, public procurement authorities in all surveyed countries rely on other government bodies. In 32 out of the 35 OECD countries with GPP strategies (91%), the national frameworks integrate a co-ordination mechanism to design, implement and revise GPP policies. In 13 of these countries (37%), ministries of environment or similar agencies formally co-ordinate GPP and broader environmental policies, thereby reinforcing the role of GPP in achieving environmental objectives. A further 16 countries (46%) rely instead on inter-ministerial or ad hoc working groups convening different stakeholders (see Table 2.1). For example, in the United States, the alignment between GPP and environmental policies is assigned to one of the highest levels of government, the Executive Office of the President. In France, the General Commission for Sustainable Development, an inter-ministerial delegation for sustainable development, is responsible for steering the National Sustainable Procurement Plan (PNAD) 2022-2025 (see Box 2.6). In Germany, the establishment of inter-ministerial committees has been instrumental in fostering co-ordination between GPP and other environmental policies. These committees serve as collaborative platforms involving multiple ministries, facilitating the integration of GPP objectives with broader environmental strategies. This co-ordinated approach enhances policy coherence and ensures that GPP practices align seamlessly with the country's overarching environmental commitments and goals (see Box 2.6).

Table 2.1. Institutional co-ordination between environmental and green public procurement policies, 2022

Country	Yes, through the Ministry of Environment or equivalent	Yes, through inter-ministerial working group	Yes, through <i>ad hoc</i> group	No
Australia	•			
Austria	•			
Belgium		•		
Brazil			•	
Bulgaria		•		
Canada		•		
Chile	•			
Costa Rica				•
Denmark		•		
Estonia	•			
Finland				•
France		•		
Germany		•		
Greece				•
Iceland		•		
Ireland	•			

Country	Yes, through the Ministry of Environment or equivalent	Yes, through inter-ministerial working group	Yes, through <i>adhoc</i> group	No
Israel			•	
Italy	•			
Japan	•			
Korea	•			
Latvia	•			
Lithuania	•			
New Zealand		•		
Norway		•		
Poland	•			
Portugal			•	
Peru				
Romania		•		
Slovak Republic	•			
Slovenia		•		
Spain		•		
Sweden		•		
Switzerland		•		
The Netherlands	•			
United Kingdom		•		
United States		•		
Total OECD	13	16	3	3

Note: Table shows respondents responses to two different questions: (1) “Is there a coordination mechanism to ensure alignment between environmental policies and the GPP policy or strategic framework?” and (2) “If so, which institution is responsible for such coordination?” Mexico and Hungary are excluded as they indicated they did not have an active GPP framework at the time of the survey (end 2022). Hungary adopted a GPP strategy (2022-2027) in December 2022, after the closure of the data cycle for this questionnaire. In Peru, there was no national policy or strategic framework for GPP at the time of the Survey; however, it is expected to be created through the agreements reached by the Multisectoral Commission for Sustainable Public Procurement, whose creation was ordered by Supreme Decree No. 016-2021-MINAM and its effective creation has been approved by Supreme Resolution No. 011-2024-MINAM, dated May 21, 2024.

Source: OECD (2022), Survey on Green Public Procurement.

Box 2.6. The creation of inter-ministerial committees to ensure co-ordination between GPP and other environmental policies

Germany

The Sustainability Action Programme was developed under the lead of the Chancellery. Within its chapter IV, the Program foresees the formation of an Inter-ministerial Committee for Sustainable Public Procurement (“Interministerieller Ausschuss für nachhaltige öffentliche Beschaffung”).

The committee was established in June 2022. It is being co-lead by the Federal Ministry for Economic Affairs and Climate Action and the Federal Ministry of the Interior and Community. The central role of the committee is the co-ordination of the measures regarding GPP/SPP.

For the overall Sustainability Action Program regular monitoring reports are being published.

France

The General Commission for Sustainable Development (CGDD), as a cross-cutting department of the Ministry of the Environment and as an inter-ministerial delegation for sustainable development, is responsible for steering the National Sustainable Procurement Plan (PNAD) 2022-2025. As such, it is responsible for steering and co-ordinating sustainable purchasing initiatives at national level, for all types of purchasers.

The Commissariat brings together the relevant government departments, representatives of local and regional authorities, and private and public purchasers, in order to implement and monitor this ambitious national sustainable purchasing strategy with all the players involved.

The strength of the General Commission is based on a continuum of skills combining research and innovation, observation and statistics, economic, social and environmental analysis and the evaluation of public policies, as well as support for the stakeholders involved. These skills are complemented by strategic and forward-looking functions, broadly open to society, with a view to determining the paths to more sustainable development.

Source: OECD (2022) Survey on Green Public Procurement.

The substantial shift in roles and responsibilities and the increasing multitude of actors involved in the definition of GPP policies and their implementation reflect a change addressing public procurement. From being considered as a traditional, transaction-based activity, it is now being used as a strategic tool to achieve broader policy objectives. As a result, it is important to strengthen the collaboration across key stakeholders to improve the management of SPP policies (UNEP, 2022^[16]). Enhanced collaboration has already started in many of the surveyed countries, and it is likely to become even more relevant considering the growing role of public procurement as a strategic tool to achieve broader policies objectives, such as environmental protection, social inclusion and innovation.

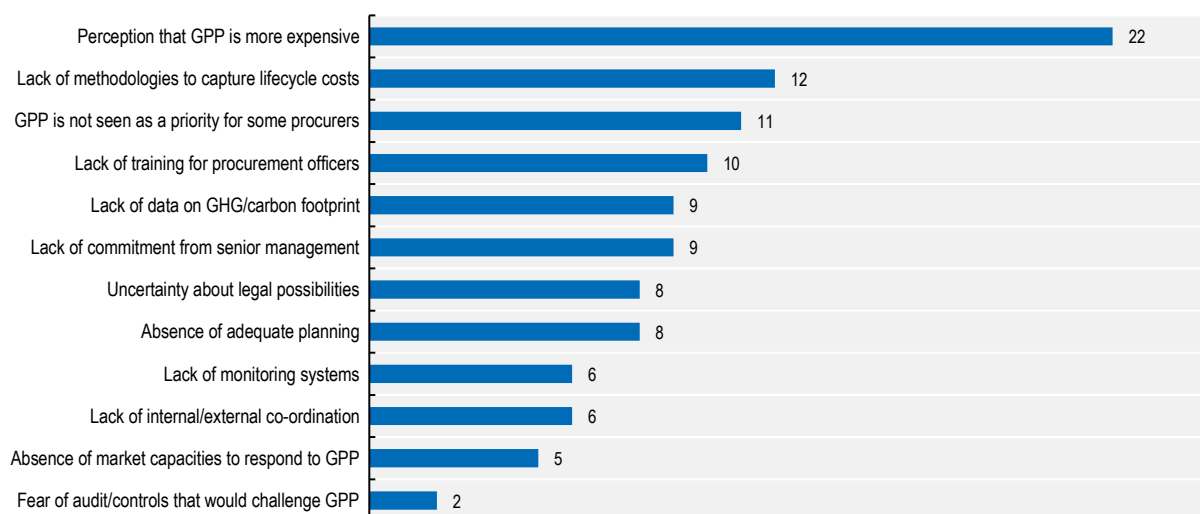
2.2. Implementation of Green Public Procurement: obstacles and incentives

The results from the OECD Survey on GPP provides a comprehensive overview of the challenges encountered by public officials and contracting authorities to implement GPP. Most notably, this section sheds lights on the main obstacles to GPP implementation as well as on the solutions developed by surveyed countries to promote the uptake of GPP across levels of government, including financial or non-financial incentives. Financial incentives, for instance, are particularly effective at the early stages of GPP adoption, when the integration of environmental considerations in public tenders is mainly voluntary and carries some perceived risks.

2.2.1. Obstacles to GPP implementation

The results from the 2022 Survey on GPP show that despite ongoing efforts to promote GPP adoption, numerous obstacles still persist (see Figure 2.5). One key issue concerns the misperception among the procurement officials that environmentally sustainable products are more expensive than their conventional counterparts. Additionally, public procurement practitioners often complain about the absence of clear regulatory frameworks and political supports from the central government. Other key obstacles to GPP implementation include the absence of established life-cycle costing (LCC) methodologies, the limited availability and fragmentation of data on carbon footprint, and the insufficient training for procurement workforce. Moreover, in their daily activities, procurement officers face challenges related to the limited availability of data and guidance to identify greener purchasing alternatives, the lack of capacity and resources to conduct market analysis and engage with private suppliers, as well as the more general lack of knowledge and experience in procuring innovative and eco-friendly solutions.

Figure 2.5. Main obstacles to GPP implementation



Note: Graph shows respondents responses to the question “Based on experiences from practitioners in your country, what do you think are the three main obstacles to increase the uptake of GPP?”

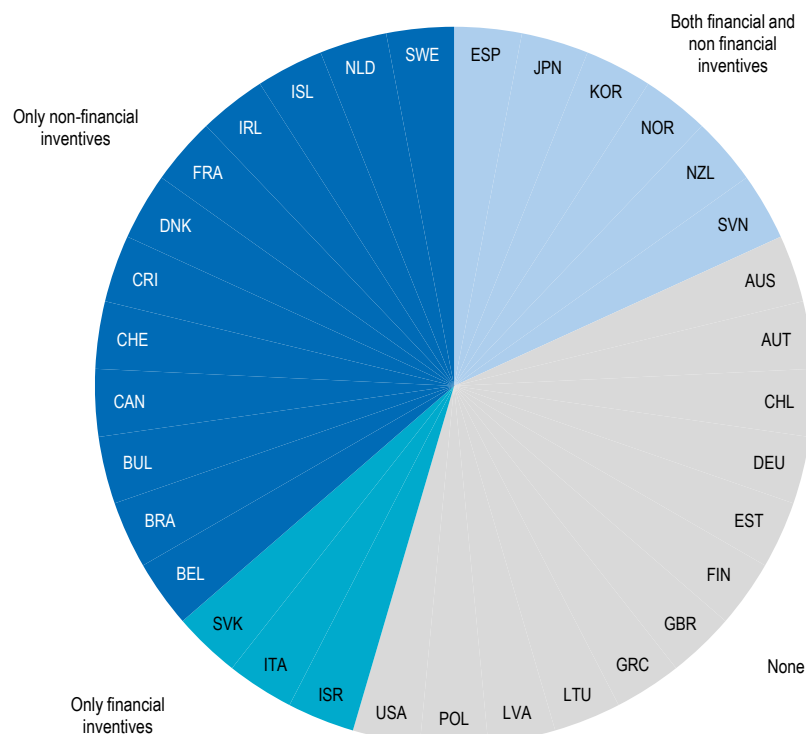
Source: OECD (2022) Survey on Green Public Procurement.

In Hungary, contracting authorities are often reluctant to adopt GPP instruments due to concerns about potential legal violations. They prefer to maintain simple procedures and ensure strict adherence to the rules. There is also a common misconception that GPP results in more complex and time-consuming procedures (Hungary Prime Minister’s Office, 2021^[17]). In Ireland, the most frequent barriers to GPP implementation include the perception that greener alternatives cost more, budget constraints, lack of support from senior management, the fear of legal disputes, the complexity of verifying compliance, and the impact of central procurement frameworks (OGP, 2021^[18]). In France, GPP challenges encompass the limited availability of tools and training to conduct life cycle costing and measure environmental externalities. Another key issue concerns the requirement to establish a clear link between the purchased/contracted goods/services and the environmental requirements introduced. This challenge is particularly sensitive in the social field and it is becoming increasingly relevant in intellectual services, where environmental achievements may seem indirectly linked to the subject-matter of the contract, for instance, using more sustainable computers or data centres, or reducing travelling and printing of documents (Ministry of Finance, 2021^[19]). In Chile, where the main obstacle is the lack of training of public procurement officers, the lack of qualified personnel prevents the promotion of GPP procedures and generates resistance to apply a topic that is unknown to procurement officers.

2.2.2. Financial and non-financial incentives to increase GPP uptake

According to the results from the 2022 Survey, only 9 out of the 33 countries that replied to the question on the use of incentives to promote the uptake of GPP (27%) use financial incentives to promote GPP uptake (see Figure 2.6). The Republic of Korea is one of the few countries that use financial incentives extensively: while high-performing local governments are rewarded with a larger budget, public institutions receive a performance bonus. In the Netherlands, financial incentives are directed towards suppliers. Indeed, contracting authorities can choose to implement the CO₂ Performance Ladder, a voluntary instrument run by an independent foundation through which contractors commit to reducing their CO₂ emissions in order to obtain a deduction in the submission price in a public tender, and they also increase their chances to secure the contract (see Box 2.7).

Figure 2.6. Existence of incentives for the public sector



Note: Graph shows respondents responses to two different questions: (1) “In the national policy or strategic GPP framework are financial incentives foreseen for contracting authorities to increase the uptake of GPP?”, (2) “In the national policy or strategic GPP framework are other non-financial incentives foreseen for contracting authorities or suppliers to increase the uptake of GPP?” Hungary, Mexico, Portugal, Peru and Romania are not included as they did not answer the question.

Source: OECD (2022) Survey on Green Public Procurement.

Box 2.7. Examples of financial incentives to promote GPP uptake

Performance bonus in Korea

In Korea, financial incentives are provided in the form of annual bonuses to high-performing public organisations. The performance of public organisations is evaluated according to different indicators, including the use of GPP, which is measured as the percentage of green purchases over the total amount of purchases, over a year. The higher the use of GPP in public tendering, the better the score for the related indicator, and the higher the bonus for the organisation.

Moreover, according to the Act on the Promotion of Purchase of Green Products, the Korean Minister of Environment can grant environment-related subsidies to local governments that have a good record in terms of green purchases (see Article 16). In addition to that, as prescribed by Article 15, para 2 of the Presidential Decree, the government can offer financial rewards to public institutions, business operators, and other relevant organisations, that perform well in terms of green procurement, either by actually purchasing green solutions or by promoting the purchase of green products.

These incentives encourage agencies to purchase green by using the e-procurement platform, improving data completeness at the same time.

Preferences in the Netherlands

In the Netherlands, the CO₂ Performance Ladder is an increasingly important instrument for contracting authorities to promote sustainability in public procurement. The CO₂ Performance Ladder is managed by the independent Foundation for Climate Friendly Procurement and Business (SKAO), which brings together different stakeholders to promote the use of the instrument. The Ladder itself consists in a certification system that evaluates the measures envisaged and implemented by tenderers to limit CO₂ emissions both within the company and in specific projects, as well as elsewhere in the supply chain. Companies are certified by an independent Certifying Institution on a scale from 1 to 5. Besides implementing a CO₂ management system, certified companies are also required to measure and reduce the CO₂ emissions of their operations on a continuous basis. Moreover, level 4 and 5 of the certification schemes requires companies to take into account CO₂ emissions throughout their supply chains.

The CO₂ Performance Ladder can be used in the procurement process as an award criterion; certified suppliers certified receive a fictional discount on their tender price, which represents an important advantage in the tendering process compared to competitors. The higher the level of the certification, the greater advantage the supplier can achieve. When applying for the public tender, organisations are not required to already be in possession of a CO₂ Performance Ladder and they can commit to obtain the certification at the indicated level within one year. Alternatively, tenderers can choose to apply with an ambition level for the specific project. Rijkswaterstaat and other contracting authorities have been using the Ladder their procurement procedures for more than a decade now. Specifically, one in ten above threshold tenders in the Netherlands make use of the CO₂ Performance Ladder.

Even if the CO₂ Performance Ladder was initially developed for the railway sector and it is now used for the infrastructure sector more at large, it can also be adopted in any other sector. To date, over 1 200 certificates have been issued in the Netherlands and Belgium. Moreover, research demonstrates that certified organisations reduce their CO₂ emissions much faster compared to uncertified organisations. Furthermore, all certified companies have adopted a fully-fledged energy management system, and the reduction of CO₂ emissions emerges as a key business strategy.

Source: OECD (2022) Survey on Green Public Procurement; (UNEP, 2019^[20]); (Ali Hasanbeigi and Dinah Shi, 2021^[21]); (OECD, 2022^[22]).

Other countries (i.e. 36% of the surveyed countries) rely only on non-financial incentives to foster the uptake of GPP. Non-financial incentives include prizes to award contracting authorities and public procurement practitioners that applied green requirements in public tenders, such as green award or selection criteria. For example, **New Zealand** introduced an excellence award system in the field of public procurement. The New Zealand Procurement Excellence Awards are effective tools to raise the profile and awareness of procurement in the country through the formal recognition of achievements. (OECD, 2023^[23]) (for more information, see Box 2.8). In **Japan**, the Green Purchasing Network (GPN) has held Green Purchasing Award ceremonies almost every year to honour organisations active in promoting and expanding green purchasing. Among the prizes awarded, the Minister of the Environment Prize honours organisations with particularly outstanding practices in promoting green purchasing among general consumers through green purchasing activities, environmental education, and environmental communication. Other prizes awarded to organisations making outstanding efforts include the Minister of Economy, Trade and Industry Prize to honour organisations with the best practices for expanding the green purchasing market through eco-conscious products and services; and the Minister of Agriculture, Forestry and Fisheries Prize to honour organisations with the best practices in green purchasing efforts that contribute to the development of domestic agriculture, forestry and fisheries, or in the promotion of green purchasing to general consumers.

Box 2.8. New Zealand Procurement Excellence Forum's annual awards

Each year the New Zealand Procurement Excellence Forum recognises outstanding professionalism in five categories. This year's winners are:

- Procurement Professional
- Young Procurement Professional
- Most Effective Team
- Social and Environmental
- Innovation of the Year

In 2022, Kāinga Ora Homes and Communities took out the Social or Environmental Impact of the Year category as a recognition of their work supporting the organisation's waste minimisation programme, which prioritises house relocation and deconstruction over demolition on Kāinga Ora redevelopment sites. One of their key commitment is to be a Leader in Environmental Sustainability, to do so, they:

- Ensure construction planning includes construction waste minimisation, end-of-life recycling and disposal considerations.
- Ensure all new construction incorporates sustainable products and favours renewable resources in product production.
- Encourage and support suppliers to have carbon reduction targets in place.
- Ensure sustainability impacts are managed throughout our supply chains, including strategies to avoid unnecessary use of materials, energy and resources and purchase only what is required.
- Work to ensure we aren't contributing to negative impacts through our procurement processes.
- Select products guided by whole-of-life costs and environmental impact analysis.

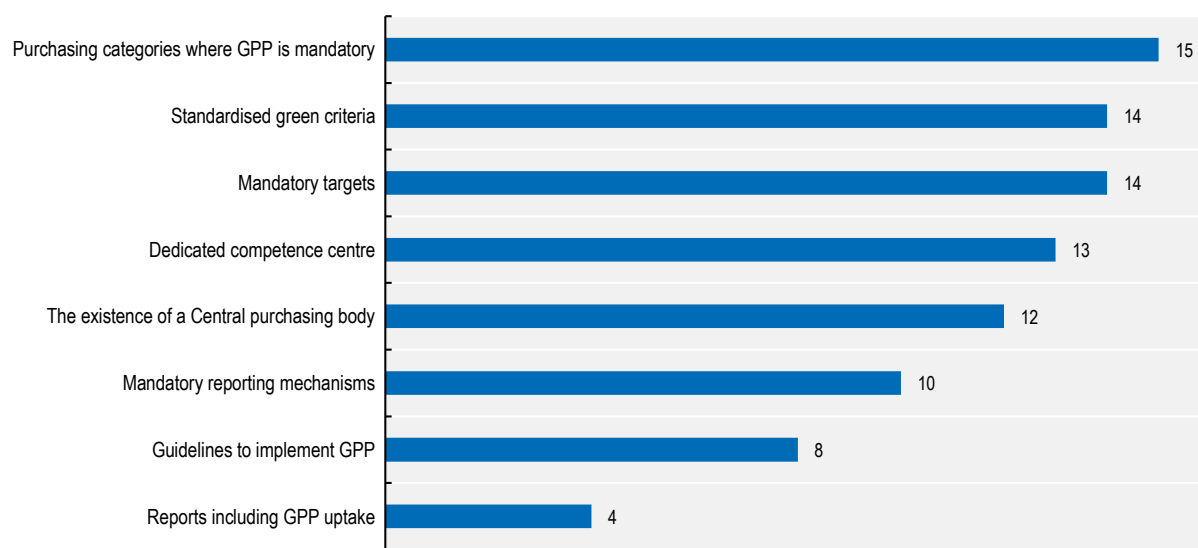
Source (New Zealand Government Procurement, 2022^[24]) (Kainga Ora Homes and Communities, 2022^[25]).

2.3. Enablers to a higher GPP uptake

GPP requires abandoning the traditional approach of selecting the lowest-priced bid to focus on the achievement of strategic public procurement objectives. To support the use of GPP, government can rely on a wide range of instruments and tools, including guidance materials (e.g. guidelines, handbooks, toolbox, instructions for implementation, etc.), standardised green criteria, mandatory GPP requirements for public tenders and procedures, monitoring reports to track implementation, and the creation of GPP competence centres (see Box 2.9). These enabling instruments can help guiding public procurement practitioners in the decision-making process and are also likely to reduce the administrative and technical workload for procurement staff.

According to the results from the 2022 OECD Survey on GPP, most countries have prioritised the creation of implementation guidelines and the definition of standardised (and mandatory) green criteria for certain product (or service) categories. Five countries have also proposed other possible enablers such as legal certainty for contracting authorities on the use of GPP in public tenders, the sharing of best practices examples and more trainings for public administration procurement units, (see Figure 2.7).

Figure 2.7. Main enablers to a greater uptake of GPP



Note: Graph shows respondents responses to the question “Based on experiences from practitioners in your country, what do you think are the three main enablers to increase the uptake of GPP?”

Source: OECD (2022) Survey on Green Public Procurement.

Box 2.9. Examples of measures to promote GPP uptake across OECD countries

The development of GPP criteria in Austria

In Austria, the Austrian Action Plan on Sustainable Public Procurement (the naBe-Action Plan) promotes sustainability in its three dimensions: environmental, social and economic. In June 2021, the Federal Government adopted a major update of the (extended) naBe-Action Plan including various core criteria. The naBe-Action Plan is binding for federal contracting authorities (CA) and contracting entities (CE). In addition, the application of the criteria is recommended to all other CA and CE (Länder, municipalities, public institutions, etc.) that are subject to the federal procurement law in Austria. The naBe-Action Plan defines GPP criteria for 16 different product groups, which can be divided into three categories:

1. Consumer products and events (e.g. electricity)
2. More durable products or capital goods (e.g. IT equipment)
3. Building facilities (e.g. building construction)

The naBe criteria take into account life-cycle costs and pursue environmental objectives, such as reduced pollution, enhanced energy efficiency, circular economy and the use of renewable resources. For food products and supply services, the naBe criteria promote the purchase of products from organic agriculture, seasonality, freshness, and animal welfare. The naBe criteria encompass the entire tendering procedure: from the performance description and technical specification to award criteria and the contract execution.

For each product group covered by the naBe Action Plan, specific targets are also set. For instance, since January 2022, federal ministries need to exclusively purchase green electricity meeting the

Austrian Eco-label. For food products, the requirement is to purchase 25% organic products, with the additional target to reach a 55% organic quota by 2030.

The criteria included in the Action Plan are designed as templates to ease their inclusion in tender documents. Furthermore, the naBe criteria provide a sort of guidance to public buyers to select eco-friendly solutions and also help tenderers, especially SMEs, to show compliance with green requirements.

To date, factsheets on the Clean Vehicle EU Directive or digital accessibility are also provided as well as total cost of ownership (TCO) tools for the most relevant product categories covered by the naBe criteria. Good-practice sheets are currently being developed for public procurement practitioners to present their success experiences.

Developing guidance in Ireland

In 2020, Ireland committed to mandating the inclusion of GPP in all procurements using public funds by 2023. To achieve this objective, the Environmental Protection Agency (EPA) has developed a Guidance on Green Public Procurement. Moreover, GPP criteria were developed to further help mainstreaming environmental considerations in public procurement. The Guidance targets the public sector procurement workforce, both at the central and local governments, as well as state agencies and other public bodies such as universities, hospitals and schools. Moreover, the Guidance can also be consulted by public procurement practitioners in the utilities sector and by private companies to support compliance with the green requirements of public tenders or the use of green criteria in their own procurement procedures.

The second edition of the EPA Green Public Procurement Guidance includes:

- Clear summaries of Ireland's and EU policy and legislative framework governing GPP;
- Overview of the connections between GPP and circular economy principles, including the Ireland's Waste Action Plan for a Circular Economy 2020-2025;
- Collection of best practices for GPP across European countries;
- Step-by-step guidance with suggestions and recommendations for each stage of the procurement process - from needs assessment and market engagement through to contract management;
- Presentation of the approach to GPP for the 10 priority sectors, which account for the largest environmental and economic impacts of Ireland's public procurement;
- Links to other technical and legal sources for each of the priority sectors;
- Checklists to support GPP implementation.

The Guidance is accompanied by the Irish GPP criteria for the 10 priority sectors. The Irish GPP criteria have been developed based on the EU GPP criteria, with adaptations to better reflect the national production system and procurement practices. These criteria are designed to be immediately adopted in tender documents. They also provide information on the verification mechanism for compliance (e.g. the use of ecolabels or environmental product declarations). In 2022, the Office of Government Procurement (OGP) led the development of GPP Criteria Search (www.gppcriteria.gov.ie), with collaboration from the EPA and the Department of the Environment, Climate and Communications (DECC). The online search tool facilitates ease of use of the green criteria published by the EPA.

The sectors covered by the Irish GPP criteria are:

- Road transport vehicles and services
- Indoor and outdoor lighting

- ICT products and services (including data centres)
- Heating equipment (including boilers, cogeneration, trigeneration and heat pumps)
- Food and catering services
- Energy-related products (white goods/appliances, electronic displays, vacuum cleaners)
- Cleaning products and services
- Paper products and printing services
- Design, construction and management of office buildings
- Textile products and services (including uniforms and laundry services).

In 2024, the EPA will publish updates to its guidance and criteria sets in line with policy and legislative developments.

Source: OECD (2022) Survey on Green Public Procurement, (European Commission, 2022^[3]); (Environmental Protection Agency, Ireland, 2021^[26]).

The choice to define GPP criteria for some product categories can be driven by different factors, including the volume of public expenditures, the potentials in terms of environmental impact, as well as market readiness. Moreover, it is important to review and update GPP criteria on a regular basis to ensure alignment with technological evolution, improvements of environmental standards, country's environmental and climate commitments, market developments, and changes to the legal and regulatory framework. For instance, back in 2008, GPP criteria for office equipment focused on improving energy efficiency during usage. Given the huge advancements in energy-efficiency technologies, the focus has now shifted towards reducing e-waste and ensure proper disposal at the end of life (World Bank, 2021^[5]). The European Commission (EC) is engaged in an ongoing multi-stakeholder process to develop and update EU GPP criteria. Similarly, non-EU countries, such as Japan and the Republic of Korea review their criteria annually in co-ordination with multi-stakeholder bodies and national research institutes. Stakeholders' engagement in decision making helps to improve the design, implementation, and public acceptance of green policies. Indeed, undertaking a multi-stakeholder process with to update GPP policies can play a crucial role in identifying potential challenges during implementation, and proposing effective solutions. This process usually facilitates the collaboration of private sector representatives, business associations, and Civil Society Organizations (CSOs) with which shared concerns regarding environmental issues, governance, transparency, and the rights and needs of marginalised groups.

2.4. Conclusions

GPP policy and regulatory frameworks are now widespread across OECD and non-OECD countries. Results from the 2022 OECD Survey on GPP highlight that governments are aware of the potentials of GPP to improve their environmental performance and they are increasingly committed to leverage their purchasing power to achieve national environmental and climate objectives. Nevertheless, GPP implementation still face several challenges, including lack of professionalisation and training, unclear limited regulatory framework, misconception regarding the real costs and savings of green solutions, among others. To enable the greater uptake of GPP, decision makers have often decided to develop mandatory GPP requirements for public tenders, and they also rely on the use of financial and non-financial incentives. Even if GPP is considered as an effective instrument for countries to meet their net-zero emissions commitments, there is still area for improvement for its implementation. Strengthening GPP adoption across public procurement practitioners and contracting authorities is a *sine qua non* condition to achieve expected benefits.

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Notes

¹ Peru and Romania did not answer the question.

² Mexico and Brazil did not provide an answer and are not included in the percentage.

3

A need to reinforce interactions between the public and the private sector for climate action

This Chapter looks at the dynamic relationship between public and private entities in the realm of GPP. It critically examines two pivotal aspects: the readiness of markets to embrace GPP initiatives and the effectiveness of GPP tenders in driving tangible green impacts. As governments increasingly recognize the pivotal role of procurement in advancing sustainability goals, understanding how markets respond to GPP and the design of tender processes becomes imperative. Through an exploration of market communication strategies and the framing of GPP tenders, this Chapter seeks to shed light on how contracting authorities engage with the market, outlining their expectations and fostering meaningful public-private interactions that contribute to the realization of environmentally sustainable practices.

3.1. Are markets ready for GPP? Communicating with the market

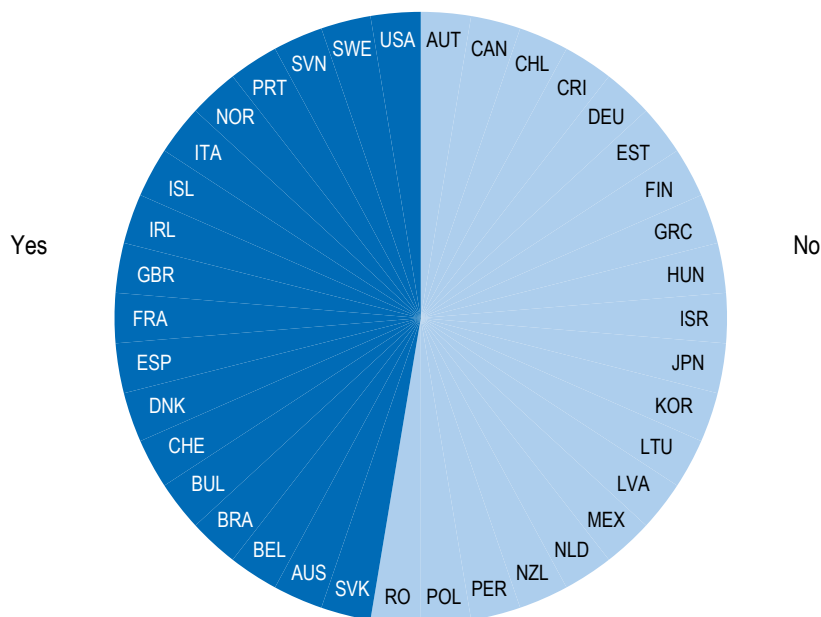
GPP provides incentives to industry to innovate. When SMEs have the capacity to adhere to new and changing GPP standards, they may profit from environmental procurement, as it offers an opportunity to find markets for their innovative solutions and products (European Commission, n.d.^[1]). Moreover, GPP has also the benefit of gradually reducing the prices of green products and services, as well as of innovative green technologies. The use of green criteria in public tenders can serve as a mean for the creation, development, and consolidation of green markets, facilitating the market entrance of new competitors, enhancing competition, and therefore lowering the prices. (European Commission, n.d.^[1]).

Market suppliers can play a pivotal role to promote GPP and its implementation. Most relevantly, suppliers can provide information about the green solutions available in the market and keep public procurement practitioners informed on the most recent developments of green technologies. Moreover, engaging with private contractors around issues such as sustainable development, GHG emissions reduction, and environmental protection can help improve GPP policies, strategies, and instruments, ensuring their effectiveness (UNEP, 2022^[2]).

Contracting authorities should engage with the market as early as possible in the procurement process to inform tenderers about the green requirements (e.g, green selection and award criteria) that will be used in the tendering. This help ensuring suppliers have sufficient time and information to prepare and adapt business practices and supply chains to participate to the call for tender, therefore guaranteeing adequate levels of competition.

Nevertheless, according to the results from the 2022 Survey on GPP, only 50% of countries provide guidance to public procurement practitioners on how to engage with private contractors and gauge market's capacity to respond to green requirements (see Figure 3.1). Moreover, 50% of surveyed countries also declared not to indicate future procurement opportunities subject to GPP when disclosing their procurement plans. This analysis underscores the need for more robust strategies in guiding public procurement practitioners on engaging with suppliers and communicating upcoming GPP opportunities to ensure successful and environmentally impactful procurement processes. While certain countries have established guidance for assessing market capacities in response to GPP strategies, there's a need to bring more attention and work on assisting procurement practitioners in effectively engaging with suppliers on GPP and communicating forthcoming GPP opportunities. Indeed, the survey results reveal that only half of respondents disclose GPP-related procurement opportunities in their plans (see Figure 3.2).

Figure 3.1. Development of guidance on how to assess market capacities to respond to GPP strategies



Note: Graph shows respondents responses to the question “ Is there guidance on how to assess market capacities to respond to GPP strategies?”

Source: OECD Survey on Green Public Procurement (2022).

In the **United Kingdom**, pre-tender market engagement is an integral part of the procurement process. The UK Sourcing Playbook sets out the requirements for conducting market engagement and assessment, and states that one of the key principles of early market engagement is to “*assess the health of the market you will be dealing with and consider how your commercial strategy and contract design can be adapted to address potential limitations*”. Another key advantage of early market engagement is that it ensures suppliers are given the necessary information and time to prepare for the tender. Similarly, to the UK, other surveyed countries provide guidance materials on market engagement with the scope to improve collaboration with the private sector and promote environmental sustainability in public procurement. For instance, the **Australian** Sustainable Procurement Guide provides guidance to officials on how to consider sustainability principles when planning a procurement. This includes consideration of a market analysis to identify sustainability risks, and the use of market research to identify alternative approaches or goods or services that reduce sustainability risks and impacts. Additional tools are available to support identification of opportunities and evaluation of sustainable procurement. The Office of Government for Procurement (OGP) in **Ireland**, in its Guidance on Green Public Procurement, highlights the importance of engaging early with the market as GPP often requires suppliers to innovate to develop more sustainable products and services. Moreover, market engagement helps contracting authorities to have a better picture of the range of potential suppliers for green solutions, including SMEs, and to identify the necessary adjustments to undertake in procurement procedures and contract management to ensure GPP success (see Box 3.1) (Government of Ireland, 2021^[3]). In Australia, the Sustainable Procurement Guide developed by the Government recommends to public procurement practitioners to hold debriefings meeting following the rejection of a tender response or the award of a contract, which should be made available to all tenderers. The Guide mentions the importance of discussing areas where unsuccessful tenderers did not meet the criteria, especially sustainability criteria. This can help increasing knowledge of sustainable procurement across the market and improving future responses to procurement requests (Australian Government, 2021^[4]).

Box 3.1. Market engagement in Ireland

The Irish Office of Government Procurement (OGP), responsible for sourcing common goods and services for the public sector, has published a Guidance on Green Public Procurement with a section on market engagement. The Guidance highlights the importance of pre-procurement market engagement and encourages contracting authorities to engage with suppliers as soon as they have identified their needs. Moreover, it reminds them of the need to always adhere to the principle of transparency and competition when engaging with the market.

As a minimum, market engagement should include:

- Explore the market to understand what new technologies are being developed and commercialised, also requesting for samples or performing trials of products;
- Talking with other public or private sector organisations that have adopted environmentally-friendly products and services to learn from their experience, identifying key benefits and challenges;
- Identifying which environmental standards, labels, certifications and legislations are the most relevant for each public contract.

The Guidance also recommends contracting authorities to inform potential bidders timely about upcoming public tenders and the specific green criteria that will be applied. This helps ensure they have enough time and information to prepare for the next green procurement procedure.

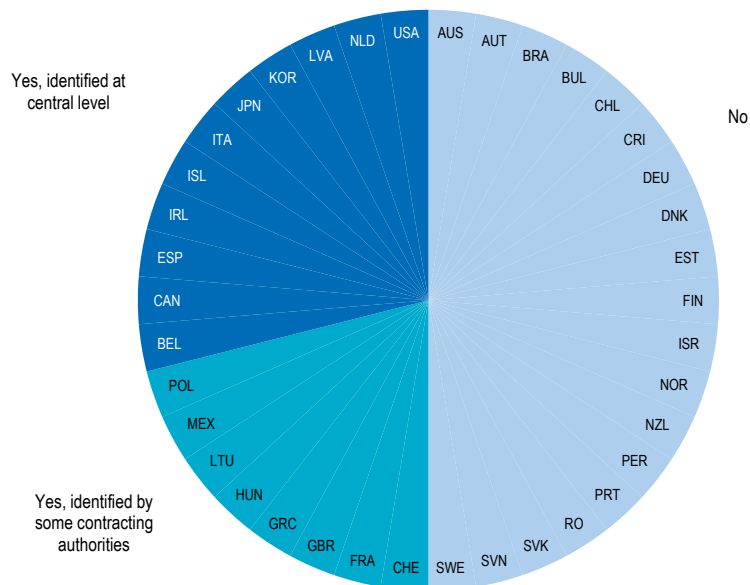
Finally, the Guidance provides tips to public buyers to help them conducting market engagement:

- Advertise the process and contact potential bidders directly.
- Decide in advance how to deal with confidentiality and intellectual property and inform participants.
- Identify the best format for any meeting. For instance, one-on-one may be a better format than an open day if collusion is a risk. However, chances for groupings across suppliers will be reduced.
- Identify the internal stakeholders to involve as well as any external party (e.g. environmental organisations, community groups).;
- Do not only engage with the 'usual suspects', but it is important to also include subcontractors and second-tier suppliers as they are often responsible to ensure environmental requirements are met in contract execution.
- Keep record of the different market engagement activities that are carried out and include this information in tender documentation. This can be a useful source of knowledge and awareness for any bidder who may have not yet engaged with CAs.

Source: GPP Survey, (Environmental Protection Agency, Ireland, 2021^[5]).

While certain countries have established guidance for assessing market capacities in response to GPP strategies, there's a need to bring more attention and work on assisting procurement practitioners in effectively engaging with suppliers on GPP and communicating forthcoming GPP opportunities. Indeed, the survey results reveal that only half of respondents disclose GPP-related procurement opportunities in their plans (Figure 3.2).

Figure 3.2. Identifying Future GPP Opportunities in Mandated Procurement Plans



Note: Graph shows respondents responses to the question "Where there are provisions in the national policy or strategic framework mandating public institutions to publish public procurement plans, are future procurement opportunities subject to GPP strategies identified?"

Source: OECD survey on Green Public Procurement.

To promote market engagement on GPP, countries can create multi-stakeholder fora, dedicated working groups and task forces to facilitate private contractors' participation in the development of GPP policies and instruments, giving them a formal role in the design process itself. Moreover, these platforms can help fine-tune messages for effective communication on GPP with stakeholder groups, identifying potential implementation challenges and the solutions to adopt. Usually, multi-stakeholder events bring together representatives from the private sector, business associations, and civil society organizations (CSOs), which are interested in environmental protection, effective governance and transparency, as well as in the protection of the rights and the needs of marginalised groups (World Bank, 2021^[6]). For example, the Japan's Green Purchasing Network brings together stakeholders from the private sector, central and local governments, and civil society organisations. Scotland, although it is not one of the Survey respondents, launched the Supplier Development Programme (SDP), a partnership between local authority, Scottish Government and other public bodies to help businesses with little experience of tendering to prepare for bidding for public sector contracts. (see Box 3.2).

Box 3.2. Engaging with the market

The Green Purchasing Network in Japan

The Green Purchasing Network (GPN) is a network organisation where different entities, such as private companies, governmental bodies and consumer groups, work together to promote green procurement. In 1996, the GPN has defined the Green Purchasing Principles. These principles encompass the following four major points:

1. Consider whether a product is needed before purchasing it;

2. Consider environmental impacts across the whole life cycle of a product, including those incurred through any services provided from extraction of raw materials to disposal;
3. Select products and services offered by suppliers who take a conscious effort reduce the impact on the environment;
4. Gather information on products, services, and suppliers to inform decision-making and management of contractual relationships.

Building upon these principles, the Green Purchasing Guidelines were developed to provide guiding principles for purchasing by category of products and services. Different GPN members, including manufacturers of eco-friendly products, companies willing to purchase green products, consumer groups, non-governmental environmental associations and local governments, co-designed the Guidelines based on a consensus-building approach. The Guidelines cover a wide range of products and services – i.e. from office supplies and home appliances to vehicles.

Moreover, based on the Principles of Green Purchasing, the GPN created a Supplier Evaluation Check List to assess the efforts undertaken by suppliers to improve the environmental performance of products and services. In the Eco-products Database, suppliers then disclose information about the environmental measures adopted for each product and service registered, in accordance with the Check List. The Eco-products Database gives environmental information in list form on products provided by each manufacturer so that users can compare products from an environmental standpoint in accordance with the Green Purchasing Guidelines. As of May 23, 2016, the database listed approximately 15,000 products from 63 fields, including environmentally friendly products in product fields for which the Green Purchasing Guidelines have yet to be formulated.

The GPN is still active and has taken a leading role in promoting green purchasing in Japan. It is one of the largest environmental organizations in Japan and organizes many activities such as conferences, the “Green Purchasing Award”, training course, case study on success story, annual survey, regional networks, purchasing guidelines and newsletter. For example, 6 to 8 times per year, the GPN organizes training course on green purchasing for manager/staff of purchasing environmental department. Furthermore, in February 2024 the GPN organized a lecture “Toward the Promotion of Sustainable Procurement – Collaboration with SMEs from the Perspective of Supplier Engagement”.

The Supplier Development Programme in Scotland

The Supplier Development Programme (SDP) was established in 2008 as a collaborative effort between Local Authorities, the Scottish Government, and other public bodies. It offers complimentary support to Scottish-based SMEs in navigating the tendering process.

SDP assists small businesses lacking tendering experience and dedicated resources in bidding for public sector contracts, aiming to make them “tender ready.” This initiative enhances their competitiveness in Scotland's public procurement landscape. SDP, in partnership with Scottish local authorities, delivers free training and events accessible through its website.

Operating on a corporate membership model, SDP strategically connects larger contractors delivering public contracts with local supply chains, fostering openness and transparency.

As a well-established national shared service, SDP aligns with Community Wealth Building goals by delivering value for money, generating impactful evidence, maintaining ethical buyer-supplier relationships, and linking procurement with economic development.

By nurturing businesses' tendering capabilities, SDP enhances efficiency, sustainability, and market potential while bolstering local wealth creation. As of March 2022, over 19,500 SMEs in Scotland are registered with the Programme.

SDP's primary objectives include:

- Raising awareness of public sector procurement opportunities.
- Providing comprehensive training and support via various channels.
- Enhancing local suppliers' readiness for tendering.
- Assisting member organizations in meeting Sustainable Procurement Duty requirements.
- Facilitating integration with other government business support services.

Each year, the Supplier Development Programme organises hundreds of training opportunities and events throughout Scotland which are all listed on this website. Furthermore, in April 2024, the SDP organized a webinar "Responding to Tender Policy Requirements – Power of Procurement" giving suppliers an overview of the most common policy requirements including Sustainability, Community Benefits, Fair Work Practices, Community Wealth Building and Net Zero targets.

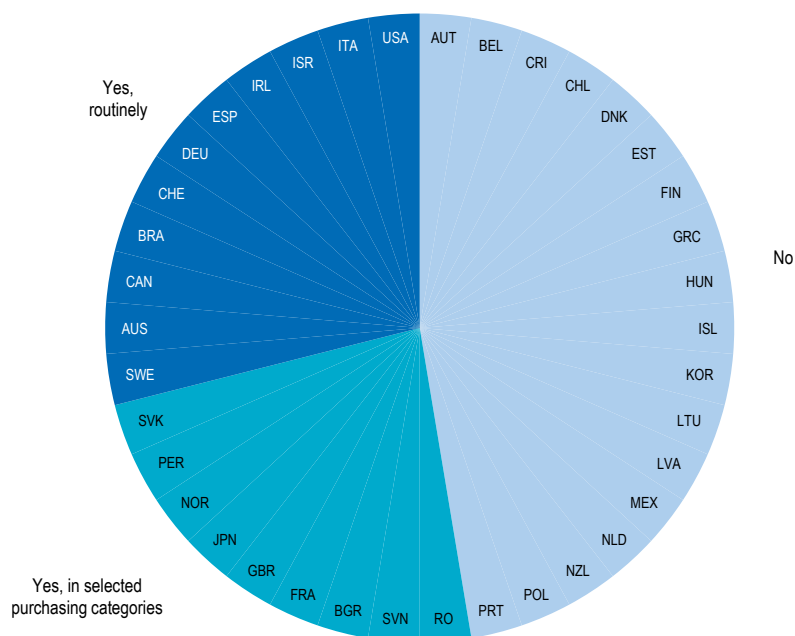
Source: (Japan For Sustainability, 2016^[77]) ; (Supplier Development Programme, n.d.^[8]).

The public procurement market is usually very broad, covering numerous sectors with different needs and interests. Performing a sector market analysis and engaging in dialogue with specific industries can help to determine sector-related risks (in terms of expenditure, competition, environmental impact, socio-economic risks, etc.) and the government's scope to influence specific market segments (MAPS, 2018^[9]). In the context of GPP, and based on the government's priority spending areas, key sectors and industries associated with the procurement of goods, works, and services which have an important environmental impact should be identified. This information can be utilised to conduct targeted assessments of relevant sector markets and to secure collaboration with sector market participants to strengthen sustainability and to advance GPP. For example, in France, the building sector contributes to 21% of global greenhouse gas emissions and faces pressing challenges to achieve decarbonization by 2050. Building on the momentum of the Buildings Breakthrough initiative launched at COP28, which seeks to establish nearly zero-emission and resilient buildings as the standard by 2030, France organized a conference that convened ministers, high-level officials, and industry stakeholders to drive forward decarbonization and resilience efforts in the building sector. With over 800 participants, the conference offered a platform for dialogue, knowledge exchange, and the endorsement of a global framework for decarbonization and resilience in building practices (Ministère de la Transition Ecologique et de la Cohésion des Territoires, 2024^[10]).

3.2. Are GPP tenders framed to achieve green impacts?

47% of the surveyed countries conduct cost-benefit analysis (CBA) as part of their GPP implementation plan (see Figure 3.3). CBA is a decision-making tool that helps individuals and organizations identify the costs and benefits associated with different options. It involves comparing the expected costs of a project or decision against its potential benefits to determine whether it is worth pursuing, in this case purchasing green products and services. In Germany, for example, the General Administrative Regulation on the Procurement of Climate-Friendly Services (AVV Klima) mandates the consideration of climate protection aspects during the preparation and awarding phases of procurement procedures. This involves quantifying and costing GHG emissions throughout the entire lifecycle of the purchased good or service as part of the economic analysis that precedes the tendering procedure. Moreover, the AVV Klima requires to use the shadow carbon price in the assessment, in accordance with the Federal Climate Change Act. In Slovakia, CBA analysis is conducted but it is limited to certain procurement categories, such as vehicles. Most notably, the Slovak Institute of Environmental Policy has developed a tool to calculate and compare investment and operating costs of alternatively and conventionally powered cars (e.g., total purchase and operating costs, life cycle CO₂ emissions).

Figure 3.3. Existence of cost-benefits analyses as part of the implementation of GPP strategies



Note: Graph shows respondents responses to the question "Are cost-benefits analyses conducted or business cases developed as part of the implementation of GPP strategies?"

Source: OECD Survey on Green Public Procurement.

Although almost half of the surveyed countries (18) conduct CBA as part of their GPP implementation plan, only 22% of them confirmed that the environmental performance of products and services has an impact on the price proposed in the bid. For instance, in Norway, the Public Procurement Act requires contracting authorities to consider environmental performance of products and services, and the national government has fixed the environmental quality to be weighted at least 30% when relevant. Although currently many contracting authorities in Norway use "price-to-quality" methods to convert offer prices to points that are then weighted against points given to environmental factors, the official recommendation is now to use "quality-to-price" methods to include environmental quality in a fictive "evaluation price" that is used to select the winner¹.

Most countries do not consider the impact that environmental sustainability features of purchased goods and services might have on the price offered by tenderers. In addition to that, some respondents recognized that the use of GPP can increase the overall costs of public contracts as economic operators are often asked to develop and use innovative technologies and production systems to meet the green requirements of public tenders - and this carries some costs. Another key issue concerns the capacity of the market to respond to the green criteria used in public tendering, as it is often the case that there are just a few suppliers that can meet these sustainability requirements. This also contributes to increasing prices as competition is reduced. Nevertheless, increasing the uptake of GPP can promote the creation, development and consolidation of green markets, which will contribute to reduce the price of innovative green solutions, while fostering suppliers' transition towards more sustainable production patterns (Yeo Yeong-jun, SHIN Ki-yoon, Jeong-dong Lee, 2016^[11]). It is important for government to keep engaging with the market to promote GPP as well as to collect data and information to assess its consequences on suppliers' behaviours and decisions.

3.3. Conclusions

The public sector cannot be successful in implementing GPP without the private sector being prepared for delivering on the heightened expectations for greener products and services. In this sense, the market represents a key ally to public buyers in advancing GPP objectives. Public buyers need (enough) bidders that are able to understand the public sector's expectations and able to meet the green criteria included in tender invitations. On the other hand, the market needs to adapt to the public sector's green requirements, and in several cases, it needs to develop new, more innovative and greener solutions. To ensure enhanced competition even when setting up higher expectations on green requirements, contracting authorities should engage with the market regularly and more broadly on GPP matters. Strategic engagement with the market will also help public buyers to explain their expectations and requirements in relation to GPP to the market, and to make sure that the tender requirements will not distort competition. As the results from the GPP survey show, countries need to step-up in this area since less than half of the surveyed countries provide guidance on how to engage with the market. Furthermore, since GPP might create barriers between large and small suppliers, as smaller suppliers may not have the resources to meet environmental requirements defined in tender documentation to compete with larger suppliers, governments also need to work on providing resources and guidance to boost suppliers' capability when bidding for contracts and create a more robust and competitive environment, which is addressed in more details in Chapter 5.

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Note

¹ Answer provided by Norway in the GPP Survey

4 Mainstreaming emerging approaches to monitor and evaluate the impacts of GPP

This chapter presents the findings from the 2022 OECD Survey on GPP concerning the use of reporting and monitoring systems across OECD and non-OECD countries. Most notably, it provides an overview of the types of GPP-related data that are collected by governments, including on the environmental and economic impacts of green procurement strategies.

4.1. The use of monitoring systems to track GPP implementation.

As mentioned in Chapter 2, Green Public Procurement has been high on governments' agenda for more than a decade, and an increasing number of countries have adopted policies and strategies to promote GPP. Nevertheless, reporting and monitoring still represent an area of weakness. Countries' efforts have focused on formalising GPP strategies and policies in public procurement systems rather than on tracking results, however, the adoption of a GPP strategy does not guarantee that its implementation will be monitored and assessed. In some cases, monitoring and evaluation are not included in GPP policies and action plans, and even when they are, countries encounter practical challenges, such as the limited availability of tools to gather and generate monitoring reports and the lack of financial and human resources.

The 2015 OECD Recommendation on Public Procurement highlights the importance of setting up monitoring and evaluation systems to measure the performance of public procurement systems and hold public procurement practitioners accountable for the delivery of policy goals through public procurement, including environmental and climate goals (OECD, 2015^[1]). Moreover, results from monitoring can help identifying existing challenges and bottlenecks and inform a positive feedback loop to improve the design of GPP-related policies, action plans, and operational tools.

Most importantly, under the Paris Agreement, countries have committed to cut global greenhouse gas (GHG) emissions by at least 43% by 2030¹ and reach climate-neutrality by 2050. GPP constitutes an important part of their toolbox: according to recent data, the purchasing of products and services by public entities accounts for 15% of GHG emissions (World Economic Forum & Boston Consulting Group, January 2022^[2]). Monitoring and evaluating the performance of GPP measures and its environmental results are thus key to support targeted interventions and ensure public procurement effectively contributes to countries' climate goals.

According to the results from the OECD Survey, around 76% of the participating countries have put in place monitoring systems to keep track of the use of GPP in public tenders. However, not all of them make it mandatory for contracting authorities to report on the use of GPP in procurement procedures. The requirement often applies exclusively to central government authorities, while public organisations from other government levels might still report on green purchases on a voluntary basis. For example, in Ireland, only Government Departments are required to report on GPP in their annual reports. To help them comply with the reporting requirements, as set out in the Circular 20/2019, the Irish Environmental Protection Agency (EPA) has developed a GPP-reporting template. For 2020, the template covered the total number and value of contracts issued over EUR 25 000 by "priority" sectors (8) and the total number and value of contracts issued over EUR 25 000 by "priority" sectors incorporating GPP. For 2023, the template includes 10 priority sectors and the national advertising thresholds were increased from EUR 25 000 to EUR 50 000 (Environmental Protection Agency, 2024^[3]). Similarly, in Japan, the national government entities report on procurement of goods and services covered in the Green Procurement Act to the Ministry of the Environment, on an annual basis. Reported data includes estimated procured quantities of eco-friendly goods and services and a ratio of the quantity of eco-friendly goods to the total quantity of goods and services procured. The results are then disclosed on the Ministry of the Environment's website.

Monitoring the implementation of GPP against national targets is key to ensure public procurement contributes to the country's sustainability goals and climate commitments. Moreover, monitoring and reporting can help identifying barriers and bottlenecks that hinder GPP potentials and limit its uptake by contracting authorities. Building upon monitoring results and in-depth analysis with procurement players, governments can improve the design of GPP policies and action plans, develop targeted solutions, provide operational support and guidance as needed. In 2021, given the absence of progress to achieve the national target of 50% of GPP by 2019, Lithuania decided to reform the public procurement system and revise the GPP legislation, also considering the main barriers identified (For more information, see Box 4.1).

Box 4.1. Lithuania: using results from monitoring to improve GPP policy design and supportive tools

According to the Government's National Green Procurement Implementation Program, Lithuania had a target of 50% of GPP by 2019. Nevertheless, by 2020 the target was not yet achieved. According to data from monitoring, the share of GPP (in value) from public procurement for which environmental criteria have been established were the following:

- 9.3% in 2018;
- 7.2% in 2019;
- 9.6% in 2020.

The absence of progress was a clear evidence of insufficient policy implementation actions for GPP. Further analysis led to the identification of three main barriers to GPP success:

1. Complex GPP criteria and strict requirements regarding their application;
2. Discrepancies between GPP criteria and rapidly evolving market supply;
3. Insufficient competence and lack of motivation of public buyers.

Building upon these inputs, in 2021, Lithuania launched an ambitious public procurement reform to reduce its carbon footprint and ensure every public procurement decision took into account its environmental impact. The Ministry of Environment created a roadmap for the reform via a ministerial decree that sets out clear criteria to define what “green procurement” is as well as regular new GPP milestones (10% (in value) of GPP by 2021, 50% by 2022, and 100% by 2023).

Most notably, a procurement is identified as “green” if:

- Uses award criteria established by the Ministry of the Environment via the ministerial decree, which build upon the EU GPP criteria;
- Includes supplier certificates, such as ecolabels or environmental management systems;
- It is part of the pre-selected product groups that have been defined as “green”.

Moreover, the Lithuanian Public Procurement Office (LPPO) created a new sustainability unit to lead GPP implementation, also known “Sustainable Procurement Competence Centre”. This new unit promotes the use of green criteria with training, a helpdesk service to assist buyers, and specific guidance for high-impact sectors. The LPPO is also using open procurement data to track the status of “green targets” through a user-friendly public dashboard, nudging authorities if they lag behind. Green fairs, catalogues, and other vendor outreach events encourage government buyers to change their purchasing habits.

Thanks to the reform and the support by LPPO, the levels of green procurement uptake across Lithuanian public institutions have increased to 59.7% by value and 32.6% by total procedures in 2022. The LPPO is now keen to move beyond measuring outputs like the use of green criteria to focus on the outcomes from better procurement, such as reducing Lithuania’s carbon footprint.

Source: (Granickas, 2022^[4]; Government of Lithuania, 2021^[5]).

To ensure effective GPP monitoring, it is important that the authorities responsible for GPP develop an institutionalised reporting framework and define the indicators contracting authorities have to report on, the source of data to use and provide, the frequency of reporting, and the reporting formats. Moreover, a GPP monitoring system requires substantial investments, both in terms of digital infrastructures for automated data collection and human resources. Data collection and analysis require technical capacity and expertise. Technical information needs also to be complemented with reports summarising key results and

messages in order to effectively communicate with the main actors of the public procurement system as well as with the public (OECD, 2023^[6]). Performance (i.e. the ability of completing a determined goal or objective) evaluation is usually conducted by defining key performance indicators (KPIs) that are monitored over time (OECD, 2023^[6]). The OECD developed a comprehensive, ready-to-use performance measurement framework for consistently assessing procurement processes and supporting data-based policy and decision making in the public procurement field. It consists of a total 259 indicators divided into the three categories/dimensions of indicators: compliance, efficiency and strategic objectives. The framework describes and categorises each indicator in detail, according to a number of parameters, such as the procurement stage, the sub-category of indicator, the metric description. Within the strategic indicators, the OECD has created one category dedicated to GPP (see Table 4.1). It includes 11 indicators, related to different public procurement stages, for example the share of procurement volume with GPP criteria and the share of number of contracts with GPP criteria (OECD, 2023^[6]).

Table 4.1. Example of strategic indicators developed by the OECD on GPP

Sub-category	Type of user	Indicator (name)	Procurement stage	Core VS Aspirational	Metric description	Level of data:	Calculation/date requirements
GPP	NA/CA	Share of procurement procedures with GPP criteria	Pre-tendering / tendering	Core	Assessment of the share of procurement procedures with GPP criteria (in number of procedures).	Tender	= Number of procurement procedures with GPP criteria / Total number of procurement procedures
	NA/CA	Share of procurement volume with GPP criteria	Pre-tendering / tendering	Core	Assessment of the share of procurement volume with GPP criteria	Tender	= Procurement volume with GPP criteria / Total procurement volume
	NA/CA	Number of procurement procedures using LCC	Pre-tendering / tendering	Core	Assessment of the number of procurement procedures using LCC	Tender	= \sum of procurement procedures using LCC
	NA/CA	Share of procedures with GPP performance clauses	Pre-tendering / tendering	Aspirational	Assessment of the share of tenders procedures GPP-related performance clauses	Tender	= Number of procurement procedures with GPP performance clauses / Total number of procurement procedures
	NA/CA	Share of procurement volume (contracts) with GPP criteria	Contract management	Core	Assessment of the share of procurement volume (contracts) with GPP criteria	Tender	= Procurement volume with GPP criteria (from contracts) / Total procurement volume (from contracts)
	NA/CA	Share of contracts with GPP criteria applicable to subcontractors and supply chains	Contract management	Aspirational	Assessment of the share of contracts with GPP criteria applicable to Subcontractors and supply chains	Tender	= Number of contracts with GPP criteria applicable to Subcontractors and supply chains / Total number of contracts with GPP criteria

Source: (OECD, 2023^[6]).

The surveyed countries rely on different forms of monitoring systems to track GPP implementation, including digital platforms that can be either linked or separate from the main e-Procurement system/s, excel files, e-mails, or other forms of paper-based documentation (see Figure 4.1). Of the 35 countries that indicated having a GPP framework of policy in place, 37% rely on digital platforms that are linked to the e-Procurement, while 23% use stand-alone online platforms or other monitoring arrangements. For instance, Korea monitors GPP across 30 000 procuring entities through a digital system that is interconnected with the different e-Procurement platforms that are used by public organisations². Similarly, Estonia monitors the use of environmental criteria in public tenders directly through the e-Procurement system, which is operated by the Ministry of Finance (EMiF). On the other hand, the Netherlands collects data on GPP through a dedicated self-evaluation tool (for more information on the examples from Korea, Estonia, and the Netherlands, see Box 4.2).

E-Procurement systems can improve the quality of GPP monitoring as they enable routine data collection on tender specifications, tendering process, and contract performance. If public procurement practitioners were also asked to report on green criteria when using the e-Procurement platform, this would streamline monitoring and reduce the reporting workload for public officials and contracting authorities. The use of e-Procurement to automate data collection on GPP will also improve data consistency and quality. Moreover, public managers will have access to data tracking, data analysis and data visualisation in real time to make informed decisions on procurement plans and identify opportunities to improve the green performance of the organisation (World Bank, 2021^[7]).

Integrating sustainability in e-procurement platforms could also further promote GPP implementation, as it would radically reduce the costs of seeking sustainable goods and services for public procurement practitioners. Moreover, public organisations could use the e-Procurement system to raise the profile of sustainable products and services and includes them as the default option during purchasing.

Box 4.2. GPP monitoring system across in Korea and the Netherlands

The e-Procurement systems in Korea

The Republic of Korea is a front-runner in the use of electronic procurement systems and digital platforms for monitoring GPP. The early implementation of the Korean Online E-Procurement System (KONEPS), KONEPS e-shopping malls, KEITI's Green Procurement Information System (GPIS-I), and the most recent developments of the Public Procurement Data System enable automatic collection of GPP data, across all levels of government. Today, Korea's GPP monitoring system is considered as a world-leading example.

The national government monitors GPP across 40 000 procuring entities through the GPIS-I online monitoring system. GPIS-I also provides graphic representations of the organisations' GPP plans, records and environmental benefits. The system monitors two key GPP indicators:

- i. The number of agencies submitting GPP implementation plans and performance reports;
- ii. Purchases of green products (e.g. units and expenditure on ecolabel products, percentage of green purchases compared to total expenditure in priority product groups).

GPIS-I gathers data from three different data sources:

1. Central government procurement through the Republic of Korea's e-procurement system (KONEPS), compiled monthly in an excel file and integrated into GPIS-I;
2. Low-volume purchases through the country's e-shopping mall "Green Market," automatically tracked and transferred to GPIS-I;

3. Direct procurement by entities using their own systems, tracked by each entity and manually input into GPIS-I.

Moreover, the central government, local governments, and public education authorities now produce annual procurement records through their online accounting systems that can be directly integrated into GPIS-I.

Self-assessment tool in the Netherlands

In the Netherlands, contracting authorities are required to report on their activities, on an annual basis, to the organisation's own management (for example, as part of the "non-financial activities" within the annual report) as well as to the Central Government. The Central Government provides a summary of the reports in a Letter to the Parliament, which offers an overview of the progress and results of SPP at the national level.

The Dutch reporting system requires a clear agreement with contracting authorities on the Key Performance Indicators (KPIs), which must be linked to the expected outcomes. For instance, KPIs can measure the number of green products purchased and/or the environmental benefits achieved. Contracting organisations can include the agreed-upon KPIs as accountability and standard requirements in procurement procedures and public contracts. Moreover, at the award stage, tenderers are required to provide the tools to measure sustainability outcomes. To ensure harmonisation, the Central Government gives guidance and instructions.

For GPP activities, contracting entities report on GPP through the **SPP Self-evaluation Tool**, which assesses the organisation's efforts to promote sustainability in the procurement procedures and contract management. The Tool, however, does not measure impacts such as CO₂ emissions savings or increased job opportunities, as this would require a more complex instrument.

Under the Government Procurement Strategy "Procuring with Impact", all government organisations are required to implement the Tool to ensure accountability towards the Parliament. Nevertheless, its use is not strictly controlled. The Tool was rolled out in 2018 and it is not yet widely adopted across organisations, partly because clients and public administrations do not always ask to communicate the results from the self-evaluation exercise. Today, the Government is planning to include the requirement to use the Tool in the new administrative agreements with contracting authorities, provided that they are willing to commit.

Results from the SPP Self-evaluation Tool provide information on the effects achieved through SPP by government agencies on the environment, climate, circularity and social areas - insofar as data is available. The Tool covers 16 product groups since 2015/2016, so results are also used to show progress and identify unfolding trends.

Data collected with the Tool represents key inputs for policy decisions at the national level, especially to identify the sectors with the largest environmental impact. Moreover, it can help building a knowledge basis on SPP's impacts at the local level, as well as clarifying the kind of information suppliers need to provide to show the effects of SPP.

The EMiF-operated procurement register in Estonia

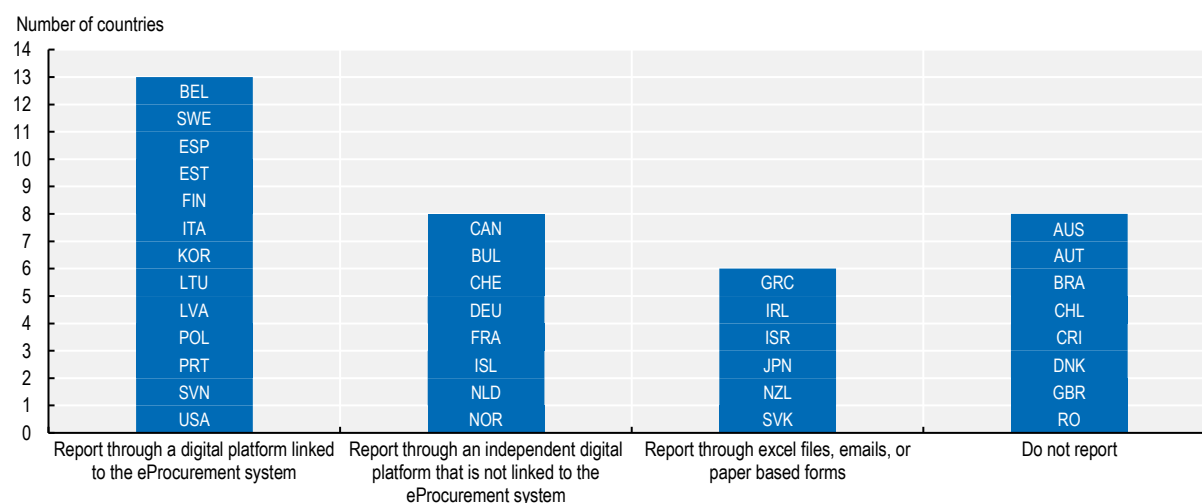
In Estonia, the Ministry of Finance (EMiF) is responsible for developing a public procurement oversight report, which also includes the share of procurement procedures that integrate environmental criteria. GPP data is collected via the EMiF-operated procurement register, where public tenders are published and executed. Moreover, the Ministry of the Environment provides support to EMiF to make changes in the register to support GPP implementation.

In the procurement register, a procurer can select built-in environmental criteria or formulate its own green criteria. In this latter case, the contracting authority needs to decide whether to mark the procurement as GPP. The procurement procedures that are marked as having environmental criteria are automatically recorded as “green”, and they are covered by the GPP monitoring. The system only monitors the built-in or self-added environmental award and selection criteria, while green requirements as technical specifications or contractual clauses are not automatically included in the monitoring.

One potential risk of the monitoring system in Estonia is to underestimate the actual use of GPP in public tenders. If procurement officers are not provided with sufficient background knowledge of GPP, and they might omit labelling the procurement procedure as GPP, even when green technical specification and contractual clauses are included.

Source: (World Bank, 2021^[7]); (UNEP, 2019^[8]); (Dutch Ministry of Infrastructure and Water Management, 2021^[9]); (Stockholm Environment Institute (SEI), 2023^[10]).

Figure 4.1. GPP Monitoring systems across OECD countries



Note: The figure shows respondents answers to the question “How are public institutions required to report on GPP spend or number of tenders including GPP criteria? Please provide any relevant information.” Austria established a system to monitor GPP, after the closure of the data cycle for this questionnaire (end of 2022), and data on GPP is currently being collected. In addition, some federal states also monitor their own sustainability programmes. In Australia, public institutions do need to report on ecologically sustainable development and environmental performance through institutions’ Annual Reports. As of April 2023, Korea monitors GPP implementation across 40 000 procuring entities using a platform interconnected with all e-procurement systems. Hungary, Mexico and Peru are not included since they did not have a GPP framework in place at the time of the survey (end of 2022).

Source: OECD Survey on Green Public Procurement (2022).

Routine monitoring and reporting activities can be complemented with periodic surveys and evaluations. In Canada, for federal institutions subject to the Policy on Green Procurement, the Greening Government Strategy and the Federal Sustainable Development Strategy, reporting on GPP to Parliament occurs annually via the Departmental Results Reports as part of the Estimates process (Box 4.3). Conducting periodic and in-depth surveys of public agencies that score low on GPP or companies that do not participate in green tenders - especially, SMEs - can give access to information that is not normally available from administrative sources, including on GPP practices, perceptions, motivations, as well as on the barriers to GPP success. Moreover, it can help governments to drill down on specific agencies or product categories to assess GPP impacts and test the cost-effectiveness solutions for GPP.

Box 4.3. Departmental Results Reports to monitor GPP implementation in Canada

In Canada, for federal institutions subject to the Policy on Green Procurement, the Greening Government Strategy and the Federal Sustainable Development Strategy, there is the requirement to report on GPP to Parliament on an annual basis via the Departmental Results Reports (DRRs), as part of the Estimates process.

DRRs are part of the Estimates group of documents. Estimates documents support appropriation acts, which specify the amounts and the general scope for which public funds can be spent by the government. Moreover, DRRs help informing parliamentarians and Canadian citizens of the results achieved by government organisations.

The Estimates document group is made by 3 parts:

1. Part I – the Government Expenditure Plan that provides an overview of federal spending;
2. Part II – the Main Estimates that list the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year;
3. Part III – the Departmental Expenditure Plans that consist of 2 documents: the Departmental Plans (DPs) and the Departmental Results Reports (DRRs). DPs are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programmes, expected results and associated resource requirements, covering a 3-year period (starting from the year indicated in the title of the report). The DRRs are individual department and agency accounts of performance covering the most recent fiscal year against the plans, priorities and expected results set out in their respective DPs.

Moreover, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or that were subsequently refined to account for developments, in particular programmes and services.

Source: (Government of Canada, 2023^[11]).

4.2. Can GPP help countries achieve their emission reduction targets?

Despite the strong narrative on the potential of GPP to contribute to sustainable development goals and emissions reduction targets, only a few countries measure the environmental impacts of green procurement strategies, including in terms of CO₂ emissions saved. Data constraints represent a key challenge. Often, procurement data is not granular enough to distinguish between different types of products purchased, such as an electric car vs. a diesel car. Most public procurement information available in e-Procurement systems are based on public spending in broad product categories for which the environmental footprint can only be averaged. Therefore, any potential environmental benefits from changes to individual product procurement choices would not be reflected in these estimates.

Moreover, the granularity of the procurement data needs to be improved (i.e. product-level impact estimates are required, not product category level estimates). Assessing the entire lifecycle emissions of products – from extraction, manufacturing, and production to delivery, transport, usage, and disposal – is inherently difficult due to data scarcity/availability, and a lack of consensus on vital elements of the assessment such as system boundaries and the allocation of impacts to particular processes.

Comparing GPP outcomes also poses significant challenges due to the diverse criteria and standards used across different regions and sectors. Variations in environmental regulations, certification schemes, and evaluation methodologies can lead to inconsistencies in how the environmental performance of products and services is measured and compared.

In addition to that, data is often limited as it depends on supply chains that are spread across different countries. Private suppliers face barriers to share sustainability information of products as they often rely on reporting systems and standards that are not always interoperable or comparable. Furthermore, they might show reluctance in providing access to such information in order to safeguard competitive advantages and/or confidential business information.

Finding solutions to these challenges is not straightforward, however, some of the surveyed countries (12) have yet developed and tested different methodological approaches to measure the aggregated impacts of GPP, such as CO₂ emission savings, with the advantage of gaining a better understanding of how procurement decisions are contributing to their climate goals (see Table 4.2).

Table 4.2. Measures taken to evaluate the implementation of GPP

	Available data in reporting systems	Data publicly available on a website	Aggregated evaluation of impact
Australia			
Austria			
Belgium	◇	●	●
Brazil			
Bulgaria	■	●	
Canada	◇	●	
Chile			
Costa Rica			
Denmark			●
Estonia	■	●	●
France	■		●
Finland	◇		
Germany	◇	●	
Greece	■	●	
Hungary	■	●	
Iceland	■	●	●
Ireland	■	●	
Israel	◇		
Italy	■	●	
Japan	◇	●	●
Korea	■	●	
Latvia	■	●	
Lithuania	■	●	
Mexico			
Netherlands	◇	●	●
New Zealand	◇	●	●
Norway		●	●
Peru	◇		
Poland	■	●	

	Available data in reporting systems	Data publicly available on a website	Aggregated evaluation of impact
Portugal	■	●	
Romania			
Slovak Republic	■	●	
Slovenia	■	●	●
Spain	■	●	
Sweden		●	●
Switzerland	◇	●	
United Kingdom			
United States	■	●	●
OECD Total			
● Yes		25	12
■ Data on the value of GPP	17		
◇ Data on the number of tenders including GPP criteria	10		

Note: The table shows answers received by the respondents to these questions: “How are public institutions required to report on GPP spend or number of tenders including GPP criteria? Please provide any relevant information Is there an aggregated evaluation of impact of GPP (e.g. annual report on CO₂ savings or waste reduction)? Please provide any additional information; When GPP data is collected/analysed, is it made publicly available on a website? Please provide any relevant details”. Australia established a system to monitor GPP, after the closure of the data cycle for this questionnaire (end of 2022). Mexico and Hungary are not included in the aggregated evaluation of impacts of GPP policies as they indicated they did not have an active GPP framework at the time of the survey (end of 2022). Hungary adopted a GPP strategy (2022-2027) in December 2022, after the closure of the data cycle for this questionnaire.

Source: OECD Survey on Green Public Procurement (2022).

For instance, the Government of Canada has estimated the embodied carbon footprint of the goods and services it procures to identify the procurement categories to prioritise for action. To develop its National Strategy for GPP (“Green Procurement for a Green Future”), in 2020, Denmark undertook a comprehensive assessment of the climate footprint of public procurement. Moreover, it committed to improve and refine its approach for calculating and projecting carbon emissions related to public procurement to inform the definition of realistic GPP-targets and individual procurement decisions. Slovenia has developed a framework to measure the environmental effects, including GHG emissions, of green procurement for certain product categories, such as road vehicles and information and communication technology (ICT) appliances. Although Croatia did not take part in the Survey, it has developed an interesting methodology to measure the carbon dioxide savings for certain procurement groups (for more information on some of these examples, as well as on other countries’ initiatives to assess the carbon footprint of procurement strategies, see Box 4.4).

Box 4.4. Ongoing countries' initiatives to measure the emissions impact of procurement strategies

The Government of Canada's Greenhouse Gas Emissions Inventory

As part of the Greening Governing Strategy, Canada aims at achieving net-zero emissions in public procurement of goods and services by 2050. To identify the most emission-intensive procurement categories and develop targeted interventions, the Government of Canada has estimated the embodied carbon footprint of the goods and services procured by its central procurement organisations (the Public Service and Procurement Canada and Shared Services Canada) over the period 2016 – 2020, with the support of CIRAIG (International Reference Centre for the Life Cycle of Products, Processes and Services). The average annual emissions were 4 124 kt CO₂ eq. for the extraction, processing, manufacturing and distribution lifecycle stages.

Embodied emissions have been calculated using open IO-Canada, a model for environmentally extended input-output analysis (EEIO), which uses spending to estimate the embodied carbon in goods and services procured. In the analysis, emissions related to the “use” and “end of life” phase are not counted, as they are measured as part of other government’s activities and operations (e.g. operation of facilities and fleets).

To date, the model estimates the average emissions based on the amount spent in each procurement category. In other words, the model cannot measure the effect of “green” public procurement choices vs. conventional choices.

Slovenia's measurement framework to assess the environmental effects of GPP

As part of the larger initiative CARE4CLIMATE, co-founded by the European LIFE Programme and aimed at supporting Slovenia in achieving its emissions reduction targets, the Ministry of Environment and Spatial Planning has been working to develop a measurement framework to monitor the environmental, social, and economic effects of Green Public Procurement. Notably, the methodology covers impacts that can be measured either directly or indirectly, and it applies to three procurement categories: electrical and electronic appliances, road vehicles, design/construction of buildings. Various indicators and their corresponding methods (direct or indirect) were established. Regarding indoor the design and/or construction of buildings, the following indicators were used: CO₂ emissions (indirect), energy consumption (indirect), water consumption (indirect), use of wood in construction (indirect), air quality (indirect), quality of the living environment (indirect). In the case of environmental impacts, in addition to directly measuring the reduction (or increase) in GHG emissions, the methodology indirectly measures pollution, waste generation and recycling, threats to biodiversity, and smog generation. Moreover, the methodology is comprehensive and considers all stages of a products lifecycle.

To assess the impacts of green procurement decisions, a baseline is always identified for comparison. The baseline can be defined in different ways, also according to the procurement category considered. For example, it can be defined through an energy label that provides information on the energy consumption of products and appliances, and it is useful for electronic devices and indirectly for road vehicles and building construction. In the absence of this, the baseline can be determined as an average of the items of a comparable class of product/service.

Beside creating a yardstick for the monitoring of the effects of green procurement strategies over time, results from measurement are also used to further improve GPP policy design and related instruments.

Croatia's Methodology to measure the carbon dioxide savings for certain procurement groups¹

On behalf of the Ministry of Economy and Sustainable Development, the Energy Research and Environmental Protection Institute (Ekoneg), which is a private consulting firm, has developed a methodology to calculate the carbon dioxide savings for the most procured green procurement categories, for which GPP benchmarks have yet been defined:

- Procurement of electricity
- Purchase, leasing or car rental
- Procurement of light commercial vehicles
- Energy renovation of the outer envelope of business buildings
- Computers, screens and energy-efficient chargers for mobile devices
- Reconstruction/ modernisation of public lighting
- Office supplies
- Consumables

The project lasted five months, and it was ended 2020. It resulted in the creation of a quantitative indicator of the positive effects of the procurement of goods, works and services with the application of the GPP criteria compared to procurement without the application of the GPP criteria.

On the official website of the Ministry, for each purchase category, a tutorial in the form of a power point presentation and the corresponding model in the form of an excel table are available. Each of the developed models consists of three main parts: a) Input data, b) intermediate data and c) output results. All Intermediate data are taken from publicly available data.

New Zealand's Government Fleet Emissions Dashboard

In New Zealand, as a part the target of having an emissions-free government fleet by 2025/2026, public agencies must choose an electric vehicle or a plug-in hybrid electric vehicle, unless there are circumstances that prevent them from doing so. To monitor the progress, the New Zealand Government Procurement had set up a dashboard that uses vehicle registration data from the New Zealand Transport Agency to track vehicle purchased and disposed by government agencies. In addition to monitor purchases, the dashboard also provides data about types of vehicles bought, making it possible to calculate the average operations emission profile. With this method it is then possible to monitor the emissions saved from the procurement of e-vehicles vs. non-electric vehicles. However, the analysis does not consider the actual usage of the vehicles, making the results only indicative.

1. Croatia did not participate to the 2022 Survey on Green Public Procurement conducted by the OECD.

Source: (Government of Canada, 2022^[12]; Ministry of Economy and Sustainable Development of Croatia, n.d.^[13]; Lakić, Gregor Golja and Ferdo Gubina, 2022^[14]; New Zealand Government Procurement, 2024^[15]).

To facilitate and improve the quality of the impact assessment of procurement choices, the public sector can engage with the market and ask contractors to provide the necessary data for measurement. For instance, in Canada, as part of the suppliers' profile in the e-Procurement system, information is collected on whether economic operators measure organisational GHG emissions, produce product-level carbon footprints or Environmental Product Declarations. In the bid solicitation phase, or in the pre-qualification for a supply arrangement or standing offer, suppliers are asked to provide information on the green aspects of the product/service provided, according to templates that reflect the level of complexity. Then, in the contract evaluation stage, these are verified.

Moreover, as part of contract management, contracting authorities can monitor suppliers' performance against green targets and Key Performance Indicators (KPIs) that have been previously defined and that

adapt to the different products or services provided, with the suppliers providing all information needed. They can also verify compliance with GPP criteria, green standards, and ecolabels by requiring suppliers to provide detailed documentation on the environmental performance of products and services. In most of the countries surveyed, as part of the contractual clauses, contracting authorities are given the power and instruments to check on compliance with green criteria during the execution of the contract. The data and information collected from suppliers can then be used to run a more accurate assessment of the environmental effects of specific procurement choices. In Latvia, to verify the fulfilment of GPP requirements set out in the tender, the public administration can ask contractors to provide the necessary documentation or certificates during the execution phase. Similarly, in Poland, GPP considerations are included in the contractual clauses, and the public administration is provided with control power and mechanisms to verify compliance and assess the green performance of suppliers. In Ireland, the 2021 Guidance on GPP by the Environmental Protection Agency provides contracting authorities with clear examples of “green” contractual performance clauses, which are tailored to different product/service groups (for more information, see Box 4.5).

Box 4.5. Contractual clauses to monitor suppliers’ performance on GPP in Ireland

Green Public Procurement – Guidance for the Public Sector

The 2021 Guidance on Green Public Procurement provides several examples of contract performance clauses that contracting authorities can use and that are tailored to the different procurement categories.

These contractual performance clauses represent a good example of how contracting authorities can engage with suppliers to gather data on the environmental performance of the products or services purchased.

Energy-related products: air conditioners

CPC1. Environmental performance

The contractor is responsible for ensuring that the levels of environmental performance (e.g. energy efficiency) set out in the tender are met both at the point of installation/commissioning and during the entire operating lifetime of the appliance/warranty period. Where this is dependent upon specific usage instructions and maintenance activities, these must have been clearly highlighted in the tender. Regular inspections and testing of the equipment to ensure compliance will be carried out. It is also important to specify the schedule for regular inspections and testing, as well as whether the contractor is responsible for the costs.

This clause should be adapted to the specific nature of the contract and the scope of any maintenance/repair/warranty commitments. It is important that it includes a specific requirement to test environmental performance at regular intervals and assigns responsibility for this activity.

CPC2. Reporting on the end-destination of equipment

The contractor must provide a report on the status of the equipment once all items have been processed for re-use, recycling or disposal. The report must identify the proportion of items re-used or recycled, and whether they remained in the EU or were exported. For equipment and components recycled in the EU, the following means of proof for the handling facilities will be accepted:

- A permit issued by the national competent authority in accordance with Article 23 of Directive 2008/98/EC, or
- A third-party certificate of compliance with the technical requirements of EN 50625-1 or an equivalent compliance scheme.

Food and catering services: food and beverages

CPC1. Evidence of compliance with environmental requirements

Throughout the contract period, the contractor must keep electronic copies of orders, invoices and other documents that prove compliance with the environmental requirements and commitments under the technical specifications and award criteria. These documents must be made available to the contracting authority for verification purposes. The contracting authority may set rules and penalties for non-compliance.

ICT products and services: ICT products

CPC1. Service level agreement reporting

The tenderer must provide periodic [monthly / annual] reports on its compliance with all the metrics, Key Performance Indicators and other indicators defined in the Service Level Agreement.

CPC2. Environmental performance

The contractor is responsible for ensuring that the levels of environmental performance, including energy efficiency, indicated in its tender are met both at the point of installation / commissioning and during the [entire operating lifetime of the appliance] / [warranty period]. Where this is dependent upon specific usage instructions and maintenance activities, these must have been clearly highlighted in the tender. Regular inspections and testing of the equipment to ensure compliance will be carried out. It is important to specify the schedule for regular inspections and testing, as well as whether the contractor is responsible for the costs.

This clause should be adapted to the specific nature of the contract and the scope of any maintenance/repair/Warranty commitments. It is important to include a specific requirement to test environmental performance at regular intervals and assigns responsibility for this activity.

CPC3. Reporting on end-destination of equipment

The contractor must provide a report on the status of the equipment once all items have been processed for re-use, recycling, or disposal. The report must identify the proportion of items re-used or recycled, and whether they remained in the EU, or were exported. For equipment and components recycled in the EU, the following means of proof for the handling facilities will be accepted:

- A permit issued by the national competent authority in accordance with Article 23 of Directive 2008/98/EC, or
- A third-party certificate of compliance with the technical requirements of EN 50625-1 or an equivalent compliance scheme.

Where equipment and components are exported for re-use or recycling, contractors must provide the following shipment and treatment information:

- Shipping information for equipment intended for re-use, in accordance with Annex VI of WEEE Directive 2012/19/EU.

Source: (Environmental Protection Agency, Ireland, 2021^[16]).

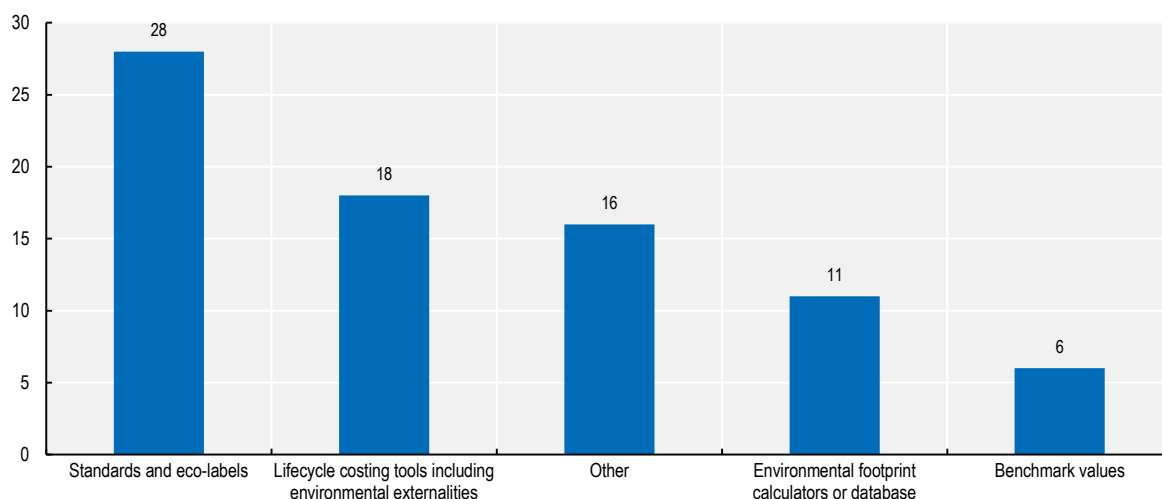
4.3. The economic benefits of green public procurement

The inclusion of environmental considerations at any stage of the procurement process might increase costs as well as benefits. For this reason, it is important to evaluate the costs and benefits associated with green procurement strategies and choices to ensure that value for money is not adversely affected. Nevertheless, the responses to the 2022 OECD Survey reveal that roughly half of the countries (17 out of 38) that replied to the Survey use cost-benefit analysis to assess such frameworks. As already noted, monitoring and measurement are key to assess the performance of countries' procurement policies, as well as to identify existing bottlenecks and intervene as needed, making sure GPP serves as a cost-effective means to achieve environmental and climate goals (Halonen, 2021^[17]).

Green products and services are often perceived to require significant up-front investments, which may result from the use of innovative materials, innovative production methods and management processes for the delivery, distribution, and dismissal, as well as for testing and certification. Higher acquisition prices may be linked to a higher degree of innovation contained in green solutions. On the other hand, green solutions can bring economic savings, especially when the whole lifecycle is considered. Most notably, they ensure lower consumption of resources (e.g. energy and water), reduced waste generation, and saved emissions, which translate into cost savings for public entities (European Commission, n.d.^[18]). For example, energy-efficient computers might come at a higher selling price, but they also lead to lower energy consumption, therefore lower costs in terms of monthly energy bills and reduced GHG emissions. Similarly, light-emitting diode (LED) traffic signals have lower lifecycle costs, as they consume less energy and have lower maintenance costs, compared to a standard (incandescent) red-amber-green head. In addition to that, up-front prices of LED traffic signals have been declining over the last years (European Commission, 2018^[19]).

According to the results from the Survey, countries are aware of the potential of lifecycle costing (LCC) to promote GPP and build up the business case for green alternatives in public tenders. Indeed, LCC is the second most common tool countries provide to contracting authorities for the preparation of green public tenders (see Figure 4.2). LCC is a methodology that evaluates the total costs associated with a specific purchase throughout its entire lifecycle, beyond the initial purchase price. It covers all the expenses typically incurred by public organisations, such as acquisition-related costs (e.g. installation), operational costs (e.g. energy and water consumption), maintenance costs (e.g. periodic replacement of components), and end-of-life costs (e.g. asset disposal and recycling) (OECD, 2022^[20]). Given that most of the expenses encountered over a product's or service's lifecycle are not reflected in the purchasing price, LCC promotes the selection of win-win solutions that are eco-friendly as well as cost-effective, compared to traditional products: environmentally sustainable options are often characterised by efficiency gains and lower follow-up fees in terms of energy, water, fuel consumption, maintenance and replacement, and disposal (OECD, 2022^[20]).

Figure 4.2. National tools available to support the development of GPP tenders



Note: The figure shows the answers received to the question: "Which national tools are available to support the development of GPP tenders? Please provide any relevant information".

Source: OECD Survey on Green Public Procurement (2022).

LCC can also add value to the procurement process when used to compare alternative procurement options in the early stages of planning. This can be particularly important for public works or public buildings, where a significant share of LCC may be determined with the selection of the plot of land and the first designs. In Norway, as per a 2017 law, public building owners and developers are required to assess LCC when doing a procurement of buildings. The example from the City of Oslo shows that applying LCC calculations in the planning stage can have a significant impact to choose an economically and environmentally sustainable option (see Box 4.6).

Box 4.6. Comparing alternative LCC in public buildings in the planning stage, Norway

During a procurement process for a school for 840 students in the city of Oslo, the municipality had to decide whether to buy the main plot or also the extra plot next to it. Since the municipality is in charge of carrying out the design process, it developed two different options for the project and calculated the corresponding LCC costs. The alternative using only the main plot entailed building a school with six floors and play area on the roof, thus significantly increasing both the investment and operation costs of the building. The option using two main land plots presented significantly lower life cycle costs amounting to NOK 564 million (EUR 48 million). Choosing the option of buying the extra land plot also significantly decreased the carbon footprint of the building since the city of Oslo could build a more efficient building. Thanks to the LCC calculation, the political decision about buying an extra land plot was easy to make.

Source: (Thue, 2023^[21]).

Comprehensive LCC approaches and tools can also consider the costs related to external factors affecting human health, ecosystems and natural resources, and climate change. These include the costs of GHG emissions, water and air pollution, as well as the costs of implementing measures to mitigate environmental and climate impacts, provided that they can be monetised and monitored. In Austria, for instance, the federal railway company ÖBB has developed an LCC tool, also known as the "ÖBB TCO CO₂ calculator", to assess offer-specific CO₂ emissions during production, construction, and operation. The embedded CO₂ generated across the different phases are monetised and integrated into the Total Costs of Ownership (TCO), and results are considered in the tendering process (OECD, 2022^[20]; Landgraf and Schirme, 2021^[22]).

Some countries opt for sophisticated lifecycle approaches, which focus on life cycle assessment (LCA) as opposed to LCC. LCA approaches are distinguished from LCC in that they consist in environmental evaluation methods, as opposed to monetisation of various types of costs. Namely, LCA consists of the systematic analysis of the potential environmental, health and resource impacts of goods or services during their entire life cycle. As such, LCA does not normally monetise any environmental impacts assessed (OECD, 2022_[20]).

Countries make use of LCA approaches in procurement through software-based solutions that are combined with underlying databases containing environmental impact data. This is the case of Netherlands, which has developed the so-called DuboCalc calculation tool to assess the environmental impacts of works in the civil engineering sector. Specifically, it produces an Environmental Cost Indicator (ECI) value based on project data, allowing contracting authorities to select the tender with the lowest environmental impact. The software builds on environmental impact data that is regularly included in the National Environmental Database (*Nationale Milieudatabase*³) - for more information, see Box 4.7. Similarly, in Belgium, a Life Cycle Impact Assessment (LCIA) - enabled with the so-called Totem-building tool⁴ - assesses the environmental impacts of a building design during its entire life cycle, using indicators related to climate change, eco-toxicity, and depletion of abiotic resources. It also provides an aggregated score expressed in “environmental milli points per square meter Gross Floor area” (OECD, 2022_[20]).

Box 4.7. Netherland’s DuboCalc calculation tool

In the Netherlands, sustainable public procurement has been a longstanding policy goal, with the decision of the Dutch House of Commons, in 2010, to reach 100% sustainable public procurement by 2015. In response, the Department of Public Works of the Ministry of Infrastructure and the Environment (Rijkswaterstaat) introduced several approaches to make its procurements more sustainable, such as the calculation tool DuboCalc and the CO₂ Performance Ladder.

To operationalise sustainable procurement, the software DuboCalc calculates the environmental impact of material use of infrastructure projects. The calculation is based on LCA of construction materials. It takes into account the embodied environmental impacts of materials during their lifecycle (e.g. material extraction, production, demolition and recycling). The operational energy consumed by the infrastructure is calculated, too.

DuboCalc calculates environmental impacts based on a system of shadow prices, which includes 17 different types of environmental impacts (e.g. CO₂ emissions, land use, water use). The result of the calculation is the Environmental Cost Indicator (ECI value). The tool is applied in works tenders that are typically based on the scheme ‘Design-Build-Finance and Maintain’. Furthermore, tenders are based on functional requirements, thus giving suppliers the possibility to innovate and determine the most sustainable design. Namely, suppliers use the tool during the tender preparation and can test multiple designs to identify the most sustainable version, i.e. with the lowest ECI value.

DuboCalc tool is used in all major projects at Rijkswaterstaat and has been progressively applied by large public entities in the Netherlands, too. Given the complexity of the tool, it is more difficult to apply by smaller entities such as municipalities. However, recently the so-called DuboCalc Light has been in use by smaller municipalities. It consists mainly of a list of materials that have high negative environmental impacts and are therefore excluded from the project. This simplified version of DuboCalc can be used for projects of EUR 10 000 or upwards.

An important foundation for the calculations is the underlying database, i.e. the National Environmental Database. This database includes the reference data for the environmental impacts of construction materials. It has a dedicated governance structure (National Environmental Database Foundation - NMD) that is tasked with maintaining and regularly updating the database.

Source: (OECD, 2022_[20]).

Despite its benefits, the LCC approach presents a series of obstacles to its uptake, including the limited expertise and practical knowledge among procurement practitioners, the lack of access to comprehensive and standardised methodologies and other supporting tools, as well as the scarcity of data for LCC calculations, especially for environmental factors and externalities. Despite these challenges, some countries have tried to foster the use of LCC in procurement procedures. For instance, in 2022, Hungary relied on the support of the OECD and European Commission to assess the use of LCC in its national context, map LCC practices and tools available across OECD and EU countries and identify some key strategic areas to move towards a more structured and co-ordinated approach in the use of LCC⁵. The OECD also provided guidance on the practical implementation of LCC based on practitioners' feedback (OECD, 2022^[20]). In Canada, LCC is promoted as a core principle of public procurement at the federal level; central government departments are required to consider the entire lifecycle of products and services and choose the most environmentally sustainable options, where value for money is demonstrated. The Directive on the Management of Procurement and the Supply Manual (PROC method) sets out the requirement to assess operational and disposal costs throughout the entire lifecycle of products/services to determine value for money (Government of Canada, 2021^[23]). Similarly, in Italy, the central purchasing body Consip developed its own approach to introducing LCC in certain tenders, including for ICT and vehicles (for more information, see Box 4.8).

Box 4.8. Consip's integration of LCC in framework agreements

Italy's central-level CPB Consip developed a simplified methodology to consider LCC in some of its framework agreements, such as ICT, vehicles, printing, and public lighting. The methodology consists of taking into account energy consumption of the product category, along with green criteria. The methodology is adjusted on a case-by-case basis depending on the product group.

For instance, when procuring public lighting, Consip applies criteria that allow for the reduction of cost during the duration of service. First, the Italian GPP criteria (*criteria ambientali minimi* or CAM) define the threshold consumption for lamps¹. The efficiency of the lamps is also incentivised by the better lumen to watt (LM/W) result. Second qualitative criteria were applied. Namely, the design of the lighting systems has been awarded, which provides extra points for the decomposition of each component to facilitate repair or single component replacement instead of replacing the whole system. This approach favours the lengthening of the life cycle and a significant reduction in maintenance costs by applying strategic choice of eco-design. In this approach, the quality of the tender is determined by technology that is easy to repair. In the health sector, the cost of service, maintenance and disposal was included for the purchase of radiation appliance and medical ultrasound machines.

Furthermore, a simplified, yet effective, LCC approach was chosen for the procurement of desktop computers and monitors. The award was based solely on the lowest cost, taking into account minimum environmental and social requirements, as well as energy consumption during the duration of the contract (3 years). Suppliers were requested to provide data on the energy performance based on specific ETEC (Calculated Typical Energy Consumption) parameters defined by IEC Standard (IEC 62301:2011). An independent entity certified the ETEC energy performance. The energy performance is multiplied by the reference price of electricity, as defined by the Authority for Energy Regulation and Environment. The full cost calculation formula is included in the tender documents to ensure transparency and clarity on the rules applied during the procedure.

1. CAM, decree issued by the Ministry of Ecological Transition and mandatory for Italian public Authorities referring to art 34 of the Code of Contracts.

Source: (OECD, 2022^[20]).

4.4. Conclusions

As revealed by the responses to the 2022 OECD Survey on GPP, there is still room for improvement in terms of reporting, monitoring, and impact measurement of GPP policies and practices.

Monitoring systems to track the use of GPP in procurement procedures are not common across countries, and they often have an overly narrow scope, as they only cover a limited group of public entities, which are not representative of the public procurement system of a country. An effective monitoring framework requires:

- the identification of a standardised, limited, and informative set of indicators that generates timely, reliable, and accurate data to inform management and policy decisions;
- The reduction of reporting burdens for public entities;
- The definition of baseline values;
- The transmission of results that can be compared and consolidated across agencies and over time.

Consultations with stakeholders (i.e. those that are expected to use the information and that will be responsible for data collection) is thus key to select the best indicators and ensure that data collection is feasible (World Bank, 2021^[7]).

To support the successful implementation of GPP monitoring systems, countries can also opt for a gradual approach. During the early stages of GPP reform, monitoring requirements can apply only to certain public organisations, and indicators can be limited to track the number and share of procurements that meet green criteria in specific product/services categories. As GPP systems mature and public procurement practitioners develop the necessary skills and competences for data collection, additional information can be gathered from tenders and administrative systems, expanding the scope of monitoring and reporting systems. Moreover, the widespread adoption of e-Procurement systems provides an additional opportunity to facilitate systematic data entry, collation, and reporting on GPP operations.

Periodic surveys and in-depth interviews with procuring agencies, suppliers and bidders, companies that do not participate in green tenders, and civil-society organisations can also be useful to collect additional information on GPP practices, impacts, perceptions, and motivations. Information collected may help explain resistance to GPP reforms within agencies and companies, identify problems in tender design, and assess the quality of support.

Another important issue in GPP monitoring is the limited measurement of the impacts and results achieved by green procurement strategies. When monitoring systems are in place, these usually focus on the processes and actions undertaken by an organisation to integrate GPP, on the direct results of procurement activities, such as the number or value of tenders or contracts that include GPP criteria. In other words, they consider the initiatives undertaken by public organisations to mainstream GPP in their daily activities, as well as use GPP in public tenders. For example, monitoring systems can measure the number of public tenders with green criteria, the quantity of green products purchased compared to conventional solutions, and the total public expenditure for green services. This limited focus is most likely due to the relative ease of quantifying GPP outputs compared to the outcomes, such as resource-efficiency, reduced waste generation, cost savings, reduced carbon emissions and lower air pollution (UNEP, 2022^[24]).

Impact indicators provide the information needed to assess whether GPP reforms are achieving the desired objectives, including national climate and environmental goals. However, most of the information used for impact indicators requires more detailed data collection (such as data on the consumption of green product categories, but also recycled and repurposed materials). Namely, impact indicators that rely on the measurement of energy and material consumption, waste generation, GHG emissions, and pollution across the public sector may require parallel data collection systems and collaboration with other agencies.

Some tools that facilitate calculation of environmental impacts are available. For instance, the Environmentally Extended Input-Output (EEIO) models, which look beyond the initial impact of new spending to capture increased economic activities, including direct, indirect, and induced spending, can support contracting authorities by providing such information. The United States, for example, developed the US Environmentally-Extended Input-Output (USEEIO), which is a family of models designed to bridge the gap between traditional economic calculations, sustainability and environmental decision-making. It provides a robust resource for estimating the potential impacts — environmental and economic — associated with the production or consumption of goods and services (EPA, updated in 2023^[25]).

Similarly, expansive LCC methodologies that monetise externalities such as CO₂ emissions rely on credible and representative data about environmental impacts, which is rarely available. Countries would need to invest in developing and certifying such data at a national or supranational level, thus providing procurement practitioners with the tools to implement LCC to the fullest extent. Alternatively, countries could require for credible third-party certifications of the potential environmental impacts of the products they procure.

Nevertheless, public buyers can generate some of this information as part of the tender process. One possible solution could be to leverage the support of bidders and suppliers in procurement procedures, for example, by integrating quantifiable monitoring indicators, such as KPIs, in the implementation of contract clauses, as well as enforcement of GPP criteria and KPIs after a contract has been signed. Finally, suppliers can serve as a source of information on the environmental impacts of products and services, and they can also provide information on life-cycle costs.

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Notes

¹ This is the reduction in emissions countries need to meet to hold the increase in the global average temperature to well below 2°C (above pre-industrial levels).

² As of April 2023, Korea monitors GPP implementation across 40 000 procuring entities using a platform interconnected with all e-Procurement systems.

³ <https://milieudatabase.nl/an-introduction-to-the-nmd/>

⁴ Tool to Optimise the Total Environmental impact of Materials

⁵ This was part of the Project “Promoting green public procurement in Hungary with a focus on life-cycle costing”, designed between Hungary, the OECD and the European Commission (EC), and funded through EU’s DG REFORM services.

5 **A greater uptake of GPP requires dedicated professionalisation strategies**

This Chapter presents the results from the 2022 OECD Survey on GPP on capacity-building and technical support for GPP. Most notably, it provides an overview of the existing efforts across OECD and non-OECD countries to provide public buyers with the necessary skills, competences, and knowledge base for effective green procurement. The Chapter also highlights potential areas for improvements to strengthen GPP professionalisation in public procurement systems.

5.1. Professionalising GPP

The design of GPP policies and the use of environmental criteria in public tenders requires multifaceted skill sets. GPP requires expertise spanning a wide array of disciplines, including environmental science, cost-benefit evaluations, procurement regulations and legal provisions governing public contracts. Public buyers must navigate intricate decision-making processes where environmental considerations, financial assessments, and legal compliance might be conflicting. For this reason, there is the need for a holistic approach to skill development.

Countries are showing an increasing interest and commitment to GPP professionalisation, and they have undertaken a series of initiatives and actions to provide public buyers with the set of skills and competences to increase GPP uptake, such as:

- Assessing the monetary value of environmental impacts across the life-cycle of products and services,
- Include green criteria in procurement procedures without infringing upon legal provisions on public contracts,
- Engage with private suppliers effectively to ensure competitive bids,
- Understand and promote the benefits of GP

5.1.1. Building capacities for the contracting authorities

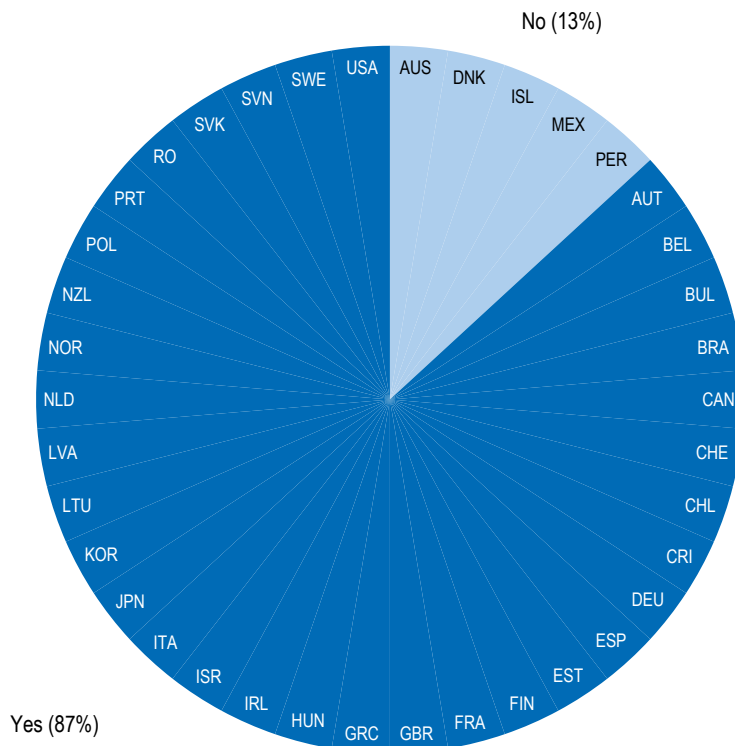
The successful implementation of GPP strategies and actions plans requires procurement staff to improve existing skills, as well as to acquire new competences. Most importantly, public buyers are called upon to move behind the selection of products and services solely based on the lowest bid price and consider environmental performance and quality. To do so, they need to gain a better understanding of the whole-set of environmental consequences associated with public procurement activities, including the carbon emissions and the broader environmental impacts that occur throughout the supply chain of procured goods and services (extraction, processing, manufacturing, and distribution). Moreover, public procurement practitioners should aim at including environmental and climate considerations not only at the award stage, but also throughout the different phases of procurement procedures, i.e. from needs assessment and market engagement to identification of the subject matter of the contract and the definition of technical specifications , and until contract management (OECD, 2022^[1]).

As shown from the responses to the Survey on GPP, countries are increasingly aware of the importance of training and capacity-building to equip procurement employees with the adequate set of competences and tools to implement green public procurement in their daily activities. Indeed, most of the surveyed countries (87%) provide dedicated training for GPP (Figure 5.1), and they do so in different ways, including through in-person workshops or webinars, e-learning courses designed for self-guided and facilitated learning, specialised practical classes for practitioners, and training programs for individuals who will train others. In many countries, including France, Austria, Switzerland, and New Zealand, both in person trainings and e-learning modules focused on GPP are made available for public buyers. In Latvia, the Ministry of Environmental Protection and Regional Development has been organising methodological workshops and training courses for economic operators and governmental institutions (both at the state and local level) on GPP since 2015. By August 2022, more than 30 seminars have been held and a total of more than 1 500 procurement specialists have been trained. Information about the seminars and videos from the seminars are made publicly available on the Ministry's website.

Moreover, practitioners often find value in hands-on, practical learning experience focused on the design of green procurement strategies and handling of procurement processes. For this reason, capacity-building initiative should also include tangible examples of GPP practices, encourage knowledge sharing and peer learning, and provide specialised training for more technical aspects, such as the use of LCC. In Belgium,

for example, training on social and environmental procurement is provided as part of a larger programme of public procurement training for public procurement practitioners at the federal level. In 2022, two general training sessions on the integration of the three pillars of sustainable development (economic, social, environmental) in public procurement were delivered in the two national languages. The session dedicated to GPP focused on specific product categories and covered the use of green criteria, eco-labels and ISO-standards in public tenders, as well as the use of environmental management systems, LCC methodologies and circular economy principles.

Figure 5.1. Existence of dedicated training courses available to procurement officials on GPP



Note: The figure shows the answers to the question " Are there dedicated training courses available to procurement officials on GPP? Please provide any relevant details"

Source: OECD Survey on Green Public Procurement (2022).

Training courses can also be complemented by practical sessions and additional guidance materials, such as manuals and guidelines. For instance, the European Commission (EC), which has not taken part in the GPP Survey, has developed guidance documents on the strategic use of public tenders to promote environmental objectives, social inclusion and innovation. Moreover, the EC provides detailed guidelines on the use of EU GPP criteria and LCC tools in procurement (OECD, 2023^[2]). Similarly, many OECD countries, such as Costa Rica, have created their own guidelines for GPP (Box 5.1).

Box 5.1. Guidelines on GPP in Costa Rica

As part of its National Policy of Sustainable Development, the General Directorate of Asset Management and Public Procurement (Dirección General de Administración de Bienes y Contratación Administrativa, DGABCA) within the Ministry of Finance (Ministerio de Hacienda) in Costa Rica has developed user-friendly guidelines and manuals to promote the strategic use of procurement.

In 2015, DGABCA issued the Technical Guidelines for the Application of Sustainable Criteria in Public Procurement and Guidelines for its Implementation with the support of the European Commission and the United Nations Environment Programme (UNEP). These technical guidelines focused on the different dimensions of strategic procurement, including GPP, the development of SMEs, innovation and social responsibility.

To support the implementation of the Guidelines, DGABCA also developed two manuals:

- Practical Guide for Sustainable Procurement in the Public Sector that provides guidance to integrate environmental considerations across the entire procurement cycle and offers examples of GPP implementation for different product and service categories;
- Guide on Social Criteria in Public Procurement Processes in Costa Rica that provides guidance to integrate social considerations across the procurement cycle as well as templates of the social clauses to be used in tenders and public contracts.

Moreover, in 2022, the Sustainable Public Procurement Guide was issued. This Guide presents standardised environmental, social and economic clauses and provides recommendations to further promote the participation of SMEs and women in public procurement.

Source: (OECD, 2023^[2]), OECD Survey on Green Public Procurement (2022).

To be effective, training and capacity-building initiatives should first assess the current level of knowledge, the prevailing organisational culture, and the skill-gaps within the procurement workforce. This evaluation exercise will help identifying the existing barriers to the uptake of GPP across public buyers and contracting authorities, as well as the kind of competences that need to be developed or strengthened (OECD, 2023^[2]). For instance, in 2018, the Korea Environmental Industry and Technology Institute (KEITI) conducted a survey to assess the training needs of contracting authorities, which covered GPP awareness, motivations of public buyers for purchasing green products, and facilitators of GPP. Based on the results of the survey, the main training needs were identified and informed the KEITI's training activities for GPP: providing explanations on the environmental and economic benefits of green products; sharing of best practices; and training on the use of the online platform and e-Procurement tools. Similarly, in 2019, Lithuania undertook an assessment of the challenges and needs of its public procurement workforce, as well as an extensive review of the training courses and materials and capacity-building tools. The results of the analysis were used to develop a certification scheme and a professional strategy, which also covered strategic public procurement and GPP (see Box 5.2).

Box 5.2. Assessing training needs to inform effective GPP training initiatives

Lithuania: from assessing training needs to the development of a certification system and professionalisation strategy for public procurement

Recognising the importance of promoting professionalisation of the public procurement workforce, in 2019, the Government of Lithuania asked the support of the Structural Reform and Support Services (SRSS) from the European Commission and the OECD to develop a certification framework and a professionalisation strategy. Most relevantly, the OECD has supported the country to undertake an assessment of the challenges and needs of its public procurement workforce, as well as an extensive review of the training courses and materials and capacity-building tools. The assessment also covered strategic public procurement and GPP. For GPP, some of the challenges identified included the misperception that green procurement criteria led to an increase in the price, the need to strengthen the knowledge basis of public buyers, as well as their capacity to include green criteria in procurement procedures and evaluate the costs and benefits of green purchases.

The results from the assessment exercise were then used to inform and develop the professionalisation strategy and the certification framework. Certification courses included e-procurement, GPP, socially responsible procurement, innovation procurement, and SME facilitation. The learning methodologies used are wide-ranging, including face-to-face workshops, e-learning modules, an educational degree program, manuals and guidelines, standardised templates, ad hoc support through a help desk and consultations, and practical training in the form of job-swapping, a community of practice, and internships. All this content is available on a one-stop-shop procurement portal.

For GPP, the certification courses aim at providing:

- A first-hand experience of applying the GPP concept throughout the public procurement process (planning, purchasing, post purchasing);
- A clear understanding on how to implement GPP;
- Best practices and case studies about how GPP is being applied;
- An understanding of the life-cycle costs of products and services.

Moreover, the professionalisation strategy highlights the need of incentives to motivate GPP, including direct financial benefits and non-financial incentives, such as awards to recognise achievements and flexible working hours.

Methodologies used to assess the capacity of public procurement workforce

To assess the challenges related to the capacity of the public procurement workforce in Lithuania, the following methodologies were used by the OECD:

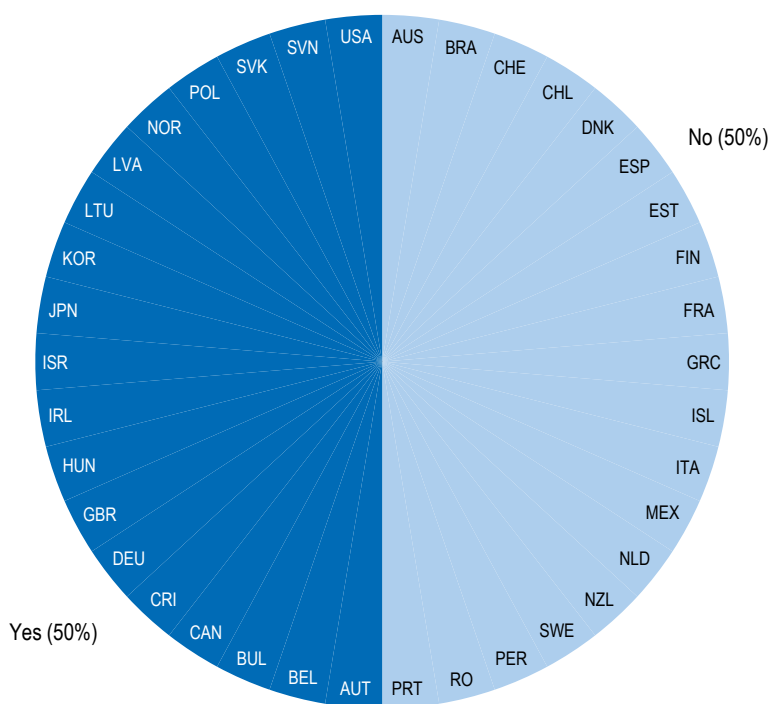
- Questionnaire sent to the Ministry of the Economy and Innovation and the Public Procurement Office (PPO)
- Audit report of the National Audit Office on the functioning of public procurement system (May 2018)
- PPO survey to the contracting authorities and suppliers (2016)
- Two OECD fact-finding missions to Vilnius (March & April, 2018). During the fact-finding missions, the OECD had meetings with the Ministry of the Economy and Innovation, Public Procurement Office, Centralised Procurement Organisation, Ministry of Environment, Special Investigation Service, National Audit Office, and National Common Function Centre. In addition, approximately ten large and small contracting agencies and economic operators were interviewed to assess the training needs.

Source: (OECD, 2019^[31]).

As professionalisation of GPP across the public procurement workforce is often part of GPP policies and action plans, monitoring the implementation of training and capacity-building initiatives is important to keep track of progress and ensure GPP-related goals are achieved. Nevertheless, the results from the 2022 OECD Survey on GPP reveals that only 50% of the participating countries have measured the number of GPP training courses delivered in the year 2022 (Figure 5.2).

Monitoring efforts can focus on the number of training courses that are delivered each year, the number of methodological guidelines provided by responsible ministries, number of trained procurement officials, among others. Results from monitoring can be used to inform corrective actions to improve training courses and technical supports. Moreover, engaging with the procurement workforce through periodic surveys and in-depth interviews will help identify innovative training solutions.

Figure 5.2. Report on the number of GPP training courses taken in a given year



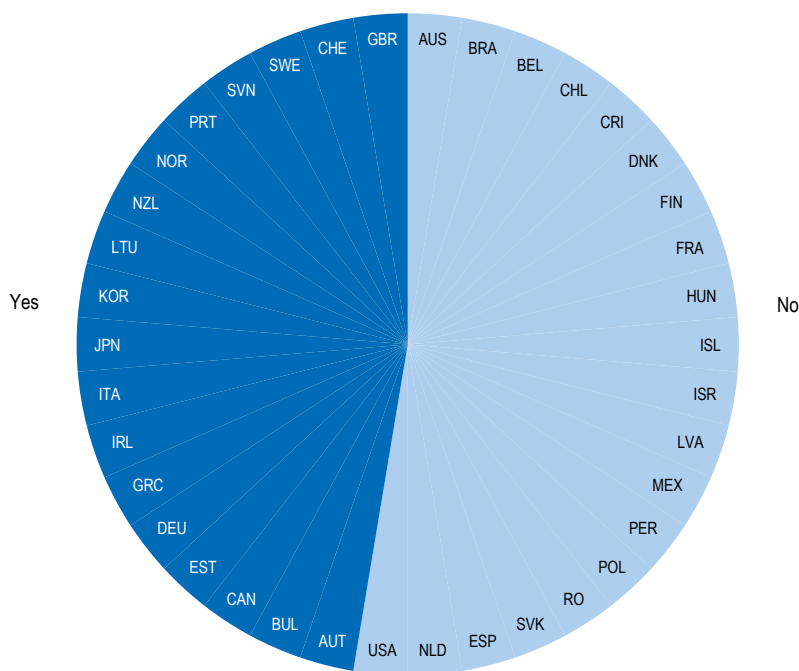
Note: The figure shows the answers to the question: "Are you reporting on the number of GPP training courses taken in a given year (by hours or by number of trainees)? Please provide any additional information."
 Source: OECD Survey on Green Public Procurement (2022)

5.1.2. Building suppliers' capacity on GPP

Countries are increasingly committed to professionalising GPP with various initiatives aimed at equipping public buyers with the necessary skills and competencies for effective GPP implementation. However, there is a need for broader training and guidance on GPP for suppliers, beyond the context of individual procurement processes. While GPP practices are crucial to support environmental objectives, they can inadvertently create barriers for smaller suppliers who may lack the resources to meet environmental requirements in tenders, thus struggling to compete with larger companies. Regular and comprehensive engagement with the market by contracting authorities, including providing resources and guidance, is essential. This approach will enhance suppliers' capabilities in bidding for contracts, fostering a more robust and competitive environment.

However, according to the results from the Survey, more than half of the countries do not have dedicated training courses available to suppliers on GPP (53%) (see Figure 5.3). Providing suppliers and the market with tools and guidance to understand GPP is critically important because it ensures a level playing field. Smaller suppliers often lack the expertise or resources to navigate complex environmental criteria, putting them at a disadvantage compared to larger firms. By offering training and resources, contracting agencies can help all suppliers meet GPP requirements, promoting inclusivity and competition. This not only supports sustainability goals but also encourages innovation and market diversity, leading to more effective and widespread adoption of green procurement practices.

Figure 5.3. Existence of dedicated training courses available to suppliers on GPP



Note: The figure shows the answers to the question “ Are there dedicated training courses available to suppliers on GPP?”
 Source: OECD Survey on Green Public Procurement (2022).

Governments must play a critical role in offering sufficient resources and capacity-building initiatives to suppliers. This is the case for example in Ireland, where the Environmental Protection Agency published training materials on “Green Public Procurement for Suppliers”, but also in Estonia, where the Ministry of Climate provides online lectures on GPP for free (See Box 5.3).

Box 5.3. Supporting tools provided for suppliers on GPP

Training on Green Public Procurement for Suppliers in Ireland

The Environmental Protection Agency (EPA) in Ireland has developed a training presentation which follows on from the introductory Green Public Procurement video and provides more detailed information for suppliers of goods and services to the public sector in Ireland. Its purpose is to provide all suppliers with background information, advice and practical tips on Green Public Procurement.

The video is accessible online, free of charge.

Online lectures on GPP in Estonia

The Ministry of Climate in Estonia makes available a number of printed training materials on the e-procurement platform, including step-by-step guidance on how to execute a procurement contract according to Estonian law, and on how to use the platform itself, information on the Public Procurement Act and recent amendments, procedural information and forms, and written analyses of different elements of the Estonian procurement system. There are also video guides on using the e-procurement environment.

Source: (Environmental Protection Agency, 2022^[4]) (Estonian Ministry of Climate, n.d.^[5]).

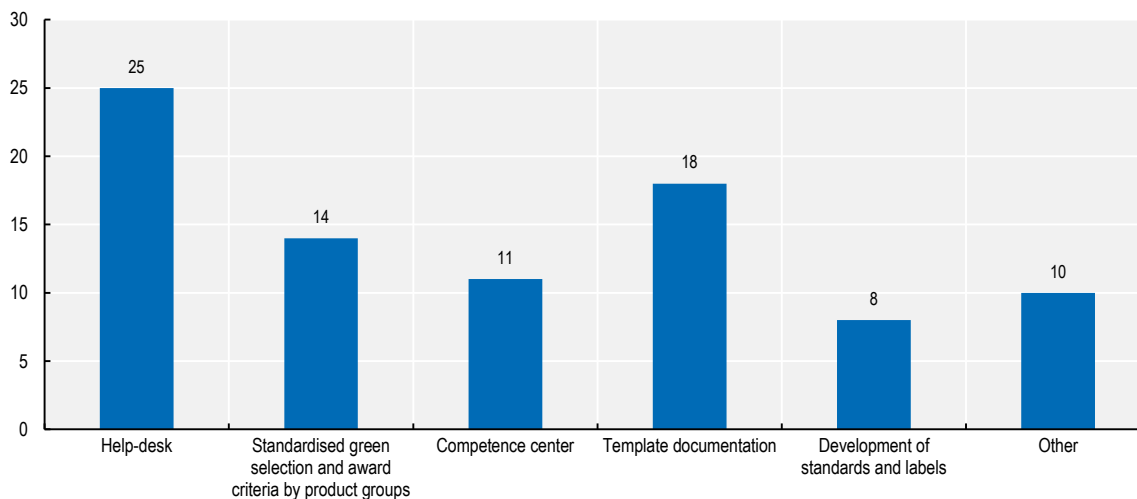
Given that more than half of the OECD survey countries do not provide GPP training or supporting tools for suppliers, it is evident that governments need to address this significant gap. To enhance the uptake of GPP, a collective effort from all stakeholders involved is required, including both larger and smaller suppliers. Governments must prioritise the development and dissemination of tools, resources, and training programs to support suppliers in meeting green procurement requirements. This collective approach will foster a more inclusive, competitive, and sustainable market, ensuring the successful implementation of GPP practices across all sectors.

5.2. Provide public buyers with supportive tools to promote GPP-uptake

The results from the 2022 OECD Survey on GPP show that participating countries have developed a wide array of supportive tools to assist public buyers in implementing green practices in their procurement processes, including standardised green criteria (e.g. selection or award criteria) and guidance on how to integrate them in public tenders, eco-labels or eco-certifications, life cycle costing (LCC) tools, environmental footprint calculators and database (Figure 5.4). For instance, Ecolabelling Denmark has created a guide for tendering authorities to instruct on the use of eco-labels in procurement. Similarly, Public Services and Procurement Canada published the Supply Manual Public elaborated which provides guidelines and recommendations on the application of green standards and use of eco-labels in procurement procedures.

In Germany, various methodological tools and approaches to life-cycle costing have been developed. Notably, these tools are well-established for certain product categories like electronic devices (e.g. computers, monitors, dish washers) and vehicles. However, many of the existing LCC instruments do not adequately account for environmental externalities, e.g. CO₂ emissions. Only the LCC-tool provided by the Federal Environmental Agency covers CO₂ emissions during the usage phase, considering the time of use, electricity consumption and emission factors (measured in grams of CO₂ emissions).

Figure 5.4. Other types of support provided to contracting authorities on GPP



Note: The figure shows the answers to the question: " Besides training, is there other type of support provided to contracting authorities on GPP? Please provide any details."

Source: OECD Survey on Green Public Procurement (2022).

Many of the surveyed countries also provide help-desk services (for more information on existing help-desk services across surveyed countries, see Box 5.4). Help desks serve as a contact point for contracting authorities to receive support and assistance in their daily procurement activities, including for the choice of procurement procedure and the use of award criteria. Moreover, help-desks can also provide ad-hoc support to economic operators. Considering how complex regulatory frameworks on public procurement can be and how frequently they are amended and modified, help desk services represent an effective instrument to provide quick and tailor-made information, facilitating legal compliance for both public buyers and potential bidders (OECD, 2023^[2]).

In Slovenia, the Ministry of Environment and Spatial Planning and the Ministry of Public Administration offer consultation services by phone as well as written consultations on green subject matters. In Lithuania, a web page on "Frequently Asked Questions" for GPP has been created. Moreover, consultations by e-mail and telephone are provided by Ministry of Environment, with regards to policy issues, and by the Public Purchasing Office that provides specific guidance and consultations on the use of GPP criteria (Public Procurement Office, 2021^[6]).

Box 5.4. Help-desks in France, Lithuania, Colombia

France

The Ministry of Finance (Minefi) operates a call centre and e-mail inbox (CIJAP) with ten staff members who answer inquiries from contracting authorities, in particular local contracting authorities.

In 2014, 86% of the questions were answered on the spot. Most of the questions that are not answered on the spot are addressed in writing within 48 hours. For questions that require a more detailed legal interpretation, the inquiry is forwarded to a specialised Unit “Advice to buyers” of the Directorate for Legal Affairs of the Minefi. This unit generally produces written answers within 45 days. Overall, the call centre has been in high demand, and it deals with 35 000 inquiries per year.

Lithuania

The Public Procurement Office of Lithuania (PPO) set up a help desk not only to support contracting authorities but also economic operators. Currently, the help desk receives questions only through e-mail to ensure consistency and accuracy on the quality of answers.

Regardless of the high volume of questions received through e-mail (2 000 requests / month on average), PPO maintains a good speed of answer - 33% of the requests are answered within 1 hour, 17% in 1-8 hours, 11% (8-24 hours), and the rest 39% in more than 24 hours.

Colombia

Colombia Compra Eficiente administers a help desk operated by 30 people. They handle on average 25 000 requests each month through three channels: phone call, chat, and e-mail.

Source: (OECD, 2023^[2]).

Another solution provided by countries to support GPP professionalisation and promote implementation is through a dedicated Competence Center. A competence centre is an organisation/organisational structure that has been assigned the task by its government and has a mandate according to national law to encourage wider use of strategic procurement (green public procurement, socially responsible public procurement and/or innovation procurement). Its function includes, among others, providing practical and/or financial assistance to contracting authorities in the preparation and/or implementation of procurement procedures, providing training course, administering the digital platform to connect the public sector and private sector, organising networking events to connect the public sector and the private sector, etc. In Germany, as part of the Federal Government Programmes for measuring “Sustainability”, the Competence Center for Sustainable Procurement (KNB) was set up in 2011 at the Procurement Office within the Federal Ministry of the Interior, Building and Community (BMI). The KNB represents the main contact point for all federal ministries, federal states, municipalities and for the other public procurement offices across the country. Its main activities to promote sustainable procurement consist in providing targeted information to stakeholders as well as training and capacity-building to public agencies (Federal Ministry of the Interior and Community, n.d.^[7]). Similarly, in Finland, KEINO is a network-based competence centre for sustainable and innovative public procurement (for more information on KNB and KEINO, see Box 5.5).

Box 5.5. Competence centres for GPP

KNB in Germany

Since 5 December 2011, the Competence Centre for Sustainable Procurement (KNB) at the Procurement Office of the Federal Ministry of the Interior has been the central point of contact for all the federal ministries, states, local governments and other government offices responsible for procurement. The KNB carries out different tasks and activities:

- Provides information, training and advise on sustainable public procurement to federal, state and local government procurement offices and other public agencies via phone or e-mail as well as on-site training.
- Works with other organisations to prepare procurement guidelines and information brochures, as well as newsletters on sustainable procurement;
- Develops and proposes new ideas for sustainable public procurement in collaboration with representatives from public administration, industry, NGOs and association.

KNB also operates a web-based information platform that serves as an information, communication and network hub, helps build up a national expert network, and supports communication with companies and NGOs. The platform provides key information, documents, important dates for sustainable procurement, which are available online to staff of public procurement offices and to other interested persons. Moreover, through this platform, KNB can address questions on the use of LCC for different product groups (e.g. from motor vehicles and consumer electronics to household appliances). Indeed, the online platform also offers training modules for life-cycle cost analysis for different products.

KEINO in Finland

KEINO is a network-based competence centre for sustainable and innovative public procurement in Finland and it started operating in March 2018. The founding members responsible for operation and co-development are Motiva Ltd, VTT Technical Research Centre of Finland Ltd, The Finnish Funding Agency for Innovation – Business Finland, the Finnish Environment Institute SYKE and Hansel Ltd.

KEINO is part of the Government Program's implementation, and it is funded and steered by the Ministry of Economic Affairs and Employment. Moreover, the strategic management of KEINO is supported by a Secretariat, which is appointed separately from the representatives of the ministries and a broad-based co-operation group.

KEINO offers support to public procurement practitioners in Finland through Change Agents (KEINO-muutosagentti in Finnish) operating at the regional level, which serve as local contact point. Change Agents are paid by KEINO, but they are part of each Agent's employees.

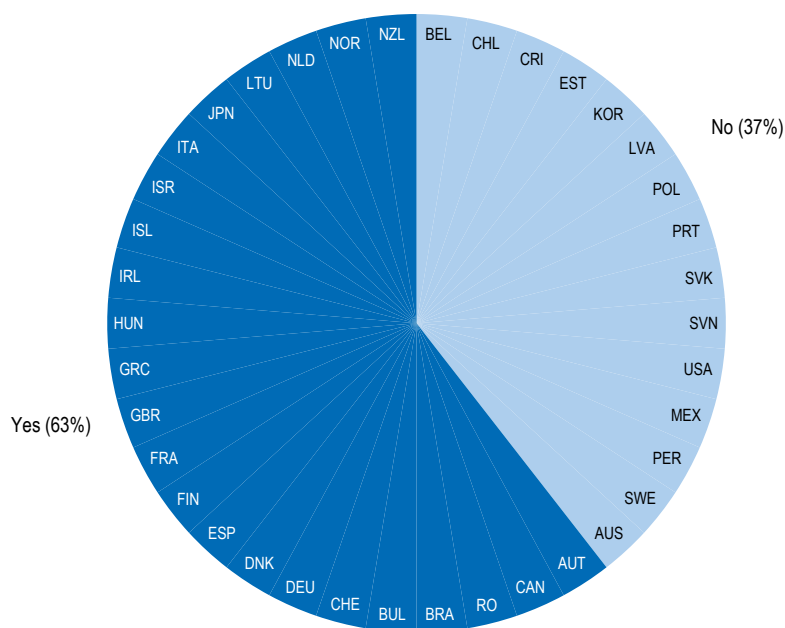
The priorities of Keino's activities in 2022–2023 are:

1. Procurement of new solution;
2. Implementation of ecosystem agreements with cities;
3. Refining lessons learned into practical tools and operating models for procurement units.

Note: KEINO Competence Center's term has ended in February 2024 and currently under discussions is new operative knowledge hub
Source: (Procurement Office of the German Federal Ministry of the Interior, n.d.^[8]); (KEINO, n.d.^[9]).

Moreover, 63% of surveyed countries have created dedicated spaces to share experiences and discuss key challenges for GPP (Figure 5.5). Most notably, professional networks or communities of practice are examples of shared platforms where procurement practitioners can share knowledge and raise questions. They also offer the opportunity to present good practices, reflect on lessons learned and identify innovative solutions to deliver better value for money (OECD, 2023^[2]). Moreover, they can help strengthen the motivation of procurement officials to uptake GPP, and nurture a sense of professionalism (OECD, 2023^[2]). The French Ministry for the Ecological Transition has created a platform called RAPIDD, which allows public procurement practitioners to share resources, exchange ideas and disseminate information on socially and environmentally responsible purchases. In Hungary, as part of the Sustainable Hungary Programme to promote sustainability in public procurement, the Sustainability Working Group has been created. The Working Group aims, among other things, at strengthening dialogue among procurement professionals and practitioners. In Canada, a nationwide survey on sustainable public procurement across the public and private sector is carried out on an annual basis (Canadian Collaboration for Sustainable Procurement, 2022^[10]). The annual surveys for sustainable procurement have also been used to inform the quadrennial Sustainable Procurement Barometer, which allows public and private organisation to self-assess and compare their performance with peers over time (ECPAR, 2020^[11]) (for more information, see Box 5.6).

Figure 5.5. Existence of a platform in which contracting authorities can share experience



Note: The figure shows the answer to the question: "Is there any fora or platform in which contracting authorities can share experiences? Please provide any additional details."

Source: OECD Survey on Green Public Procurement (2022).

Box 5.6. The Sustainable Hungary Programme

In April 2021, the Public Procurement Authority (PPA) launched the Sustainable Hungary Program to promote sustainability in public procurement. Under this initiative, the Sustainability Working Group was created. The Working Group brings together representatives of the PPA, the largest national contracting authorities, as well as representatives from other organisations working with the Authority. Its scope is to raise awareness among public procurement stakeholders, strengthen professional dialogue, support practitioners and disseminate good practices at the national and international level.

A summary of the sustainable public procurement practices shared by participants at the first meeting is available on the Public Procurement Authority's website. The second meeting of the Working Group was dedicated to the preliminary market consultation. The summary of the second meeting is also available on the Authority's website and contains practical information on preliminary market consultation as well as good practices from the attending organisations.

Annual reports on the State of Sustainable Public Procurement in Canada

The Canadian Collaboration for Sustainable Procurement (CCSP) is a member-based network of Canadian public-sector institutions working together to align their spending with their values and commitments on sustainability.

Founded in 2010, the CCSP is a member-based network of over 40 Canadian public sector institutions and over 200 staff members working together to align their spending with their values and sustainability commitments. Representatives from Procurement, Sustainability, Diversity & Inclusion, Indigenous Relations, and other interested internal business units meet virtually on a regular basis to network, learn, share information, and co-create tools to better address the environmental, ethical, social, and Indigenous risks and opportunities in their supply chains.

CCSP releases Annual Reports on the State of Sustainable Public Procurement in Canada, which highlights national sustainable procurement trends, showcases CCSP member accomplishments, and features success stories from across Canada. Information in these reports are gathered through interviews with CCSP members.

The 2022 annual report highlighted that procurement teams faced significant challenges due to staff turnover and supply chain volatility, yet there was a notable rise in sustainable procurement policies and discussions, especially from elected officials. This heightened focus on sustainability increased pressure on procurement teams to expand their expertise across environmental, social, Indigenous, and ethical pillars, amidst labor shortages and volatile market conditions. Despite these challenges, the CCSP played a crucial role in supporting teams by facilitating knowledge sharing and practical peer exchanges, helping to implement sustainable practices and respond to senior leadership inquiries.

Source: (OECD, Forthcoming^[12]); (Canadian Collaboration for Sustainable Procurement, 2022^[10]).

5.3. Conclusions

GPP is a complex topic, and it needs expertise and abilities that span across various fields, including procurement regulations and managing public tender procedures, environmental policy, and economic evaluations. For this reason, it is important to provide the procurement workforce with the relevant training, skills and capabilities. Training and capacity-building activities need to address existing skill-gaps and should progress and adapt, as GPP uptake proceeds. At the early stages of GPP implementation, capacity building tends to focus on motivations (“why” procuring green), then shifting to skills (“how to” procure) as GPP matures. Ultimately, the goal of capacity-building programs is to embed GPP in the core skills of public procurement professionals.

It is important to provide public buyers with a comprehensive understanding of what “purchasing green” means, as well as to strengthen and develop the set of technical skills to integrate environmental and climate considerations across the different phases of the procurement cycles, i.e. from needs assessment to awarding of public contracts. Moreover, governments need to monitor their training initiatives, as well as to assess the results achieved. This will help identify challenges and barriers to intervene with corrective actions and new supportive interventions, as needed.

The results from the Survey reveal that GPP training and professionalisation can be realised in different ways, and surveyed countries rely on a variety of training instruments and initiatives, including courses, webinars, handbooks and manuals, dedicated competence centres and help-desk services. Moreover, surveyed countries are developing and participate in peer-to-peer networks, wherein public buyers and contracting entities can meet, share experiences and lessons learned, as well as work together to develop innovative approach to GPP and improve implementation.

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6 Country factsheets

Australia

Framework, scope, action-plans

The Commonwealth Procurement Rules require that, when conducting a procurement on behalf of the Australian Government (i.e. the central-level government), an official must consider the relevant financial and non-financial costs and benefits of each submission, including the environmental sustainability of the goods and services (e.g. energy efficiency, environmental and climate change impact, and the use of recycled products). Moreover, the Sustainable Procurement Guide provides a step-by-step guidance for officials on how to consider sustainability across the different stages of the procurement process - from the identification of business needs to the ending phase of the contract, including review and reporting. The Guide is designed to be sufficiently flexible for entities to apply the guidance within their own departmental frameworks.

The Australian Government is committed to reducing the Australian Public Service (APS) emissions to Net Zero by 2030. Public procurement is mentioned in national commitments on climate change, however, the policy to support such a commitment was still under development at the time of the Survey.

The Department of Climate Change, Energy, the Environment and Water is responsible for environmental policies. As part of this role, the Department issues the Sustainable Procurement Guide, runs a whole-of-government education and advocacy programme and is consulted on the environmental sustainability aspects of the Commonwealth Procurement Rules.

The Australian State and Territories are advancing their own individual sustainable procurement practices, with varying stages of development. Further information on procurement practices can be found on each State and Territory website¹. These jurisdictions were not included in the Survey response.

Implementation

Australia has adopted mandatory requirements to use GPP for central government only. Under the Commonwealth Procurement Rules, officials must consider the relevant financial and non-financial costs and benefits, including the environmental sustainability of the proposed goods or services. Considerations may include energy efficiency, environmental and climate change impacts, and the use of recycled products for the proposed procurement.

Under the Sustainable Procurement Guide officials can incorporate sustainability requirements into their evaluation criteria to achieve the desired environmental sustainability of the proposed goods or services. The evaluation criteria are outlined in each entity's approach to market and will detail the set requirements that will be used to select potential suppliers. As the Sustainable Procurement Guide is designed for flexibility, it is up to each entity to apply the guidance within their own departmental frameworks.

Measurement and impact

Commonwealth entities are required to publish procurement contract notices on the AusTender Website (the Australian government's centralised portal providing publication of Australian Government business opportunities, annual procurement plans and contracts awarded). Entities may provide information regarding environmental sustainability aspects of their procurements through other avenues, such as their Annual Reports.

Most recent developments

Australia committed the Australian Public Service (APS) to achieving the APS Net Zero 2030 target in late 2022. The APS Net Zero 2030 is the Government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions from the latter half of 2023. APS will achieve net zero by actively reducing emissions from government operations, and through the use of offsets. The approach for achieving net zero by 2030 is outlined in the [Net Zero in Government Operations Strategy and Roadmap](#)², published in November 2023.

This policy is being delivered consistent with Australia's international commitments and will contribute to achievement of Australia's Paris Agreement targets. All non-corporate and corporate Commonwealth entities will be required to publicly report on the emissions from their operations (there are no exclusions from reporting). This commenced with public reporting of 2022-23 emissions in late 2023 in entity annual reports. The Department of Finance will publish a consolidated whole-of-APS report before the end of 2023.

Furthermore, as of May 2024, the Australian Government has introduced the Environmentally Sustainable Procurement (ESP) Policy as a procurement-connected policy, commencing 1 July 2024. The ESP Policy supports the Government's commitment to a net zero and circular economy. It also promotes the important role that design and innovation play in advancing this endeavour.

As of 1 July 2024, central government will be required to apply the ESP Policy. The ESP Policy applies climate, environment and circularity principles to four high-impact procurement categories. These categories will be introduced in two stages:

- From 1 July 2024: procurement of construction services at or above AUD 7.5 million in value
- From 1 July 2025: procurement of furniture, fittings and equipment, ICT goods and textiles at or above AUD 1 million in value.

It requires relevant entities and suppliers to undertake activities to optimise environmental sustainability in procurement, in line with the Policy's objectives.

Progress reporting will begin in August 2024 and it is expected that annual data will be publicly available from August 2025.

Finally, in 2023, the Commonwealth Procurement and Contract Management Awards for Excellence (the Awards), which promotes the important role procurement plays in delivering services and outcomes for government, citizens, and the business community, introduced the Environmental Sustainability through Procurement category, which recognises leadership in using recycled content and embedding environmental sustainability into procurement design and delivery, including the management of the ongoing arrangement. The Awards are hosted annually by the Department of Finance.

Notes

¹ Australian Capital Territory - <https://www.procurement.act.gov.au/>, New South Wales - <https://info.buy.nsw.gov.au/>, Northern Territory - <https://nt.gov.au/industry/procurement>, Queensland - <https://www.forgov.qld.gov.au/procurement>, South Australia - <https://www.procurement.sa.gov.au/>, Tasmania - <https://www.purchasing.tas.gov.au/>, Victoria- <https://www.buyingfor.vic.gov.au/>, Western Australia - <https://www.wa.gov.au/government/multi-step-guides/western-australian-procurement-rules>.

² <https://www.finance.gov.au/government/climate-action-government-operation/aps-net-zero-emissions-2030>.

Austria

Framework, scope, action-plans

In 2010, the Federal Government adopted the first version of the Austrian Action Plan on Sustainable Public Procurement (naBe-Action Plan) promoting sustainability in its three dimensions: environmental, social and economic sustainability. The new action plan took effect on 1 July 2021 and is already mandatory for public-sector authorities at the federal level. The naBe-Action Plan pursues three goals:

- Anchor sustainable procurement in all federal institutions
- Harmonisation of criteria with regard to sustainable public procurement
- Secure Austria's pioneering role in sustainable public procurement in the EU

The naBe-Action Plan is binding for federal contracting authorities (CA) and contracting entities (CE). In addition, the application of said criteria is recommended to all other CA and CE (Länder, municipalities, public institutions, ...) that are subject to the federal procurement law in Austria. Some regions have adopted their own Action Plan on GPP.

The Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK) is entrusted with the co-ordination of measures to implement the naBe-Action Plan. The naBe-Action Plan is anchored in the integrated National Energy and Climate Plan (NECP). The BMK co-ordinates the NECP and the naBe Action Plan through steering groups and through communication with affected authorities and stakeholders.

Implementation

In Austria, sustainability criteria must be implemented on a mandatory basis at federal level for certain categories of products and services: Structural engineering, civil engineering, electrical appliances, lamps, electricity, IT equipment, public space maintenance, events, vehicles, office supplies, paper, hygiene products, textiles, furniture, food and catering services, cleaning products and services.

The naBe-Action Plan includes fixed targets in terms of share of procurement subject to GPP. Typically, the requirements of the naBe-Action Plan have to be fulfilled in all public procurement procedures. For some criteria, specific targets are set.

The naBe- Action Plan also contains GPP criteria formulated as templates so that they can easily be implemented in tender documents. The relevant criteria also list means of proof to support both public buyers as well as tenderers, especially SMEs. The criteria cover all phases of a tender procedure; from the performance description and technical specification to award criteria and the contract execution.

Measurement and impact

In Austria, public institutions are not required by law to collect GPP data. On a federal level however, a system to monitor the naBe Action Plan is established and data is already being collected.

In addition, some federal states also monitor their data on their own sustainability programmes. Those programmes are typically comparable to the naBe Action Plan.

Most recent developments

Austria indicated that a monitoring system was being established on the federal level at the time of the Survey.

Belgium

Framework, scope, action-plans

At the national level in Belgium, there is a unique structure that includes the federal level, the three regions, and the communities. When it comes to various national responsibilities in Belgium, they are jointly managed by both the federal government and the three regional authorities, and there is no hierarchical arrangement among them. In practical terms, this approach means that GPP strategies are developed for each of the respective administrative bodies.

National strategical issues on sustainable public procurement are discussed within the working group of the Interministerial conference with federal and regional representatives, but a proper national action plan, doesn't exist in Belgium at the time of the Survey.

At the federal level, the 2014 GPP policy will be revised in 2023-2024 (Integration of sustainable development, including social clauses and measures favouring small and medium-sized enterprises, in the context of public contracts awarded by federal contracting authorities) and is especially part of the broader federal Sustainable Development Policy (2021) and the federal Procurement Policy (2021-2023).

Sometimes, references to GPP/SPP are included in other policy documents (e.g. references to GPP energy efficiency or car policies in climate action plans).

National co-ordination on GPP is provided via:

- The Coordination Committee for International Environmental Policy
- The Interdepartmental Commission for Sustainable Development
- The Inter-ministerial Conference for Sustainable development

At the federal level, the following 3 Departments work closely together on SPP policy and regulation:

1. The Chancellery of the Prime Minister (for regulatory matters on public procurement)
2. The Ministry for Policy and Support (for central procurement, strategic co-ordination with federal public procurement practitioners and e-Procurement monitoring)
3. The Federal Institute for Sustainable Development (for SPP policy development, tools, studies, projects, and monitoring)

Implementation

GPP criteria have been developed by Flanders as well as at federal level thanks to initiatives by several departments. In most cases, the EU GPP criteria are the basis for national-level discussions with stakeholders. To date, federal GPP/sustainable criteria have been developed for about 70 product and service groups.

The Flemish region integrated responsible public procurement in the overall strategy on procurement of the Government of Flanders. The strategy urges public procurement practitioners to evaluate opportunities for sustainability in every contract.

The Brussels Capital Region has a framework with three levels: (i) development of references, e.g. for clean vehicles and sustainable buildings construction and renovation; (ii) providing information, training sessions and helpdesk advice; (iii) establishing a mandatory framework for the public authorities dependent on the Brussels region.

On 4 February 2021, Wallonia adopted his first strategy for the Circular Economy. Public procurement is identified as a lever to initiate Wallonia's transition to a circular economy. Wallonia's ambitions by 2025 include: 50% of relevant public procurement contracts will integrate circular economy principles or circular criteria; 75% of public information and communications technology (ICT) contracts will be circular and ethical. All public demolition/deconstruction contracts and subsidised contracts will include a materials inventory and selective deconstruction and reuse materials will be used in all public works contracts and progressively in works subsidised by the Walloon Region.

Measurement and impact

Public authorities in Belgium monitor GPP through a digital platform that is linked to the e-Procurement system. Until August 2022 reporting on GPP was voluntary for Belgian public procurement practitioners.

Most recent developments

Since September 2023, Belgium uses a centralised e-Procurement platform known as e-Procurement Belgium, operated by the Federal Public Service Policy and Support (BOSA - DG Procurement). This platform serves as a central hub for electronic procurement activities.

Moreover, the revision of the GPP Federal Strategy – which will take place in 2023 and 2024 – proposes to make GPP monitoring mandatory for certain product groups and services. The new federal strategy is expected to be approved in February – March 2024.

Brazil

Framework, scope, action plans

In Brazil, at the time of the Survey, sustainable national development is addressed by the bidding law 14, 133/2021, which establishes GPP both as a guiding principle and as an objective of all purchasing processes in Brazil, so that public purchases, without distinction, seek to promote positive socioeconomic and environmental impacts. In addition, it provides for environmental sustainability criteria as one of the parameters for defining variable remuneration associated with the contractor's performance. Brazil decided not to have a segregate policy on sustainable purchase so that there is no option to conduct a non-sustainable purchase. Therefore, sustainability in Brazil has been sought in a systemic and integrated manner to all the phases of the procurement process.

However, at the time of the Survey, the entire procurement policy was under review, due to the publication of the new legal framework for bids and contracts (Law 14, 133 of 2021). Due to this new law, the creation of a new legal framework was underway, aiming at regulating and organising the procedures provided for in the new law.

In Brazil, the Inter-ministerial Committee on Climate Change and Green Growth (CIMV) ensures co-ordination and articulation regarding the policies related to climate change, but there is not one single institution formally created to ensure co-ordination between GPP and environmental policies. Co-ordination takes place through different structures, such as the Chamber of Deputies and the Federal Senate, depending on who is the author of the bill, and the Executive Office of the President, in the case of a law authored by the President of Brazil.

Implementation

The public procurement framework was under review at the time of the Survey, thus, national goals in relation to GPP were being discussed.

There is a governance instrument whose objective is for each agency or entity of the federal public administration to define its logistics and contracting strategy which is called the Master Plan for Sustainable Logistics, established in 2021. Through this instrument, public institutions must establish objectives and actions referring to criteria and sustainability practices, in the economic, social, environmental and cultural dimensions, aimed at:

1. Promoting the rationalisation and conscious consumption of goods and services, ⁴
2. Identification of products/services with the lowest environmental impact,
3. Promotion of innovation in the market,
4. Inclusion of impact businesses in public procurement and,
5. Dissemination, awareness and training on sustainable logistics.

Furthermore, the previous law, No8, 666/1993 which was in force until March 2023 defined together with the Decree No 7, 746/2012 some sustainability criteria and practices to be adopted in the bidding instruments for the acquisition of goods, services, and works:

1. Low impact on natural resources such as flora, fauna, air, soil and water,
2. Preference for materials, technologies and raw materials of local origins,
3. Greater efficiency in the use of natural resources, such as water and energy,

4. Greater generation of jobs, preferably hiring local workers,
5. Longer lifespan and lower maintenance cost of the purchased good and the work carried out,
6. Use of innovations that reduce the pressure over the natural resources,
7. Sustainable origin of natural resources used in goods, services and works, and
8. Use of timber and non-timber forest product originated from sustainable forest management or reforestation.

Measurement and impact

At the time of the Survey, public institutions in Brazil were not required and did not report on GPP.

Most recent developments

A new law introducing more sustainable criteria for public tenders was expected to take effect in April but will now be enforced in early 2024. The new law on tendering aims to modernise public procurement processes and places greater emphasis on sustainability criteria in proposals for the purchase of goods, services and public works by government entities. According to the new regulation, Brazil's sustainable development must be a guiding principle of public procurement.

Bulgaria

Framework, scope, action plans

At the time of the Survey (2022), the Draft Decision of the Council of Ministers on the adoption of the Strategy and Action Plan for the transition to a circular economy of the Republic of Bulgaria for the period 2022-2027 was under public consultation (July-August 2022). In its response to the Survey, Bulgaria indicated to have already set up the National Waste Management Plan (NWMP) for the period 2021-2028 as well as the Integrated Plan in the field of energy and climate for the period 2021-2028.

The NWMP plays a key role in ensuring the efficient and effective management of waste in the Republic of Bulgaria. The plan aims at reducing the harmful effects of waste on the environment and on people's health, as well as to achieve the most efficient use of resources, open new markets and create new jobs. An important part of the Plan is to promote waste prevention.

In Bulgaria, public procurement is recognised as an important tool to promote the transition to a circular economy. Notably, the country often mentions public procurement in its national climate commitments. For instance, the National Climate Change Adaptation Strategy and Action Plan to 2030 includes a recommendation for the wider use of green public procurement. Furthermore, the National Waste Management Plan 2021 - 2028 sets out the requirements to include a specific percentage of recycled construction materials in the construction/rehabilitation of buildings and roads.

To support the co-ordination between environmental and GPP policies and objectives, Bulgaria has established an inter-ministerial group that has started working and developing key documents. Draft documents are then published on the Strategy Portal for 30 days for public consultation.

Implementation

In Bulgaria, the Law on Clean Vehicles sets out the mandatory requirement to include energy efficient criteria in the procurement of vehicles.

Moreover, under the Project "*Methodological Support for the Development of Green Public Procurement in Bulgaria*" - which has been implemented by the Public Procurement Agency with the financial support of the Bulgarian-Swiss Cooperation Programme -, a survey of the national market has been carried out. As a result, 12 product groups have been selected for the development of green criteria, based on the green criteria developed by the European Commission. Their application is voluntary. To facilitate their use, EU and national best practices are included in the GPP practical handbook for each of the product groups.

Measurement and impact

In Bulgaria, there is a dedicated section in the national standard form, which is obligatory for all contracting authorities. The dedicated field in the form has to be checked by the contracting authority/ entity if the launched procurement contains green criteria (under the discretion of the CA/CE). The above standards forms are published in the Public Procurement Register. According to the data provided, the number and value of GPP contracts can be estimated.

Recent developments

The Strategy and Action Plan for the transition to a circular economy for the period 2022–2027 were adopted by the Decision No. 832 of the Council of Ministers of 26 October 2022. The Strategy recognises the role of GPP to promote the purchasing of green products in the public sector. Most relevantly, the Strategy introduces the concept of "green" procurement in the provisions additional to the Public Procurement Act, therefore providing a clear opportunity for contracting entities to adopt GPP. Moreover, the Strategy includes the periodic revision and update of the Practical Guide for the award of Green Public Procurement, as well as training and capacity-building for municipalities. Training and capacity-building will support municipalities to set targets for the use of green criteria in municipal integrated plans for development, as well as in annual procurement plans.

Moreover, in November 2023, the Council of Ministers adopted the National Environment Strategy 2021 – 2030 (Decision No 765 of the Council of Ministers of 02.11.2023) that includes a specific target (specific target 3) "capacity building for environmental management", which aims at providing opportunities for continuing education and increasing expertise in environmental fields across different institutions, as well as capacity for integrated planning and implementation of GPP.

Recent amendments to the national public procurement law (State Gazette №88, 20.10.2023) have also introduced the obligation to apply environmental requirements for certain products or services. The specific products, the minimum mandatory environmental requirements, as well as the way to their demonstration shall be determined by means of a Regulation (currently under development), issued by the Minister for the Environment and Water, in conjunction with the Minister for Finance and the Minister for Economic Affairs and Industry. In addition to that, the law provides a definition for the term "Environmental Requirement".

Canada

Framework, scope, action-plans

In Canada, there is no dedicated policy for GPP defined at the national level and covering provinces and territories, as well as the federal government. Nonetheless, there are different federal government strategies and policies that include GPP, such as the Healthy Economy Healthy Environment Strengthened Climate Plan (2020), the Federal Sustainable Development Strategy (2022-2026), the Policy on Green Procurement, the Policy on the Planning and Management of Investments (amended 2021), the Directive on the Management of Procurement (amended 2022) and the Greening Government Strategy (last revised in February 2024).

Most notably, the Greening Government Strategy establishes a commitment for all federal government departments and agencies to GPP across four major procurement categories (i.e. building materials, electricity, real property, and vehicles for the federal fleet), mainly through policy to promote reduction of GHG emission, the adoption of life-cycle assessment principles and the purchase of clean technologies and green solutions. In particular, the Strategy envisages:

- The use of criteria in public tenders to promote GHG emissions reduction, sustainable plastics, waste reduction, and broader environmental benefits;
- Incentives for major suppliers to adopt a science-based target in line with the Paris Agreement, and to disclose GHG emissions and environmental performance information;
- Actions to limit the unnecessary use of single-use plastics in government operations, events and meetings;
- Supportive tools (e.g., guidance materials and training) for green procurement.

Moreover, the Policy on Green Procurement further requires integrating environmental considerations in the procurement process to promote environmental stewardship. Under the Policy, Deputy Heads are responsible to ensure the integration of environmental stewardship and life-cycle principles in procurement planning and practices, set up management processes and controls to identify environmental risks and mitigation strategies, and promote the purchase of green alternatives where value for money is demonstrated.

The Policy on the Planning and Management of Investments introduces the concept of best value where an investment should achieve the optimal balance of resource expenditure and realisation of outcomes throughout the asset or service life cycle, including socio-economic and environmental returns. The policy acknowledges that lowest price is not always representative of best value.

The Directive on the Management of Procurement was implemented in 2021 to manage procurements in a manner that enables operational outcomes and demonstrates sound stewardship and best value consistent with the Government of Canada's socio-economic and environmental objectives. The Directive includes requirements for environmental considerations in procurements, consistent with the Policy on Green Procurement. <https://www.tpsgc-pwgsc.gc.ca/app-acq/cndt-cndct/cca-ccp-eng.html>

The Pan-Canadian Framework on Clean Growth and Climate Change is the only national strategic framework signed by the provinces and territories, and the federal government, that includes commitments on green and clean technology procurement, even if it is not specifically focused on GPP.

Implementation

Under the Policy on Green Procurement, Deputy Heads are required to provide training on GPP (e.g., via the Canada School of Public Service). Moreover, Public Services and Procurement Canada (PSPC) has

developed a Supply Manual to clarify GPP requirements for central procurement authorities, but the manual has a non-binding nature.

Notwithstanding the lack of national GPP criteria, the Greening Government Strategy sets out GPP mandatory requirements and targets for federal purchases across four major procurement categories: construction materials, electricity, real property, and federal vehicle fleet. For example, it requires minimising the use of harmful substances in construction and renovation projects, using electricity exclusively from clean energy sources, conducting life-cycle assessments for the construction and retrofit of major buildings, managing property holdings to retain and restore biodiversity, and achieving the objective of 100% of the government's light-duty fleet being zero-emission vehicles by 2030. Moreover, PSPC's 2022-23 Departmental Plan sets out the target of having at least 45% of standing offers and supply arrangements include environmental considerations by 31 March 2023.

Measurement and impact

All federal departments subject to the Policy on Green Procurement, the Greening Government Strategy and the Federal Sustainable Development Strategy are required to report on sustainable activities, including GPP and GHG emission savings, to Parliament via annual Departmental Plans and Departmental Results Reports - as part of the Estimates process. In addition, PSPC collects data on the percentage of standing offers and supply arrangements (SOSAs) that include environmental considerations.

Concerning impact measurement - at the federal level, there is no standardised methodology to evaluate the emissions savings achieved across all public tenders. Nevertheless, the Treasury Board of Canada Secretariat (TBS) provides an inventory of the government's operational GHG emissions. As part of this initiative, it also estimates the embodied carbon emissions associated with overall procurement. Moreover, the Government of Canada is now working on various methodologies to measure embodied carbon in high-impact procurement categories to support targeted mitigation actions.

Recent developments

In fiscal year 2022-23, the Government of Canada announced two new standards under the Policy on Green Procurement in accordance with commitments in the Greening Government Strategy:

- The Standard on Embodied Carbon in Construction - effective since 31 December 2022 - requires the disclosure and reduction in the embodied carbon footprint of structural materials, starting with a 10% reduction for ready-mix concrete used in major government projects. It applies to projects valued at CAN 10 million or more and expected to use more than 100 m³ of concrete.
- The Standard on the Disclosure of Greenhouse Gas Emissions and the Setting of Reduction Targets – effective since 1 April 2023 - requires that procurements over CAD 25 million include an incentive or a requirement for suppliers to disclose their GHG emissions and set reduction targets in accordance with a Canadian or international initiative or standard.

To reduce plastic waste from packaging, PSPC introduced in September 2023 standard language for environmentally preferable packaging in all PSPC-administered goods procurements, as per the commitments in the Greening Government Strategy: A Government of Canada Directive.

The Directive on the Management of Procurement was further updated in 2023 to include requirements on identifying, mitigating, and disclosing occurrences or risk that may have a negative impact on human rights, the environment, social and corporate governance, and supply chain transparency principles. This recent update also incorporated the *Code of Conduct for Procurement* into all government procurements where vendors and subcontractors are required to aid in advancing the government's environmental objectives by providing goods and services that have a lesser or reduced impact on the environment.

Chile

Framework, scope, action-plans

Chile does not have a national-level strategy or policy specific to GPP. Nevertheless, GPP is covered by broader national initiatives. For example, the National Action Plan for Sustainable Consumption and Production (2017-2020) promotes the use of environmental criteria in public tenders to enhance the sustainability of the public sector. Notably, it envisages the provision of training for procurement officials for the use of environmental criteria in public tenders and the establishment of a monitoring system to keep track of sustainable public purchases. Moreover, GPP is part of the Estado Verde Programme, an accreditation system managed by the Ministry of the Environment with the objective of promoting good environmental practices in the daily work of public entities, including through green public procurement. Similarly, GPP is also promoted at the municipal level through the Municipal Environmental Certification System.

Implementation

The legal framework underpinning public procurement does not include any mandatory requirements for GPP, however, the 2015 amendments to the procurement regulatory system have introduced the possibility for contracting authorities to include sustainability criteria in public tenders and framework agreements. Moreover, the 2016 Directive n.25 introduces a clear definition of what “sustainable public procurement” is and provides guidance and (non-binding) recommendations on how to integrate considerations related to energy-efficiency and environmental sustainability in the procurement of four priority categories: vehicles, lamps, paper and heating products.

More recently, in 2019, the Ministry of the Environment has developed a Guidance for public contracting authorities on the use of sustainability criteria across five different procurement categories: light and medium vehicles, computers, printers, printing paper, and catering services.

Measurement and impact

In Chile, there is no monitoring system to keep track of the use of GPP by contracting authorities. Similarly, there are no mandatory requirements for contracting authorities to report on their green purchases as well as on the achievement of environmental objectives. Nevertheless, some contracting authorities are reporting on green public purchases on a voluntary basis.

The Ministry of the Environment has set up the Chilean National Greenhouse Gas Inventory System (SNICHILE) to inform the public about the country production and removals of GHG emissions. However, Chile does not have a standardised methodological framework to assess CO₂ emissions for public procurement operations and activities.

Recent developments

Chile is now working to strengthen the role of sustainability considerations in public tenders in the legal framework governing the public procurement system.

Costa Rica

Framework, scope, action-plans

In 2015, the country adopted the National Policy of Sustainable Public Procurement (SPP) and set up the basis for the creation of the National Steering Committee of Sustainable Procurement. The National Policy on SPP aims at promoting the strategic use of public procurement to support the production and consumption of goods and services that are innovative and provide the best economic, social, and environmental performance.

In Costa Rica, the Public Procurement Authority (ACP) is responsible for overseeing and directing the public procurement system, while the Public Procurement Directorate (DCoP), as its subsidiary, is tasked with implementing the actions and decisions made by the ACP. Moreover, the Ministry of Finance is responsible for developing an overarching strategy for the implementation and monitoring of the National Policy on SPP, working in co-ordination with the other ministries in charge of the social, environmental, and economic portfolios. To date, this overarching strategy has not yet been developed, although the annual action plan was prepared, and it is in force since 2018.

Implementation

To support the uptake of GPP, the Public Procurement Directorate (Dirección de Contratación Pública or DCoP- in Spanish) has developed different tools, such as the Technical Regulation for the application of sustainable criteria in Public Procurement, and the Guideline for its implementation¹, the Guide to social criteria in Costa Rican public procurement processes², a practical Guideline for sustainable procurement in the public sector, and a sustainable criteria evaluation Matrix. In addition to that, both the DCoP and the Strategic Public Procurement Committee provide training and capacity-building activities. A help desk service for the use of sustainable criteria is also available.

Measurement and impact

While contracting authorities are bound to use the e-procurement system SICOP to conduct procurement procedures as well as to report on their purchases and procurement plans, there is no mandatory obligations to report specifically on green public purchases. Moreover, Costa Rica has not yet developed a standardised methodological approach to evaluate the impacts of GPP. Nevertheless, the evaluation and monitoring of public policy (Article 46 RLGCP) does provide that the evaluation phase is transversal to the entire process of formulating the National Public Procurement Plan in terms of strategic public procurement, so that it will apply to both the design phase, as well as the implementation and management of the National Plan and its Action Plan. The evaluation should use criteria of relevance, coherence, effectiveness, efficiency, impact, and sustainability.

In the context of waste management, the Report on Procurement with sustainability criteria of SICOP User Institutions for the Year 2022³, concludes that in the area of strategic public procurement reveals challenges in understanding what relevant sustainability criteria could be. Indeed, under a closer examination of the procurement process, it becomes clear that these criteria do not align with the nature of goods and services being bought.

Through the document "Improvements in the Integrated Public Procurement System (SICOP). Section for suppliers to incorporate information on the inclusion of sustainable criteria (environmental, economic, social, innovation) in the terms of public procurement..." (2021), the improvements to the system were communicated to user institutions. These enhancements enabled the identification of sustainable criteria promoted in public procurement processes.

Recent developments

Article 21 of Section IV of the General Public Procurement Law, 9986 includes a legal obligation for all contracting authorities to integrate sustainability criteria - including environmental criteria – in the tender specifications for the contractual activity promoted with public funds (as specified in art. 20, third paragraph of LGCP). Moreover, in Title I, Chapter IV “Strategic Public Procurement” (Section I and II), as well as in Title II, Chapter VIII, Article 84 – also known as the “Framework Agreement”, there is a provision that mandates the use of criteria for strategic public procurement. These criteria are directly linked to the contractual object, as determined through market studies. Similarly, within the Regulation to the General Public Procurement Law (Executive Decree, 43808), in Title I, Chapter IV “Strategic Public Procurement” (Sections I, II and III), as well as in Title III, Chapter VIII, Article 232 “Framework Agreements”, the promotion of incorporating environmental criteria into Strategic Public Procurement is emphasised.

With the enactment of the new General Public Procurement Law⁴ (LGCP) and its regulation (RLGCP) in December 2022, a National Public Procurement Plan has been established. This Plan holds the status of public policy within the strategic procurement domain. In the context of environmental considerations, the recent legislation establishes environmental protection as a national goal. This is to be achieved through the promotion of life cycle approaches to goods, services and works, the use of renewable energies, product certificates and eco-labels. However, it is important to note that both the policy and its action plan still require approval ~~approved~~.

Furthermore, in 2023, the Public Procurement Directorate instructed Institutional Procurement Managers and Public Institutions in general to include the percentage in the methodology for evaluating the terms of reference. They were also directed to incorporate strategic public procurement criteria into SICOP. This involves including environmental, social, economic, innovative, and geographic proximity criteria available in the SICOP electronic form to ensure the proper identification of information usage⁵.

The DCoP is now working to update the National Policy on SPP and to align it with the new provisions envisaged in the LGCP. Moreover, in 2022 a new Guideline for sustainable public procurement was published and it contains a set of SPP criteria for 11 different categories, which contracting authorities can use as reference.

The Regulation to the General Public Procurement Law establishes that, until new provisions aligned with the General Public Procurement Law regarding strategic public procurement are in place, public institutions will continue to adhere to the Technical Regulation for the application of sustainable criteria in Public Procurement, and the Guideline for its implementation. This includes guidelines, manuals, technical sheets and other instruments issued about sustainable public procurement and the Law on Integrated Waste Management

Some new Guidance documents are currently under development:

- The Strategic Public Procurement Guide, in collaboration with the German Development Cooperation Agency (The Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ in German), is expected to be published in 2024.
- The Guide on Environmental Criteria for Strategic Public Procurement, expected to be published in 2024 in conjunction with the Ministry of Environment and Energy of Costa Rica and with the collaboration of GIZ.
- The Innovation Criteria Guide is currently in the organisation process, in collaboration with GIZ and the Costa Rican Innovation and Research Promoter. It is expected to be published in 2024.

Moreover, there is an ongoing professional development management through webinars, available on the Public Procurement Directorate's website:

<https://www.hacienda.go.cr/LeyGeneralContratacionPublica.html>

Notes

¹ Available on <https://osum.ucr.ac.cr/wp-content/uploads/2022/08/Normativa-Tecnica.pdf>.

² Available on <https://www.hacienda.go.cr/docs/GuiaCriteriosSocialesyComprasCostaRica.pdf>.

³ Available on <https://www.hacienda.go.cr/docs/4-InformesdelCDNCPS.pdf>.

⁴ This Law replaces the Administrative Procurement Law of 1 May 1996, and applies to all contractual activities that use public funds either wholly or partially.

⁵ Available on <https://www.hacienda.go.cr/docs/MH-DCoP-CIR-0058-2023DescripciondeCriteriosSostenibles.pdf>.

Denmark

Framework, scope, action-plans

At state-level, sustainable public procurement (including green public procurement) has been advocated for many years, e.g. with the establishment of the Forum for Sustainable Procurement in 2010. In October 2020, the previous government introduced the strategy for green public procurement (the GPP strategy). This strategy aimed at ensuring that the public procurement at state-level would contribute to the national target of reducing Denmark's greenhouse gas emissions by 70 percent in 2030.

Denmark has implemented several initiatives to promote green public procurement at state-level, i.e. for governmental entities. Furthermore, several Danish municipalities and regions have implemented green public procurement initiatives of their own, which the following description will not cover.

At state-level, such initiatives – among others – include guides for setting green requirements in public tenders, a joint food policy, a charter for good and green procurement, carbon offsetting for state air travel, plans for increased energy efficiency, and calculating the aggregated carbon footprint of the public sector yearly. In the following, selected initiatives are briefly introduced:

Guides in green requirements in public tenders aims at helping the public procurement officers incorporate green requirements in public tenders. It is not mandatory to follow the instructions.

The joint food policy requires the canteens of governmental entities to buy a minimum of 60 pct. organic food, reduce food waste, and the vendors are required to offer healthier and climate friendly food upon local request.

The charter for good and green procurement comprises standards that each ministry must implement. These standards pertain to the organisation of procurement offices, competence development of procurement officers, the development of procurement strategies, and annual progress reporting.

The carbon offsetting means that all work-related flights by state-employees are subject to carbon offsetting, which is included in the National Budget each year.

The plans for increased energy efficiency refer to the revised circular letter on energy efficiency in the state, requiring all ministries to create and publish plans for reducing their respective energy consumption.

The calculation of the aggregate carbon footprint is conducted every year since 2019, since 2023 the footprint is subsequently published by the Danish Energy Agency as part of the global reporting initiative.

Implementation

For the majority of the above-mentioned initiatives, the integration of the green requirements are incorporated in concerted state tenders. However, there is a mandatory requirement to develop ministry-specific plans for energy efficiency. To ensure the implementation, the Danish Energy Agency continuously follows up on the progress. Furthermore, the charter for good and green procurement requires the ministries to implement a wide-ranging list of standards. To support the implementation, the Agency for Public Finance and Management runs two separate network groups for the state procurement officers to ensure knowledge sharing, as well as the agency conducts an annual progress report.

In addition to that, Rådgivningsenheden - Statens Indkøb is a competence center that provides guidance and help desk services for public procurement, including for questions related to the use of GPP. Furthermore, Den Ansvarlige Indkøber (The Responsible Purchaser) is a unified digital portal with an

overview of the latest knowledge on options, requirements and tools to support green public procurement at local level in public institutions.

Measurement and impact

As stated above, an estimation of the carbon footprint for the public sector is calculated annually. The estimation is currently primarily based on monetary data but is supplemented with physical units for energy consumption in the state. Hence, the estimation will inevitably be linked to uncertainties. To improve the estimation, the Danish Energy Agency as well as the Agency for Public Finance and Management are working to enrich the data with activity-based data and updated emission factors.

In Denmark, there is no requirement for contracting authorities to publish procurement plans and report on the use of GPP in public tenders. Nonetheless, a report by the Danish Competition and Consumer Authority found an increase in the use of 'green words' in Danish EU tenders between 2020 and 2022. The report found that in 2022, nearly 60 pct. of EU tenders included green words, whereas only 44 pct. of Danish EU tenders included green words in 2020¹.

Recent developments

In 2024 Denmark joined the initiative Net Zero Government Initiative which oblige Denmark to achieve net-zero emissions from national government operations, in which green public procurement plays a crucial role, by no later than 2050.

Furthermore, the Danish Ministry of Digital Government and Gender Equality has recently published a [report](#) with recommendations on how public authorities can incorporate green requirements when procuring IT services. The report describes how the Agency for Digitalization and several other authorities have collectively tested EU's Green Public Procurement Criteria (GPP) for data centers, server rooms and cloud services in a number of public tenders across state, regions and municipalities. The purpose of the testing has been to assess the applicability as well as any potential economic and competitive consequences of using the GPP criteria.

In addition to the above, on June 9, 2022, a revision of the Procurement Law was passed in the Danish parliament. The bill provides the legal basis for the Minister of Industry, Business and Financial Affairs to establish a so-called 'buy green or explain' principle. This means that the Minister of Industry, Business and Financial Affairs can define regulation requiring contracting authorities to explain why environmental or climate considerations were left out of a public tender. However, the principle is not deemed relevant to implement at this moment due to several other national and EU initiatives that has been initiated to promote green public procurement such as Ecodesign (ESPR). Hence, it has been decided to put the implementation of the principle on hold.

Note

¹ The Danish Competition and Consumer Authority (March, 2023). Status for offentlig konkurrence 2022 er udarbejdet af Konkurrence- og Forbrugerstyrelsen. Online ISBN 978-87-7029-800-1.

Estonia

Framework, scope, action-plans

In Estonia, the National Strategy “Estonia 2035” (adopted in 2021) and the Action Plan “Estonia 2035” (adopted in 2022) promote sustainability, and flexible and value-based public procurement, including the prioritisation of environmentally friendly, socially responsible, and innovative services and construction works.

Moreover, Estonia has developed a handbook for Green Public Procurement, and it has published a White Book of Circular Economy, at the end of July 2022. The White Book includes 4 main indicators relating to circular economy:

1. Strong reduction of the total emission of greenhouse gases;
2. Maintaining or improving Estonia's position in achieving global sustainable development goals in the comparative ranking;
3. A strong increase in the amount of circulating material;
4. Valuing resources, i.e. increasing resource productivity.

The Ministry of Environment (currently the Ministry of Climate) has also worked on the development of circular economy indicators (2019) and mapped the current situation of circular economy in Estonia (2020-2021). In the coming years, there are plans to develop a circular economy action plan.

Implementation

Since 1 January 2022, Green Public Procurement is mandatory ([Regulation No.35](#)) at national level for 4 product groups: copying and graphic paper, cleaning products and services, office IT equipment and furniture. The regulation is applicable to all public sector and utilities’ sector public procurement practitioners.

The green requirements developed for these four procurement categories are based on the EU GPP criteria – adapted to the Estonian context. During the summer 2022, the criteria in the e-public procurement register have been updated and guidance material¹ for the implementation of Regulation No. 35 was issued.

The requirements for green public procurements apply from the simplified procurement threshold (EUR 30 000 for goods, services, and works).

Measurement and impact

In Estonia, contracting authorities report through a digital platform linked to the e-Procurement system - through the public procurement register (owned by the state). There is one central procurement register - e-Public Procurement Register.

For Green Public Procurement, targets in terms of percentage of number of all procurements (see Table 6.1), as well as percentage of total procurement values are defined in different years (see Table 6.2). To measure achievement and progress, GPP is periodically monitored through the official electronic public procurement website ([E-Procurement Estonia](#)).

Table 6.1. GPP as % of number of all procurements

Year	Target
2020	4.5%
2021	5.5%
2022	6.9%
2025	9%
2035	20%

Source: information provided by Estonia

Table 6.2. GPP as % of total public procurement cost

Year	Target
2020	15.7%
2021	13.3%
2022	16.24%
2025	25%
2035	30%

Source: information provided by Estonia.

Recent developments

On 16 November 2023, the Government of Estonia adopted the Strategic Principles for Public Procurement:

1. Socially responsible;
2. Innovative;
3. Environmentally friendly (GPP);
4. Reasonable and reliable;
5. Resilient by reducing security risks.

The Ministry of Climate and the Ministry of Finance are responsible for promoting GPP and work closely together on these issues. Moreover, in 2024, the Ministry of Climate and Ministry of Economic Affairs and Communication, in collaboration with Ministry of Finance, will develop an Action for promoting strategic procurement in Estonia. The Ministry of Finance and the OECD are also actively co-operating through TSI Project on the professionalisation of public procurement personnel to support the wider uptake of strategic procurement.

The Ministry of Climate is now analysing 2 new categories of products to develop mandatory green criteria, which are planned to be adopted in the first half of 2024:

- Road lighting and traffic signals;
- Imaging Equipment, Consumables, and Print services.

Moreover, on 24 February 2023, the Regulation No. 6 on Clean Vehicles (CVD 1161) was adopted and applies to all contracting authorities.

In the public procurement register, the following developments are taking place:

- Monitoring system of clean vehicles through e-forms;
- Introduction of the classification of public procurement and its transfer to the e-procurement form;

- Introduction of the new use of the new procurement rules and the introduction of the new use of the register of environmental conditions;
- Possibility to add environmental clauses to selection criteria, contract terms, technical specification, evaluation criteria (currently only as compliance criteria).
- There is now a clear separation between mandatory environmental criteria and selection criteria.

New categories are also being analysed for the mandatory use of GPP and for the development of guidance material for its implementation.

- Textile products and services;
- Design, construction and management of office buildings;
- Design, construction and maintenance of roads;
- Food products, services and vending machines;
- Electricity.

Concerning training and capacity-building for contracting authorities, the following activities are taking place:

- Regular trainings for public procurement practitioners and tenderers;
- Circular Economy Training for Public Sector Staff - module IV: Green Public Procurement;
- Guidance materials and case studies;
- The Ministry of Finance leads the Value-Based Procurement Task Force and Steering Group, which combines Green Public Procurement, Innovative Procurement, and Socially Responsible Procurement.

Moreover, educational videos have been developed and made accessible for public procurement practitioners: "[Environmentally friendly IT procurement in the public procurement register](#)", "[Environmentally friendly procurement of cleaning services in the public procurement register](#)" and "[Environmentally friendly procurement of furniture in the public procurement register](#)".

Note

¹ See <https://envir.ee/ringmajandus/ringmajandus/keskkonnahoidlikud-riigihanked>.

Finland

Framework, scope, action-plans

Finland's National Public Procurement Strategy (2020) aims at strengthening the strategic use of public procurement to achieve wider societal goals, including environmental sustainability. The Strategy promotes ecological responsibility in public procurement operations and activities, at all levels of government, and it defines a set of indicators and an action plan with concrete measures.

To ensure the successful implementation of the Strategy and the achievement of its key objectives, public procurement units are supported by the following, as key partners: Motiva, Hansel Ltd, VTT Technical Research Centre of Finland, the Finnish Environment Institute, Business Finland and the Association of Finnish Local and Regional Authorities, which are all members of the KEINO Competence Centre¹ for Sustainable and Innovative Public Procurement.

The potential of green and low-carbon public procurement to support environmental and climate goals, especially in the construction sector, is also mentioned in the broader National Strategy to achieve carbon neutrality by 2035 - "*Carbon neutral Finland – 2035 national climate and energy strategy*".

Implementation

The National Public Procurement Strategy is not a binding document. Moreover, the regulatory framework governing the public procurement system does not include any mandatory requirements or targets related to GPP. Nevertheless, the National Act on Public Contracts (1397/2016) encourages and enables environmental and social aspects to be taken into account in public procurement procedure. In addition to that, a Government Resolution from 2013 mandates the state and municipalities to promote energy and environmentally efficient solutions. Notably, the state and municipalities are required to consider cleantech solutions in all public procurements.

The Finnish government does not define national GPP criteria that contracting authority can refer to in public tenders. However, the network-based competence centre for sustainable and innovative public procurement KEINO and Motiva Ltd (i.e. a Finnish state company) offer criteria examples and guidance to the public sector on sustainable public procurement. Notably, Motiva Lts provides a help desk service for assistance.

Measurement and impact

Data on public procurement procedures are collected through Hilma, Finland's e-Procurement system where contracting authorities publish notices on upcoming tendering procedures as well as contract award notice on the results of procedures. When publishing a contract notice or a contract award notice, it is a mandatory requirement for contracting authorities to report on the sustainability criteria they have included in the procedure. Reporting is done by choosing which of the following criteria themes the contracting authority has used in the procedure:

- Advancing energy efficiency;
- Diminishing CO₂ emissions;
- Advancing circular economy;
- Advancing biodiversity;

- Advancing sustainable food systems;
- Advancing decent working conditions;
- Use of code of conduct clauses;
- Use of employment clauses;
- Enhancing of innovation by surveying new solutions by market dialogue, or procurement of a new solution for the contracting authority or for the market;
- Enhancing participation for SMEs;
- Enhancing participation for end-users in service design phase.

Data from HILMA is collected in a public procurement dashboard, which is published by Finnish State Treasury. Due to the e-Forms-project, no current information since August 2023 is available. The dashboard will be updated to use information from the new e-Forms in the coming future. The data is published at the [Front page - Exploreadministration.fi](#)².

In Finland, public institutions are not mandated to report on their carbon footprint, although some organisations already do it, on a voluntary basis, as part of their annual report.

Recent developments

Motiva has been developing a sustainability criteria data bank for contracting authorities, and criteria are already available at [Kriteeripankki](#) for different product and service categories, such as food and catering services, energy, transportation, furniture, construction, cleaning services and chemicals, textiles and healthcare. A contracting authority can search criteria by product group, by sustainability goal, or by a search word. The data bank provides information on basic level and for advanced level.

Moreover, Hansel has developed the data tool “Hankintaluotsi” for contracting authorities to choose material sustainability goals and then by procurement case relevant sustainability criteria. The tool is accessible by all contracting authorities that are registered as Hilma users³.

The National Public Procurement Strategy has new programme period 20204-2027, which takes into account on the top of the previous strategic approach, national data management, overall economy and promotion of competition.

Finally, the preparation for government’s decision in principle for national public procurement ecological targets for reduction of carbon- and biodiversity footprints and enhancement of circular procurement are under elaboration in 2024.

Notes

¹ KEINO Competence Center’s term has ended in February 2024 and currently under discussions is new operative knowledge hub.

² The public procurement information pages and follow-up of the use of sustainability criteria are so far available only in Finnish - visit [Hankintastrategian seuranta - Tutkiahallintoa.fi](#).

³ The information is only in Finnish at Hilma - [Ohjeet \(hankintailmoitukset.fi\)](#) and at Hansel pages [Hansel - Hankintaluotsi](#).

France

Framework, scope, action-plans

A National Plan for Sustainable Procurement (PNAD) has been adopted for 2022-2025. This national strategy includes all public and private purchasers, this roadmap sets common objectives and provides for the deployment of tools and support programmes for all buyers.

The National Sustainable Procurement Plan is not referenced in other national commitments or strategies. However, it aligns with the objective set by the Climate and Resilience Law of August 22, 2021, to incorporate environmental considerations into all public procurement contracts by no later than 2026.

The National Sustainable Procurement Plan aims to ensure co-ordination between various procurement strategies and the integration of environmental considerations into all public procurement contracts. Additionally, the goals of the National Plan for Sustainable Procurement (PNAD) align with recent regulatory developments in sustainable public procurement, including the Climate and Resilience Law, the AGECE Law, the EGALIM Law, and the Circular of the Prime Minister of February 25, 2020, on "Eco-Responsible Public Services."

The assessment of coherence between legislative or regulatory texts and PNAD objectives occurs at multiple levels, including annual result measurement, particularly by the Directorate of State Purchases (DAE) for state and public institutions' purchases, and government reporting to Parliament in the context of law implementation.

The General Directorate for Sustainable Development (CGDD), as a cross-cutting department of the Ministry of Ecological Transition and Territorial Cohesion, is responsible for steering the National Sustainable Procurement Plan (PNAD) 2022-2025. It co-ordinates nationwide actions on sustainable procurement across all types of buyers. Meanwhile, the State Purchasing Directorate (DAE), within the scope of the state and its public institutions, is responsible for defining, implementing, and steering responsible purchases in line with PNAD objectives. The DAE operationally integrates environmental considerations into purchasing strategies and inter-ministerial contracts it oversees. It also provides recommendations to buyers for enhancing the environmental quality of purchases and implements an accompanying training programme.

Implementation

The Climate and Resilience Law mandates public buyers to consider environmental and social aspects throughout all stages of public procurement, including defining needs, awarding contracts, and contract execution. This obligation extends to concessions and public service delegations. For major renovations and constructions in public procurement, at least 25% of them must use bio-based or low-carbon materials from 2030 onwards. The law also stipulates that by 2026, 100% of contracts must incorporate environmental considerations, and a life cycle cost calculation tool will be made available to buyers.

France has also endorsed Green Public Procurement (GPP) targets. By 2025, 100% of public procurement contracts must include at least one environmental consideration, and 30% of contracts should include at least one social consideration. In 2026, these targets will become mandatory for buyers under the Climate and Resilience Law (2021). Sector-specific goals are set for buyers in terms of purchasing products from the circular economy, acquiring clean vehicles, buying organic or high-quality products for collective catering. For State and public institution purchases, the State Purchasing Directorate (DAE) sets

progressive annual targets for contracts with environmental considerations: 2022: 40%, 2023: 60%, 2024: 80%, 2025: 100%.

Regarding GPP criteria in France, there are no centrally defined ecological public procurement criteria; the guides provide examples and recommendations for their use at various stages of a procurement project. The DAE's approach is voluntary, considering that there are no "off-the-shelf" clauses and criteria, and they should be adapted to the market's context and challenges.

Measurement and impact

For State purchases in France, annual objectives are set and measured within the eProcurement system. The measurement is automatic by entity (ministries and public institutions), and the results are integrated into the annual report on State purchases submitted to the Prime Minister.

Regarding reporting methods, public entities subject to the provisions of Article 58 of the AGEC law (purchase of goods from reuse, reuse, or recycling) must submit their annual purchasing data to the Economic Observatory of Public Procurement (OECP). All public buyers submit data on responsible purchases (declarations) via the OECP.

Additionally, some contracting authorities report on the application of Sustainable and Responsible Purchasing Schemes (SPASER) or general responsible purchasing strategies developed by local authorities or other contracting authorities.

Recent developments

The French State's Purchases Department, affiliated with the Ministry of the Budget, released its third edition of the "Responsible Purchase" Guide on April 14, 2023. This guide aims to leverage public procurement contracts as a means for advancing sustainable development. It responds to amendments made in May 2022 to article R.2152-7 of the French Public Procurement Code, which mandates the consideration of environmental aspects in contract awards starting from August 21, 2026. The guide urges public purchasers to incorporate diverse environmental, sustainable, or social criteria at every stage of the tender process, from defining their needs to selecting co-contractors. It emphasises the explicit inclusion of environmental and social requirements in procurement contract documentation.

Germany

Framework, scope, action-plans

The Federal Climate Change Act (last amended in 2021) sets the overarching goal of a climate-neutral Federal Administration by 2030. The Act stipulates a requirement according to which the Federal Government needs to consider, in public procurement procedures, how it can contribute to achieving climate protection targets, as specified in the Act itself. The Government must give preference to procuring products that achieve the goal of reducing GHG emissions at the lowest cost, over the entire life cycle.

The German Sustainable Development Programme of Measures, which was last revised in 2021, also aims at ensuring a climate-neutral federal administration by 2030. Notably, Chapter IV focuses on aligning public procurement with the principles underpinning sustainable development and promotes the use of sustainable public procurement, including GPP, at the level of the Federal Government.

The German Sustainable Development Programme of Measures sets the basis for the creation of the Inter-ministerial Committee for Sustainable Public Procurement (*Interministerieller Ausschuss für nachhaltige öffentliche Beschaffung*). The Committee was established in June 2022, and it is co-lead by the Federal Ministry for Economic Affairs and Climate Action and the Federal Ministry of the Interior and Community. Its tasks include, among other things, the identification of priority products and services for sustainability purposes, the definition of sustainability criteria and requirements for public procurement at the federal level. The task is also to steer and co-ordinate measures to promote sustainable procurement, including the participation of the Länder, municipalities and civil society, with the aim of creating a practice of sustainable procurement that is as uniform as possible across Germany.

Implementation

GPP-related targets at the Federal level have been defined for textile and vehicles; the German Sustainable Development Programme of Measures stipulates GPP targets for products like hygiene paper, work shoes and furniture. The measures implemented are reviewed as part of a monitoring process annually.

Moreover, the Circular Economy Act mandates contracting authorities to integrate the environmental-protection and waste-prevention criteria in public tenders. Notably, it requires contracting authorities to opt for solutions that limit the production of waste and pollution, promote resource-efficiency, and that are characterised by durability, repairability, re-useability and recyclability.

The German Sustainable Development Programmes of Measures also sets out special provisions for the procurement of certain product categories (i.e. textiles, cleaning products, ICT, working shoes, furniture, copy paper, toilet tissue, catering services and food) to integrate sustainability considerations, but these only apply to procurement at the federal level.

Moreover, the General Administrative Instruction on the Procurement of Climate-friendly Services (2022) - also known as "AVV Klima" - contains specific obligations to promote climate-friendly solutions at the award stage. For example, it requires to use quality label (e.g. the Blue Angel or the European Ecolabel), as well as to consider energy-efficiency performance, life-cycle costs, GHG emissions. The AVV Klima also introduces a "negative" list of products and services that Federal Government Departments should no longer procure. The list, among other things, covers refrigeration, air conditioning and the building sector:

- Multisplit/VRF air conditioners with more than 10 kilowatts nominal cooling capacity;

- Liquid chillers with more than 10 kilowatts nominal cooling capacity with refrigerant GWP \geq 150;
- Refrigerators and freezers and other stationary and mobile refrigeration and air-conditioning equipment with halogenated refrigerants (if alternatives are available on the market);
- Building materials containing or manufactured using hydrochlorofluorocarbons and hydrofluorocarbons.

To support the implementation of GPP across Germany, guidance is provided by the National Competence Center for Sustainable Public Procurement (KNB) and by the Competence Centers created by individual federal states (e.g. Berlin, Bremen, Schleswig-Holstein).

The KNB is based at the Procurement Office of the Federal Ministry of the Interior and Community (BMI), and it advises all public procurement offices in Germany on environmental, economic, and social criteria. In addition to that, it offers training modules for public authorities in the field of sustainable procurement. Information on sustainable procurement by federal, land, and municipal authorities can be accessed on the KNB website. Furthermore, KNB is launching the Joint Federal-Länder-Training Initiative for Sustainable Procurement (“Gemeinsame Bund-Länder-Fortbildungsinitiative”), together with federal states. Some of participating federal states include Bavaria, Rhineland-Palatinate, North Rhine-Westphalia and Hamburg, which concluded administrative agreements. The aim is to broadly support procurement offices with training courses on sustainable procurement.

Measurement and impact

In accordance with the Public Procurement Statistics Ordinance (VergStatVO), contracting authorities are required to transmit data on procurement procedures to the Federal Statistical Office. Since October 2020, data on public contracts have been systematically collected by the Federal Statistical Office across the entire national territory, and this data is also publicly available. Moreover, the statistics can also show whether contracting authorities have used sustainability criteria in public tenders; from certain thresholds on, there is a mandatory requirement for contracting authorities to report on the use of GPP.

Recent developments

Since 2023 the German Federal Ministry for Economic Affairs and Climate Action is working on a “procurement transformation package” (*Vergabetransformationspaket*), which aims at strengthening the mandatory use of GPP criteria in the national public procurement Law.

Moreover, the role of public procurement to achieve environmental objectives and promote a resource-efficient economy is going to be mentioned in the National Strategy for Circular Economy (expected in 2024).

Greece

Framework, scope, action-plans

In Greece, the first GPP National Action Plan (NAP) was published in 2021 and over the period 2021-2023. The Action Plan is revised every three years, or earlier if needed.

Implementation

The NAP on GPP promotes the use of EU GPP criteria. Moreover, Greece has set out mandatory requirements to use GPP for certain procurement categories: copying and graphic paper, computers and monitors, imaging equipment, LED lamps for interior lighting, air conditioning machines, lubricants (regenerated and biodegradable), road transport, road lighting and traffic signals.

Greece has also defined GPP-related targets. Notably, GPP targets differ across procurement categories. It varies from 20% for some categories to 80% for some other categories. Most of the categories have a GPP target set at 50%.

GPP mandatory requirements and targets apply to all contracting authorities. More precisely, public procurement practitioners across all levels of government will have to gradually adopt at least the core criteria presented in the Annex to the NAP on GPP, both for mandatory and the non-mandatory categories. In the first year, the requirement applies only to governmental public authorities. In the second year, it applies also to non-governmental public authorities (i.e. municipalities and regions), while in the third year, the requirement will expand to all remaining public authorities. Greek authorities have defined:

1. The quantitative targets for the years 2021-2023, in terms of the mandatory and non-mandatory implementation of public contracts categories, related to the procurement of certain goods and services;
2. The dates of activation, as regards to the specific levels of government obligated to implement the relative green criteria: 1 January 2021 and on for central governmental authorities, 1 January 2022 for the rest of the contracting authorities, and 1 January 2023 for domestic contracting entities.

Measurement and impact

To support the uptake of GPP practices in Greece, the National Action Plan (NAP) on GPP incorporates monitoring and evaluation through goal assessment. The administrative units of contracting authorities are required to complete a questionnaire containing specific information on annual quantitative Key Performance Indicators (KPIs) and submit it digitally.

The questionnaire prompts contracting authorities to report on the number of contracts based on the "green" objectives of the NAP or EU identical criteria across 15 specified categories. Additionally, contracting authorities provide feedback on various aspects of their procurement processes, including participation in relevant seminars and workshops. This information allows public authorities to assess participants' data, leading to the development of related metrics based on responses from a sample of 310 contracting authorities in total.

Hungary

Framework, scope, action-plans

National GPP strategy in development at the time of the survey.

Implementation

Although the GPP was in development at the time of the survey, Hungary already had mandatory requirements in place to use GPP for specific purchasing categories:

- For public catering: contracting authorities are obliged to insert as contract performance clause the following: minimum 60% of the total value of products procured; minimum 80% of the total value of products procured shall consist of products procured in short public catering supply chains, respectively shall originate from local food products. Furthermore, pursuant to Government Decree No. 676/2020, the contracting authority shall consider at least three out of the following criteria upon establishing award criteria, and shall not apply the criterion of lowest price as single award criterion concerning public food services:
 - a. Out of the total value of all products procured, in terms of the aggregated proportion of products procured in public catering short supply chain and local food products, a more favourable (higher) undertaking than the proportion(s) set as mandatory contractual clause in the procedure;
 - b. The shortest possible delivery period between the location of food preparation and dishing;
 - c. Highest possible share of products originating from organic farming in the food delivered;
 - d. Highest possible share of food with labels required in the procedure in the food delivered;
 - e. Undertaking to implement customer feedback system, users of the service have the documented possibility to express their opinion and provide feedback;
 - f. Provision of vegetables, fruits more often than as laid down in the provisions of the decree on nutrition and health;
 - g. Provision of wholegrain based food more often than as laid down in the provisions of the decree on nutrition and health;
 - h. The service provider undertakes to provide dietetic catering.
- The Act on Energy Efficiency imposes an obligation for certain central contracting authorities, that in terms of procurements reaching or exceeding EU thresholds, only highly energy efficient products, services and public works shall be procured, provided the procurement complies with cost efficiency, economic feasibility, technical suitability and competition, in line with Directive 2012/27/EU.
- Clean vehicles: the transposition of the new clean vehicles Directive was still in progress at the time of the Survey. Government decree No. 48/2011 on promoting the procurement of environmentally friendly and energy efficient road transport vehicles lays down that upon procuring road vehicles, contracting authorities and bus service providers are obliged to consider the full lifecycle energetic and environmental effects related to the operation of the vehicles and include and implement this by including as a technical suitability criterion or evaluation criterion.
- Central purchasing: Government Decree No. 168/2004 on the central purchasing system sets forth the mandatory criteria to be implemented upon the purchasing of focus products and establishes that among others, environmental criteria to be considered shall be clearly specified in terms of the public procurement of focus products.

Measurement and impact

Contracting authorities in Hungary report through a digital platform linked to the eProcurement system. As of 1 January 2021, the contract registry of the Electronic Public Procurement System enables data collection in terms of the application green criteria also above EU thresholds.

Recent developments

Since the launch of the OECD GPP Survey, Hungary has adopted a GPP strategy for the period 2022-2027 which envisaged the development of tools and incentives to support the development of green public procurement practices. The Council operating within the framework of the Public Procurement Authority also adopted three new “green” Guides:

1. A Guide on Indoor Cleaning Services to support contracting authorities in the uptake of GPP for the procurement of these services;
2. A Guide on Green Public Procurement of Graphic Paper that outlines the EU GPP criteria for copying and graphic paper and presents European and Hungarian good practice examples and their key lessons learnt;
3. A Guide on Green Public Procurement of Furniture that presents the relevant EU GPP criteria, eco-labels as well as international and national best practice examples to stimulate Hungarian contracting authorities.

In 2023, the Public Procurement Authority also published a series of GPP leaflets¹, which aim at promoting the change of attitude required for the implementation of GPP. The publications focus on key issues of sustainable public procurement and tackle the following topics:

- Reduction of waste in public procurement
- Procurement of public supplies
- Sustainable public works: the BIM methodology
- Sustainable public catering
- The Green Public Procurement Strategy of Hungary
- Circular public procurement

Note

¹ <https://fenntarthato.kozbeszerzes.hu/>.

Iceland

Framework, scope, action-plans

Iceland has a GPP strategy in place, which was last revised in 2021. A detailed action plan accompanies the strategy that ensures alignment between the relevant bodies.

GPP is mentioned in national commitments on climate action.

All public procurement for Central Government Agencies is co-ordinated through Ríkiskaup, the Central Procurement Body, in Iceland. They are also responsible for majority of the action items for the Sustainable Procurement Policy, and have an active role in collaboration with market, Environmental Agency, and relevant ministries.

Furthermore, Central Procurement Body, in collaboration with the Environment Agency and market participants, is working on guidelines and tools to facilitate the calculation of the life cycle costs of goods and services. Initially, emphasis will be placed on product categories for which there are European guidelines and aids (purchase of vending machines, printers and copiers, computers and monitors, indoor lighting and outdoor lighting). The main uncertainties in the life cycle cost calculations will be analysed.

Implementation

Iceland has adopted mandatory requirements to use GPP for procurement above a certain monetary threshold, and for specific purchasing categories. Most notably, the Action Plan identifies certain categories for implementation but the practice of GPP has exceeded the mentioned categories. Ríkiskaup annually reviews the product categories covered by this, in consultation with the Environment and Food Agency, until all competent agreements are environmentally friendly. The mandatory requirements to use GPP apply at all levels of government.

Iceland has also adopted GPP targets, which apply at all levels of government. In terms of GPP criteria, the action plan refers to the published European GPP criteria, as well as national examples (all tenders go through Central Procurement Body that has all those prior examples in stock).

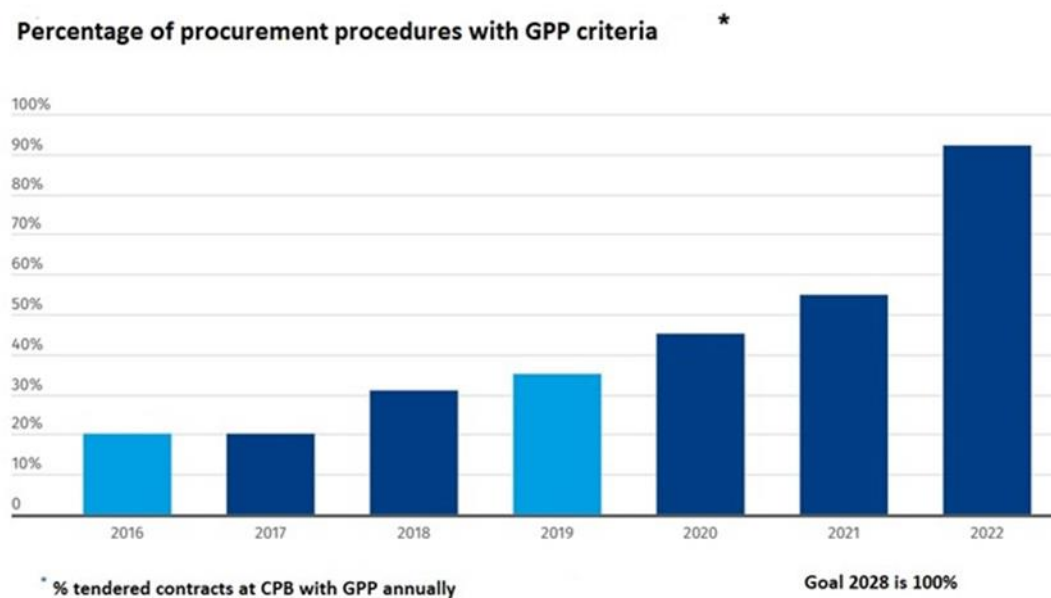
Measurement and impact

Contracting authorities in Iceland report through an independent digital platform that is not linked to the eProcurement system: Green Accounting through Green Steps.

Through Green Steps Accounting information is collected on the factors that cause negative environmental effects. Greenhouse gas emissions from transport, waste and energy consumption are calculated automatically. A summary of Green Accounting is useful for communicating environmental policy. Figures from Green Accounting highlight what could be done better with the operation. The Green Accounting Report provides information to the public about the agency.

A central measurement of the GPP strategy is the percentage of central government procurement procedures where some green criteria is utilised. The statistics are publicly available online.

Figure 6.1. Percentage (%) of central government procurement procedure with GPP criteria



Source: <https://www.stjornarradid.is/verkefni/rekstur-og-eignir-rikisins/opinber-innkaup/>

Recent developments

In the 2024 budget proposal, the government has announced a plan to publish a new and updated action plan for the GPP strategy in 2024¹.

The Iceland's government has also implemented a regulation for the promotion of clean and energy-efficient road transport vehicles where the country goal for light vehicles has been set at 38.5%. The government has been tracking the procurement of clean vehicles for central government entities and the percentage of electric car has gone from 8% of new car registrations for light vehicles to 43% in 2021². The statistic is not available for the whole public sector but clean vehicles as % of all vehicles on the road is at 8% in Iceland and as percentage of new car registration at 33% for electric cars and 22% for hybrid.

Notes

¹ See page 205 at <https://www.stjornarradid.is/library/03-Verkefni/Efnahagsmal-og-opinber-fjarmal/Fjarlagafrumvarp-fyrir-2024/Skjolin/Frumvarp-til-fjarlaga-2024.pdf>.

² See <https://www.stjornarradid.is/efst-a-baugi/frettir/stok-frett/2021/06/03/Stofnanir-sameinast-um-orutbod-a-rafbilum/>.

Ireland

Framework, scope, action-plans

In Ireland, “*Green Tenders*” (2012) constitutes the National Action Plan on Green Public Procurement (GPP). In addition to that, GPP is also part of Ireland’s Climate Action Plan 2019 and 2021.

Notably, the Circular 20/2019 “Promoting the use of Environmental and Social Considerations in Public Procurement” was developed in response to a GPP action included in the Climate Action Plan 2019. It addresses government Departments, and it represents an important piece of the national policy on GPP.

The Climate Action Charter for Local Authorities acknowledges that local authorities, with the support of Central Government, will implement green public procurement strategy and procedures across all business areas. GPP is also included in the Local Authority sector strategy for delivering on the Climate Action Charter and Climate Action Plan ([delivering-effective-climate-action-2030.pdf \(lgma.ie\)](#)).

The Strategic Procurement Advisory Group brings together officials from policy Departments with procurement practitioners to facilitate the process of incorporating social and environmental considerations into public procurement. In 2021, the Department of the Environment, Climate and Communications (DECC) and the Office of Government Procurement (OGP) jointly formed an Environmental subgroup of that Advisory Group. This subgroup includes representatives from key environmental agencies, such as the Environmental Protection Agency (EPA) and the Sustainable Energy Authority of Ireland (SEAI), as well as officials from all the relevant environmental policy units in DECC, including public sector lead in relation to climate action, the circular economy, and the bioeconomy. The group ensures awareness across policy briefs in relation to developments in GPP including in relation to reporting and training.

Implementation

There are no mandatory requirements to use GPP in Ireland, with the exceptions that the Energy Efficiency Regulations require that public bodies only procure equipment or vehicles that are included on the Triple E Register or meet the relevant energy-efficiency criteria, and that the amended Clean and Energy Efficient Road Transport Vehicles Regulations require contracting authorities and contracting entities to take energy and environmental impacts into account when purchasing road transport vehicles. The Circular 20/2019 “instructs Departments to consider including green criteria in public procurement processes in the following circumstances where: clearly defined, quantifiable, verifiable and measurable criteria have been developed by the Department of Communications, Climate Action and Environment and are relevant to the specific procurement process; and the cost can be met within a department’s existing budget without impacting on service delivery”. The current Program for Government states that “we will mandate the inclusion of green criteria in all procurements using public funds”.

Green Tenders provides guidance on the definition and use of GPP criteria for certain purchasing categories, at all levels of government: construction, energy, transport, food and catering services, cleaning products and services, paper, uniforms and other textiles, and ICT. These groups were chosen according to proportion of public expenditure, scope for environmental improvement, potential impact on suppliers, potential for setting an example to private or corporate consumers, political sensitivity, existence of relevant and easy-to-use criteria, and market availability and economic efficiency. Green Tenders’ target for these sectors is 50% GPP: “Green Tenders adopts the indicative EU political target of 50% of GPP, where GPP means incorporating green criteria into the procurement contract. This target will apply in respect of both the number and the value of public procurement contracts concluded. The focus initially will be on the number, ensuring that as soon as possible, at least half of such contracts will include core GPP criteria – i.e. criteria that are suitable for use by any contracting authority, and address the key environmental

impacts. Simultaneously, monitoring of these contracts will also take account of their monetary value, aspiring to meet and exceed 50% of expenditure on public procurement. In the first instance, targets will apply to eight priority product groups”.

Two years after publication of Green Tenders, the Environmental Protection Agency (EPA) published the Green Public Procurement Guidance for the Public Sector that contained the “Irish GPP criteria” for priority sectors. In 2021, the criteria were updated and expanded to include two more priority sectors: road transport vehicles and services, and indoor and outdoor lighting.

The Irish GPP criteria can be copied and pasted directly into tender documents (although sometimes some minor adjustment may be necessary), and the methods of verification are provided for each criterion. Moreover, technical specifications, selection criteria, award criteria, and contract performance clauses are included, as appropriate for a particular category. The Irish GPP Criteria can be accessed online via GPP Criteria Search (www.gppcriteria.gov.ie). The online search tool facilitates ease of use of the green criteria published by the EPA.

Measurement and impact

In Ireland, contracting authorities report on GPP only at central government. The Circular 20/2019 introduced the requirement for government Departments to report on GPP in their annual reports. Government Departments have included information on GPP in their annual reports from 2020 onwards. Additionally, the EPA has developed a GPP reporting template. For 2020, this monitored total number and value of contracts issued over EUR 25 000 by priority sector, and total number and value of contracts issued over EUR 25 000 by priority sector that have incorporated GPP. The priority sectors were the eight priority sectors defined in Green Tenders. In 2021, government Departments first reported to the EPA on their 2020 GPP. To address the reporting requirements in Circular 20/2019, the EPA developed a GPP reporting template. For 2020, this monitored total number and value of contracts issued over EUR 25 000 by priority sector, and total number and value of contracts issued over EUR 25 000 by priority sector that have incorporated GPP. The priority sectors were the eight priority sectors defined in Green Tenders.

Departments similarly reported to the EPA on their procurement. The EPA has published 3 reports on GPP activity in Government Departments (reference years 2020, 2021 & 2022 (<https://www.epa.ie/our-services/monitoring--assessment/circular-economy/green-public-procurement/>)).

Separately, there is national reporting on waste and on greenhouse gas emissions. Since Climate Action Plan 2021, public bodies report annually on progress to reduce the emissions associated with their energy use. This does not, however, include energy use along the supply chain. Some contracting authorities are monitoring diverse impacts of specific procurements such as emissions reductions or reductions in waste or chemical usage. Contracting authority are not yet aggregating these impacts across procurements, but some local authorities and some third level bodies are showing ambition in monitoring impacts as part of their wider sustainability or climate action strategies.

Recent developments

A public consultation has been launched on the draft Green Public Procurement Strategy and Action Plan 2023-2027. The final Green Public Procurement Strategy and Action Plan will replace the current national policy “Green Tenders”, which is over ten years old. Some of the key features of the draft include:

- Measures to implement GPP;
- GPP monitoring and reporting;
- GPP training and awareness;
- Further development of national GPP guidance and criteria.

Israel

Framework, scope, action-plans

In Israel, Government decision No. 1057 – "Green government" and its correction - Government decision No. 5090, direct all ministries to lessen its use of water, energy, fuels and paper, as well as consider environmental issues in its procurement. The legal framework on GPP was last revised in 2012.

Implementation

Government decision No.1418 stipulates that government ministries will not purchase disposable tableware. Regarding office equipment, at least 20% of each ministry's expenditure on office equipment must be by "green tenders". Furthermore, at least 50% of all paper used by any ministry must be recycled or from sustainable sources.

Israel has adopted targets for specific purchasing categories: According to government decision No. 5090, at least 20% of each ministry's expenditure on office equipment must be done through "green tenders".

The administrative Code States that when defining minimum compliance criteria for a contract "sustainability requirements" can be specified. An Israeli standard or another international standard recognised for purposes of these Regulations by the Ministry of Environmental Protection can also be used as reference to specify the minimum level of compliance.

The Ministry of Environmental Protection has issued several product pages describing the environmental impacts of the product or service required and enumerates possible detailed requirements for reducing these impacts, references for testing them, and their impact on cost throughout the product life cycle.

Measurement and impact

Contracting authorities in Israel report through excel files, emails, or paper-based forms. All government ministries had to submit the required information to the Ministry of Environmental Protection. The ministry had monitored the data and published annual reports that were uploaded to the ministry's website. Since 2014, no data has been collected.

Italy

Framework, scope, action-plans

Italy, under a primary law, approved its first Green Public Procurement National Action Plan (GPP NAP) back in 2008. The Plan was reviewed and updated in 2013 and replaced in August 2023, after the closure of the Survey.

The same law states also that, within the GPP NAP, the Minimum Environmental Criteria (MEC) are adopted by decrees of the Minister of Environment and Energy Security. MEC are a set of GPP criteria defined as technical specifications, contractual clauses, award criteria and selection criteria referred to a quite long list of products, services and works. Since 2016, under the public contract code, contracting authorities are obliged to fulfil the tender documents with technical specifications and contractual clauses of the MEC, also to take into account the award criteria of the MEC where the tender is awarded with the quality ratio.

The GPP NAP explains how the SPP-Sustainable *Procurement* Process or GPP could contribute to achieve environmental, social and economic targets and suggest actions to public bodies, regions, contracting authorities and specific stakeholders to reinforce the effectiveness of the national GPP policy to carry out sustainability objectives.

For instance, the plan sets out specific provisions for contracting authorities, including:

- Carry out a needs assessment with the aim of avoid or reduce consumption and fostering the decoupling between economic development and environmental degradation;
- Identify functional competences for the implementation of GPP;
- Draw up an internal programme with the main actions to foster GPP policies;
- Promote the use of specific public procurement procedures involving economic operators, especially in the case of public procurement categories not covered by Minimum Environmental Criteria, to identify the environmental better solution through the tender process.

The GPP NAP identifies the main technical reference (first of all, the EU GPP criteria), the general criteria of the procedure to define the MEC and the target stakeholders to involve in the consultation phase.

Moreover, the Plan underlines the importance of a monitoring system to keep track of the use of GPP, the training and the capacity buildings programmes and mentions the state of the art on these activities developed at national level.

GPP is also mentioned as a key leverage to achieve broader national commitments and goals. For instance, it is part of the National Strategy for Circular Economy, the National Recovery and Resilience Plan, and the National Plan for the Ecological Transition.

Implementation

In Italy, as above mentioned, since February 2016 under the public contract code, the use of national GPP criteria is mandatory across all Italian contracting authorities. This legal provision involves all the categories of supplies, services and works for which MEC are in force, regardless the value of the tender, including contracts below the EU thresholds.

To date, MEC are in force for many different procurement categories, including textile, vehicles, catering services, food supplies and vending machine service, managed print service, imaging equipment, indoor and outdoor furniture, work shoes, public lighting service and supplies, energy services for buildings, incontinence aids, urban furniture, urban waste management, paper, energy services for buildings, cleaning and sanitizing services, design, construction, renovation of buildings, cartridges, public space maintenance (gardening service), organisation and management of events. MEC are constantly updated; new procurement categories are added yearly. In 2022 the published tender value of the procurement initiatives where MEC were in force was about EUR 29.3 billion. The total value awarded was EUR 10.5 billion. The total value of Consip green procurement in 2022 (framework agreement and framework contracts, DPS and MEPA) was EUR 10.8 billion.

Measurement and impact

At national level the implementation of a pilot methodology, sample based, to monitor the use of the MEC in some product groups, using data extract through a digital platform of the National Observatory of Public Contract managed by the National Anti-Corruption Authority (Autorita' Nazionale Anti-Corruzione, ANAC) is developing.

Some contracting authorities - especially at the regional level – are likely to report on the emissions savings achieved through green public tenders.

Recent developments

In 2023, a new legislative framework for public procurement, also known as the Public Procurement Code (i.e. the Legislative Decree No. 36/2023), came into force and introduced some novelties in the use of CAM. The new Code still envisages the requirement to include CAM in all public tenders, but it also gives more discretionary power to contracting authorities. Most notably, the inclusion of CAM should now adapt to the type and value of the tender.

Japan

Framework, scope, action-plans

The Act on Promotion of Procurement of Environmental Goods by the Government (Green Purchasing Act) was last revised in 2022.

It is mentioned in the Plan for Global Warming Countermeasures and National action plan.

The details of Japan's GPP policy are stipulated in its basic policy, which is to be reviewed annually and will be revised as necessary. This review will be carried out by establishing a review committee in consideration of the national environmental policy.

The Ministry of environment ensures co-ordination between environmental and GPP measures.

Implementation

Japan has adopted mandatory requirements for specific purchasing categories: As a specific purchasing category, Designated Procurement Items are set in the basic policy. Mandatory requirements apply for central government: Every fiscal year, the national government and other organisations must prepare a policy for promoting the procurement of Eco-Friendly Goods in accordance with the Basic Policy. The policy will be made public.

Japan also adopted GPP targets for specific purchasing categories: The national government and other organisations set targets for each specific purchasing category defined in the basic policy. These targets apply Regarding the existence of GPP criteria: The types of environmental goods, etc. that the national government and other organisations should promote procurement with particular emphasis and their standards are stipulated in the basic policy as Designated Procurement Items and GPP standards.

Measurement and impact

Contracting authorities in Japan report through excel files, emails, or paper-based forms: The national government and other organisations aggregates the number of Designated Procurement Items procured in Excel, reports it to the Ministry of the Environment every year, and publishes it on the website. These data collections are, of course, continuing, but aggregated data is "quantity" data, not cost.

Japan produces an estimated effect of CO₂ emissions by GPP based on the aggregation and analysis results of Japan's GPP but does not consider this as a standardised methodology to evaluate CO₂ emissions in public tender.

At the national level, Japan has an aggregated evaluation of impact of GPP: Aggregated evaluation of Estimated effect of CO₂ emissions by GPP is carried out every year and made public.

Korea

Framework, scope, action-plans

The Republic of Korea has the Act on the promotion of purchase of green products, based on which GPP issues are tackled. The purpose of this Act is to prevent waste of resources and environmental pollution and contribute to the reduction of the greenhouse gas emission and the sustainable development of the national economy by encouraging purchase of green products. (Article1)

The Act was last revised in 2021.

To attain net-zero emissions, Korea has established and implemented the Framework Act on carbon neutrality and green growth for coping with climate crisis. According to Article 5, public institutions are required to purchase green products first in order to transition to a carbon-neutral society and refer to the GPP policy.

Both environmental and GPP policies are co-ordinated under the Act on the promotion of purchase of green products and the 'green' concept is well reflected in procurement procedures for the environmentally friendly implementation of public procurement.

The Korean Ministry of environment ensures co-ordination between environmental and GPP priorities.

Implementation

Korea has mandatory requirements to use GPP at all levels of government: When public institutions intend to purchase any product, they shall purchase a green product with a few exceptions (Article 6 of the Act on the promotion of purchase of green products)

Korea also adopted targets in terms of share of procurement subject to GPP at all levels of government: 'The master plan for encouraging purchase of green products' sets the target amount for purchasing green products. Accordingly, public institutions set its own target in terms of market share on 'the purchasing plan of green products'.

Regarding the existence of GPP criteria: Article 2-2 of the Act on the promotion of purchase of green products specifically stipulates the scope of green products subject to priority purchase by public institutions. In addition, the public procurement service has provided minimum-requirement guidelines of green products for 100 product categories.

Measurement and impact

Contracting authorities in Korea report on GPP spend through a digital platform linked to the eProcurement system. The Republic of Korea is a front-runner in the use of electronic procurement systems and digital platforms for GPP monitoring. The early implementation of the Korean Online E-Procurement System (KONEPS), KONEPS e-shopping malls, KEITI's Green Procurement Information System (GPIS-I) and the most recent developments of the Public Procurement Data System enable the automatic collection of GPP data across all levels of government.

The national government monitors GPP across 40 000 different procuring entities, mainly through the GPIS-I online monitoring system. It also provides graphic representations of the organisations' GPP plans, records and environmental benefits. The system monitors two key GPP-indicators: The number of agencies submitting GPP implementation plans and performance reports and purchases of green products (e.g. units and expenditure on ecolabel products, percentage of green purchases compared to total expenditure in priority product groups). Moreover, the central government, local governments, and public education authorities now produce annual procurement records through their online accounting systems that can be directly integrated into GPIS-I.

Latvia

Framework, scope, action-plans

In Latvia, the regulatory instrument prepared by the Ministry of Environmental Protection and Regional Development and approved by the Cabinet of Ministers – Regulation on Requirements for Green Public Procurement and Procedures for Application – is in force since 1st of July 2017. The regulations of Cabinet of Ministers No. 353 determine the requirements and criteria for green public procurement (GPP) and procedures for its application. In 2020 and 2023 amendments were made to the regulations of Cabinet of Ministers No. 353 reviewing GPP criteria for several groups of goods and services and creating new GPP criteria.

Informative report "Latvia's strategy for climate neutrality by 2050" to achieve climate neutrality mention GPP as one the activities to be conducted.

Regarding Cabinet of Ministers regulation No 353 "Requirements for Green Public Procurement and Procedures for Application", the Ministry of Environmental Protection and Regional Development shall be the institution responsible for the procedures for the application of the green procurement, implementation, supervision, and evaluation. However, the understanding and support of the other ministries is essential for the achievement of the common, green goals.

Implementation

The Regulation on Requirements for Green Public Procurement and Procedures for Application and the regulations of Cabinet of Ministers No. 353 determines the requirements and criteria for green public procurement (GPP) and procedures for its application. The regulatory framework is regularly reviewed and adapted to the current situation.

To ensure the GPP implementation, monitoring and assessment, the Regulation (Annex 1) defines groups of products and services for which the application of GPP is mandatory: 1) Office paper; 2) Printing equipment; 3) Computer equipment and information and communication technology (ICT) infrastructure; 4) Food and catering services; 5) Cleaning products and services; 6) Indoor lighting; 7) Street lighting and traffic signals; 8) New construction, reconstruction, design and demolition of buildings of the third group 9) Purchase of light passenger cars and light commercial vehicles.

The mandatory requirements apply at all levels of state and municipal government. Green public procurement must be applied to institutions that conduct procurement in accordance with the Law on Public Procurement and the Law on Procurement of Public Service Providers.

The Regulation also defines the GPP requirements and criteria for the groups of products, services and activities, where GPP application is voluntary. In total, there are 14 groups to which GPP applies voluntarily.

Measurement and impact

Public institutions in Latvia report through a digital platform linked to the eProcurement system. Public institutions publish procurements in the electronic procurement system, where it is indicated whether environmental criteria are included in the procurement. Every year by May 1, the Ministry of Environmental Protection and Regional Development conducts an evaluation by developing the Informative Report on the application of green public procurement.

Lithuania

Framework, scope, action-plans

The XVIII Programme of the Government of the Republic of Lithuania, approved by Government Resolution on the 11th of December 2020, has set the vision for GPP as one of the key instruments in greening the public sector and shifting the market towards a green economy. The National Progress Plan 2021-2030 (Government Resolution 2020-09-09 No. 998) also highlights the need to increase the proportion of GPP in public procurement. This Plan is of most significant importance for Lithuanian development which defines objectives and indicators for sustainable development.

Following this Government Resolution No. 478, the Minister of Environment on July 30th, 2021, signed order Nr. D1-448 for Green Public Procurement Plan 2021-2025 Strategy and Implementation which delegates the tasks and defines the timeline for various strategic objectives until 2025.

According to Government Resolution No. 478, all contracting authorities must apply the green purchasing rules and criteria when purchasing goods, works, or services. The rules and criteria for green purchasing are detailed by the Order of the Minister of Environment No. D1-508.

The Climate Action Agenda approved by the Lithuanian Parliament on the 30th of June 2021 by Resolution No. XIV-490 also highlights that green purchasing must become a dominant practice as of 2023.

National Energy and Climate Action Plan of the Republic of Lithuania 2021-2030 emphasises GPP as a policy measure to minimise transport sector pollution and create a stimulus for investments in green technologies and innovation. GPP shall also extend the scope and commitment of the public sector to climate neutrality.

The Ministry of Environment Sustainable Development and Strategic Change division has a unit of Green Public Procurement policy. This unit is predominantly focused on GPP national policy and co-ordination. The GPP unit is specifically working with the rules and criteria for GPP as well as co-ordinating the actions and plans with the Public Procurement Office.

Implementation

According to the Government Resolution No. 478 all purchasing organisations as they are defined by the Law of Public Procurement as well as organisations that are using EU funds have to purchase goods, works and services with the least environmental footprint possible. All purchases must integrate the GPP criteria and reach the 50% of total PP done per year in 2022 and 100% in 2023. There are exceptions when purchasing low value goods is done without a contract (by voice) (up to 5000 EUR), as well as international donors projects, and the food purchases for the national defense and NATO missions and objectives.

To implement the Programme of the Government, Government Resolution No. 478 On Green Public Procurement Goals and Implementation was signed on 21st June 2021, which established national targets for GPP % of all public procurement value: >10 % in 2021, >50 % in 2022, and 100 % in 2023 and onwards. According to the Resolution public institutions must also integrate the GPP commitments in the internal strategic documents and frameworks.

Public procurement office has established a sustainable procurement division – a Competence center, which is responsible for consulting public authorities with regards to procurement practices when implementing environmental criteria. This Competence center is especially significant establishment that is pivotal in ensuring that public institutions and organisations can meet the Governments ambitions for GPP.

Measurement and impact

Public institutions report on GPP through a digital platform linked to the eProcurement system: The purchasing organisations must file all the purchasing documents and provide those to Central Public Procurement Information System. The GPP reporting is also provided to the Public Procurement Office, who collects the data and shows the live statistics on the GPP. (<https://vpt.lrv.lt/lt/statistika-ir-analize/pirkimu-vykdytoju-zemelapis-svieslente-1/>)

Recent developments

Public Procurement Office launched a new IT tool for presenting all green public procurement data visually. This tool helps to filter and see the data about the specific criteria used for all green public procurements. This tool is very important in understanding what specific criteria is used, how its used and for what exact goods or services it has been applied. It helps to see trends and provide additional insight for the Competence center and the Ministry of Environment.

As part of EU LIFE IP EnerLit project, Lithuanian Ministry of Environment in 2023, launched a study for GPP impact analysis. Given that there is a huge gap in the data available, regarding the GPP impact on purchasing decisions and environment overall, the Ministry of Environment launched the study with the objectives to collect empirical evidence to better understand, what is the impact of the GPP policy by comparing various goods and services. This analysis, by the means of collaborative interviews with specific sectors, shall also present how the industry is impacted by the policy. The analysis is expected to be finalised in the first quarter of 2024.

Additionally, Lithuania is pushing forward with the GPP policy in the construction sector specifically. Lithuanian Government in July has come to a decision to approve a legislation which aims at improving sustainable construction in public sector. At least 50 per cent of wood and other organic-based construction products will be used in the construction of the public buildings from November 2024. Accordingly, the Ministry of Environment will have to review and update the GPP environmental criteria by establishing requirements for the wood and other construction materials by the November 2024.

Lithuania is one of the leading countries in the EU and worldwide regarding GPP policy implementation. As part of the Greening Government Initiative (GGI) network, Lithuania delivered a roadmap for becoming a climate neutral government which was also showcased in the recent COP 28 by the Minister of Environment. The roadmap can be found in the GGI's Net-Zero Government Initiative page: <https://www.sustainability.gov/federalsustainabilityplan/net-zero-initiative.html>

Mexico

Framework, scope, action-plans

At the time of the survey, there was not an active policy or framework dedicated to GPP in Mexico.

However, according to the National Development Plan 2019-2024, the Mexican government is committed to promoting sustainable development, which in the present era has become an indispensable factor for well-being. Likewise, said document indicates the purpose of monitoring online and in real time the money for acquisitions and carrying out mandatory verifications of market prices before any acquisition.

At the time of the Survey and following the Executive Order of November 30, 2018, transferring procurement policy authority to the Ministry of Finance and Public Credit (SHCP), the Office of the Head of the Public Service was actively developing a Sustainable Public Procurement (SPP) project scheduled for implementation in 2022.

Pursuant to Article 31, Section XXV, of the Organic Law of the Federal Public Administration, the Ministry of Finance and Public Credit was responsible, at the time of the Survey, for planning, establishing and conducting the general policy on public procurement regulated by the Public Sector Procurement, Leasing and Services Law (LAASSP) and the Public Works and Related Services Law (LOPSRM). In accordance with Article 32 Bis, section VI, of the aforementioned Law, the Ministry of the Environment and Natural Resources (SEMARNAT) is responsible for formulating and conducting national policy on climate change.

Mexico also has a National Climate Change System (SINACC), established by the General Law on Climate Change and aimed at promoting synergies to jointly address the country's vulnerability and risks and establish priority actions for mitigating and adapting to climate change. In this sense, the SINACC serves as a permanent mechanism for concurrence, communication, collaboration, co-ordination and agreement on the national climate change policy in order to:

- Promote the cross-cutting application of the national climate change policy in the short, medium and long term among the authorities of the three levels of government, within the scope of their respective competencies.
- Co-ordinate the efforts of the federation, the federal entities and the municipalities to carry out adaptation, mitigation and vulnerability reduction actions, to face the adverse effects of climate change, through the policy instruments provided for in the Law and others derived from it.
- Promote the concurrence, linkage and congruence of the programmes, actions and investments of the federal government, the federal entities and the municipalities, with the National Climate Change Strategy.
- In the area of climate change, the Interministerial Commission Climate Change is responsible for:
 - Promoting the co-ordination of actions of the agencies and entities of the federal public administration in matters of climate change;
 - Formulating and implementing national policies for the mitigation and adaptation to climate change, as well as their incorporation in the corresponding sectorial programmes and actions;
 - Developing the criteria of transversality and integrality of public policies to be applied by the agencies and entities of the centralised and parastatal Federal Public Administration;
 - Approving the National Climate Change Strategy (ENCC) and the Nationally Determined Contributions (NDC);
 - Participating in the elaboration and implementation of the Special Climate Change Programme (PECC) and the National Adaptation Policy;

- Proposing and approving adjustments or modifications to the scenarios, trajectories, actions or goals committed to in the National Strategy and the Nationally Determined Contributions for compliance with the Paris Agreement.

Implementation

The Public Sector Procurement, Leasing and Services Law (LAASSP) and the Public Works and Related Services Law (LOPSRM) impose requirements aimed at ensuring energy efficiency, responsible water usage, and sustainable land practices within the state. Specific provisions include mandates for wood, furniture, and office supplies made of wood, necessitating certificates from third-party entities registered with the Ministry of Environment and Natural Resources. These certificates validate the origin and sustainable management of forestry harvests and require office paper to comprise a minimum of 50% recycled fibers or sustainable non-wood natural fibers.

The legislation also facilitates procurement for micro, small, and medium enterprises and incorporates evaluation incentives, awarding points to disabled individuals or suppliers employing disabled workers, as well as companies promoting gender equality. Furthermore, it introduces flexibility for agencies to bypass public bidding in certain cases, such as dealings with peasants or marginalised groups, particularly when the work primarily involves such labor.

Measurement and impact

Public institutions in Mexico are not required, and do not collect data on GPP.

Article 2, section II, of the LAASSP establishes CompraNet as the electronic system for public information on government acquisitions, leases, and services, encompassing various information categories. This system, designed to be freely accessible, serves as a platform for conducting contracting procedures, ensuring the integrity and preservation of the contained information. Additionally, Article 22, section IV, mandates the regular analysis of procurement reports by committees to evaluate general results and propose measures for timely and proper execution. Despite CompraNet's comprehensive coverage of procurement processes, it is currently not used to specifically identify processes incorporating Green Public Procurement (GPP) criteria.

Recent developments

A reform in May 2023 to the Organic Law of the Federal Public Administration (Ley Orgánica de la Administración Pública Federal, LOAPF) allocated the procurement function in the Ministry of Public Administration (Secretaría de la Función Pública, SFP). Article 37, section XXI Bis, grants on SFP the power to serve as consolidating entity in procedures for the procurement of goods and services.

Netherlands

Framework, scope, action-plans

In 2015, the Government of Netherland published the Action Plan for Responsible and Sustainable Procurement (RSP) by governments for the period 2015 - 2020. The main purpose behind the Plan was to raise awareness on the potentials of public procurement to achieve national environmental objectives and to strengthen capacity of public buyers to adopt sustainable procurement solutions.

The Action Plan promotes the use of public procurement to realising government's sustainability objectives, as set out in the Energy Agreement for Sustainable Growth, the Local Climate Agenda and the "From Refuse to Raw Material" Programme, such as counteracting climate change and achieving climate-neutrality by 2050, reducing final energy consumption and increasing the share of renewable energy generation, improving the use of raw materials to handle them more efficiently, and protecting the natural capital of the country. Moreover, public procurement is also mentioned as a key leverage to achieve the objectives set out in the Dutch Climate Agreement, especially to achieve zero-emission transportation, zero-emission building vehicles, improve environmental performance of infrastructure projects, and foster the transition to a circular economy.

The Plan emphasises the need to create additional agreements across governments to increase uniformity, effectiveness, and implementation of RSP. It also identifies 4 key steps to undertake:

1. Defining collective ambitions and objectives for the design process and implementation of RSP for the 2016 - 2020 period, which the national, local and regional governments (both umbrella organisations and/or individual governments), the business world and social parties support;
2. Develop a monitoring system and keep track of progress on ambitions and objectives;
3. Foster knowledge, supportive instruments for implementation and training of public sector public procurement practitioners and clients;
4. Improve the structure for control and governance.

The Dutch Ministry of Environment and Water is the institution responsible for overseeing SPP.

Implementation

The central government defines (voluntary) SPP criteria contracting authorities can use as reference when preparing tenders documents (e.g. suitability requirements, selection criteria, requirements, rewarding criteria and contract provisions). These SPP criteria are provided both in Dutch and English, and they cover around 46 different product groups (visit www.sppcriteria.com), including automation and telecommunications, office facilities and services, civil and hydraulic engineering, office buildings, energy, transport and transportation. Moreover, these SPP criteria are updated every year, also to better align and reflect policy changes.

In addition to that, the Netherland has developed other instruments to support GPP implementation for contracting authorities, including:

- The CO₂ Performance Ladder that allows agencies to certify tenders based on their carbon dioxide emissions performance;
- The software DuboCalc that allows to make rapid calculations of sustainability and environmental design variants of ground, road, and water construction through a life-cycle assessment of energy use and materials.

Both these two instruments convert assessment results into price deductions from the initial bid, improving the cost-effectiveness of environmentally sustainable offer at the award stage.

Even though the Action Plan for RSP does not include GPP-related targets, individual governments can still set their own GPP ambitions through a system called “Sustainable Procurement Manifesto” (Manifest Maatschappelijk Verantwoord Inkopen). By signing the Manifesto, public authorities commit to set their objectives, including GPP-related goals, in accordance with their own ambitions, and they also define concrete actions for implementation. The Manifesto was first signed in December 2016, and many other parties have signed up since.

Measurement and impact

Only central government organisations are required to report on their GPP activities by using the SPP Self-evaluation tool (see <https://mvizet.nl/accounts/login/?next=/>), which is managed by PIANOo (i.e. Dutch Public Procurement Expertise Center), and all reports on GPP activities that are conducted on behalf of the central government are also made publicly available. Moreover, the SPP self-evaluation tool is open for use to other public institutions, therefore they might still decide to report on the use of GPP they have no legal obligation.

For what concerns impact assessment related to public procurement, in 2021, the National Institute for Public Health and the Environment (under the Ministry of Health, Welfare and Sport), published a study on the effect of Socially Responsible Procurement over the period 2017-2018, at the national level. The study focused on 15 product groups, divided into 6 different procurement cluster: transport, energy, office facilities, office buildings, civil engineering, and ICT information communication technology.

According to the results of the study, the use of SRP achieved many environmental benefits, including reduced emissions of CO₂, reduced emissions of nitrogen oxides, lower production of particular matter, and lower consumption of raw material.

Recent developments

The Netherlands has recently amended the National Plan on Sustainable Public Procurement for the period 2021-2025, which builds on the assessment of the results and challenges encountered in the implementation of the previous version of the Plan

New Zealand

Framework, scope, action-plans

In New Zealand, GPP is part of a wider national strategy to accelerate the reduction of emissions within the public sector, which is also known as the Carbon Neutral Government Programme or CNGP (2020). Most relevantly, public procurement is mentioned as a key leverage to achieve two priorities:

1. Phasing out coal-fired boilers from the public sector, with the target of removing the largest and most active coal-fired boilers by the end of 2025;
2. Optimising the size of agencies' car fleets and promoting the purchasing of electric vehicles or plug-in hybrids (when full electric is not appropriate, unless this is not possible due to operational requirements).

The green procurement element of the CNGP was last revised in 2022 to include the requirement for Green Star rating for government buildings.

The regulatory framework governing the public procurement system (i.e. Government Procurement Rules) in New Zealand aligns with the CNGP, therefore facilitating the implementation of these two priorities. Moreover, it envisages the general requirement to seek public value through procurement operations and activities, including environmental benefits and reduction of emissions.

Implementation

The Government Procurement Rules in New Zealand set out the requirement to integrate environmental considerations in procurement procedures, across all levels of government and for all contracts that meet or exceed the value threshold of NZD 100 000 (excluding GST).

Most notably, Rule 20 requires contracting authorities to include a set of minimum environmental requirements in designated contract areas (i.e. office supplies, light vehicles, stationary/process heating systems), when purchasing through collaborative contracts - also known as All-of-Government contracts, which are managed by the New Zealand Government Procurement.

- For office supplies, agencies need to purchase items that produce low amounts of waste and/or are recyclable;
- For light vehicles, agencies need to choose a battery electric vehicle (BEV), or a plug-in hybrid electric vehicle (PHEV) if a BEV is not appropriate for the proposed use, unless there are operational requirements or other circumstances that prevent them from doing so. The New Zealand Government has a goal that, where practicable, its fleet should be emissions free by 2025/26; For stationary/process heating systems, agencies need to ensure that they are buying a low emission heating option. Agencies must not purchase coal boilers and should not invest in any other kind of fossil-fuelled boiler (such as natural gas or LPG).

To support the implementation, the New Zealand Government Procurement (NZGP) has developed guidance documents and GPP criteria that contracting authorities can refer to in public tenders, especially to achieve objectives such as reduction of emissions or waste.

In addition to the obligations envisaged in the Government Procurement Rules, the CNGP requires procurement-mandated organisations, when constructing a new government owned non-residential building, to achieve a minimum 5 Green Star rating for projects with a capital value of USD 25 million and over from 1 April 2022, and for projects with a capital value of NZD 9 million and over from 1 April 2023.

Accordingly, the NZGP requires organisations to use an approved sustainable building rating system for new government-owned non-residential buildings.

Moreover, in 2022, it has published a practical guidance to support emissions reduction in buildings and construction (i.e. the Procurement Guide to Reducing Carbon Emissions in Building and Construction).

Measurement and impact

Public organisations are required to report on the use of GPP in public contracts through excel files, e-mails, or other paper-based forms. They are also required to report on their progress on environmental outcomes, such as reduction in average vehicle emissions from government fleet, reduction in emissions stemming from government-owned buildings, reduction in consumption of “single-use” items (e.g. paper, plastic pens, etc.). The reporting on environmental outcomes is conducted through digital systems.

Moreover, as part of the CNGP, public organisations need to measure and report, on an annual basis, on their performance in terms of emissions reduction, including from procurement operations and activities. Data is then collated, analysed, and shared with CNGP Ministers. Subsequently, it is made publicly available.

Norway

Framework, scope, action-plans

In 2021, Norway has launched a new [Action Plan to increase the proportion of green public procurement and green innovation for the period 2021 – 2030](#), and the Norwegian Agency for Public and Financial Management (DFØ) is responsible for the follow-up and updating of the action plan. A revision and update of the action plan is scheduled in 2024 and 2027.

The Action Plan aims at leveraging the role of public procurement to achieve 3 key objectives: minimise the public sector’s harmful environmental impacts, promote climate-friendly solutions and foster the transition to a circular economy, and steer the national and global supply chain towards greener production systems. Moreover, the Plan identifies a series of key actions for public procurement.

1. A requirement for all contracting authorities to promote solutions for zero or low-emissions and circular economy, as well as to avoid the use of chemicals that are hazardous to human health and the environments for certain priority categories: transport, construction, building and property, food and catering services, plastic products, ICT/electrical and electronic equipment, batteries, furniture and textile;
2. A green competence programme to boost capacity for GPP during 2021 - 2030;
3. Better access to statistics and data on green and innovative public procurement;
4. Definition of GPP targets for the transport, building and food sectors;
5. Increased collaboration across contracting authorities to develop and support the adoption of circular solutions in public procurement;
6. Research workstream on climate and environmentally friendly procurement;
7. DFØ to monitor GPP compliance, develop effective measures to improve implementation, and provide guidance on available financial support schemes to cover additional costs, manage risks and build capacity.

GPP is also mentioned in other national-level policies and strategies to promote reductions of emissions and the green transition, including the National Climate Plan and the Norwegian strategy for a green, circular economy.

Implementation

The 2016 Public Procurement Act (PPA) makes it mandatory for public authorities, across all levels of government, to consider the reduction of harmful environmental impacts and the promotion of climate-friendly solutions when conducting procurement. A specific provision also encourages setting the weighting of the award criterion “environment” at 30%, when used. In other words, the legal framework governing public procurement in Norway promotes the use of GPP throughout the entire procurement process, from qualification criteria to technical specifications, award criteria and contract performance clauses. Still, it is up to contracting authorities to make use of this regulatory leeway.

In addition to that, a specific regulation that entered into force from 1 January 2022 required public authorities to buy zero-emission personal vehicles and smaller vans (*Forskrift om energi- og miljøkrav ved offentlig anskaffelse av kjøretøy til veitransport*), with reference to the Clean Vehicle Directive 2009/33/EF. From 1 January 2023, this also applies to bigger vans.

To support GPP implementation, the Norwegian Agency for Public and Financial Management (DFØ) has developed sustainable criteria (e.g. green qualification criteria, technical specifications, award criteria and contract performance clauses) that are accessible via an online platform, the so-called criteria wizard. They cover product groups with large environmental impact, such as building and construction, transportation, waste collection and food and meal services.

Measurement and impact

Norway has not yet defined GPP-related targets in public procurement, other than having an action plan to increase the proportion of green public procurement and green innovation. DFØ conducts comprehensive assessments in several key areas: 1) the prerequisites for GPP by contracting authorities, 2) procurement practices, and 3) the climate and environmental impacts of these practices. To evaluate the implementation of GPP by contracting authorities in alignment with the action plan, DFØ undertakes a biennial public procurement survey. The findings from this survey are made accessible on our official website: [Public Procurement Survey Results](#).

In order to investigate procurement practices and the integration of green criteria, DFØ systematically archives tenders and related documents. This repository enables detailed text analysis to be carried out, identifying environmental criteria across various sectors including construction, food and catering services, furniture, and others. The outcomes of these analyses are published on our website: [Green Criteria in Public Procurement](#).

Specifically for the transport sector, DFØ measures the proportion of electric vehicles procured, utilising data from the national vehicle registry. This information is disseminated via our analytical tool, accessible here: [Electric Vehicle Procurement Data](#).

To quantify the climate and environmental impacts of public procurements, DFØ publishes comprehensive reports detailing the public sector's climate footprint attributable to procurement activities. These reports, available at [Public Sector Climate Footprint](#), offer insights into the generated climate footprint and its evolution over time. Furthermore, DFØ has developed a tool for estimating the governments, as well as individual governmental organisations', climate footprint in relation to procurement. This tool, which aids procurement managers in understanding the emission drivers in both domestic and international contexts, can be found here: [Government Procurement Climate Footprint Tool](#). Additionally, the underlying climate data are available for use by environmental advisors and others in their analyses: [Climate Data for Public Procurement](#).

Moreover, DFØ has developed various calculators to assist procurement officers in estimating the climate effects of incorporating environmental criteria into their procurement decisions. These calculators are sector-specific, covering areas such as transport ([Transport Climate Effect Calculator](#)), construction ([Construction Climate Emissions Calculator](#)), and food ([Food Procurement Climate Calculator](#)), and ICT equipment ([ICT Equipment Lifecycle Extension Calculator](#)).

Recent developments

From 1 January 2024, a new regulatory change will establish more stringent requirements to ensure climate and environmental considerations in public procurement in Norway. This entails a new main rule where contracting authorities must weigh climate and environmental considerations with a minimum of thirty percent in the award criteria. If the contracting authority lists the award criteria in decreasing order of importance, climate and environmental considerations should be listed among the top three criteria. As an alternative such award criteria can be replaced with climate and environmental considerations in the

technical specifications if this has a better effect on the environment and the climate, and this is justified in the procurement documents.

The obligation to impose criteria in accordance with this provision does not apply if the procurement by its nature has a climate footprint and an environmental burden that is insignificant, and this is justified in the procurement documents.

Furthermore, a committee appointed by the Norwegian government, with a mandate to revise the Norwegian public procurement legislation, published a Norwegian Official Report (NOU 2023: 26) in November of 2024. The Committee proposes several comprehensive modifications to the legislation, including simplification of the procurement process for contracts under the EU/EEA threshold values and changes to the overall structure of the legislation. Regarding sustainability, the committee has proposed new provisions regulating climate and environmental considerations in public procurement, deviating from the above-mentioned requirement of thirty percent weighting in the award criteria. The committee proposes to add the promotion of sustainability to the legislation's objective, to add a provision requiring economic operators to conduct climate and environmental mapping, and an obligation for contracting authorities to apply climate and environmental criteria if they have a tangible effect and does not entail disproportionate additional cost.

The Report was presented for public consultation on 10 November 2023, with a deadline of 10 February 2024. The committee is expected to publish a second report in the spring of 2024. The Norwegian Government has announced a plan of adapting a new public procurement framework based on these reports by the end of the current parliamentary term, concluding in the autumn of 2025.

Peru

Framework, scope, action-plans

In Peru, there is not an active national policy or strategic framework specific to GPP. Nevertheless, the National Supply System has a series of principles, among which are included Environmental, Social and Economic Sustainability principles, which are oriented towards respect for the environment, social and economic development, in order to strategically prioritise the needs of citizens and the efficient use of public resources.

In addition, the Public Procurement National Law, Law No. 30225, contemplates the "principle of environmental and social sustainability", promoting during the design and development of public procurement, criteria and practices that contributes to both environmental and social protection and human development. It also contemplates the "principle of technological validity" which stipulates that goods, services and works must meet the conditions of quality and technological modernity necessary to effectively fulfil the public purpose for which they are required, for a specific and foreseeable duration, with the possibility of adapting, integrating and upgrading, if necessary, with scientific and technological advances.

Similarly, in accordance with Article 29 of the regulations of Law No. 30225, also known as the Public Procurement Law, the stipulated requirements must encompass the specifications outlined in laws, technical regulations, metrological and/or sanitary standards, as well as other regulations governing the subject of procurement on a mandatory basis. Consequently, when public institutions formulate requirements for the procurement of goods, services, and works, it is imperative to incorporate regulatory provisions pertaining to environmental management. This includes adherence to stipulations in laws such as the General Law on Solid Waste No. 27314 and its corresponding Regulations, particularly when contracting services related to the collection, transportation, and final disposal of solid waste.

Likewise, Article 51.2 (b), 51.3 and 51.4 (d) of Article 51 of the regulations of Law No. 30225, provides for the inclusion of evaluation factors related to environmental or social sustainability in the selection procedure documents.

Furthermore, through Legislative Decree No. 1018 the Public Procurement Central - PERÚ COMPRAS was created, which fundamental purpose is to optimise public procurement, promoting the use of tools such as the Electronic Catalogues of Framework Agreements, the Technical Sheets for Electronic Reverse Auction and the Homologation Sheets; as well as the purchasing strategies, under the axes: Efficiency, Transparency and Technology. Through these tools, the public procurement regime aims to promote sustainability requirements aligned with national and sectoral policies of public institutions. The use of Electronic Catalogues of Framework Agreements, Technical Sheets for Electronic Reverse Auctions, and Homologation Sheets is mandatory for the public sector.

Furthermore, to achieve a national policy on sustainable public procurement, Supreme Decree No. 016-2021-MINAM was approved. That regulation sets the provisions for the Management of Eco-efficiency in Public Administration Entities and creates the Multisectoral Commission for Sustainable Public Procurement (CPS) with the task to analyse and seek technical agreements to make sustainable purchases operational.

Implementation

The national legislative and policy landscape includes the following provisions to promote environmental and social considerations in public tenders:

- Law No. 30225 - the Public Procurement Law, includes the principle of environmental and social sustainability. Accordingly, in the design and development of public contracting, criteria and practices that contribute to environmental and social protection and human development should be included;
- Policy measure 6.7: Quality standards and environmental sustainability in public procurement – which was incorporated into the National Plan for Competitiveness and Productivity. This policy measure assigns to INACAL the task of developing Technical Standards, which must be incorporated into the standardisation processes carried out by PERU COMPRAS.
- Law No. 28611 - General Environmental Law. It establishes guidelines on responsible consumption, and it requires the rules, provisions, and resolutions on public procurement and contracting to consider the use of natural resources. Moreover, it indicates that the production of goods, the provision of services and the exercise of trade must be executed in adequate environmental conditions.
- Ministerial resolution No 161-2016-MINAM – approve the Green Growth Guidelines, whose objective is to promote the rational and sustainable use of our natural resources and natural heritage, by generating new growth opportunities, the efficient management of emissions and the implementation of sustainable consumption and production modalities, guaranteeing social welfare, through financing mechanisms for the promotion of sustainable investments.
- Supreme Decree No. 237-2019-EF that approves the National Competitiveness and Productivity Plan, which establishes concrete short, medium and long-term measures to sustainably increase the well-being of all Peruvians. This Plan is the result of the joint effort of various entities from the public sector, private sector, academia, and civil society, who have worked together in the Public-Private Technical Committees led by the National Council for Competitiveness and Formalization.
- Supreme Decree No. 023-2021-MINAM, that approved the National Environmental Policy, which considers the desired future situation by 2030 to be that Peru should reduce the fragility of its ecosystems, conserve its biodiversity and recover ecosystem services, in such a way as to contribute to improving people's quality of life.
- Supreme Decree No.064-2010-EM, that approve the National Energy Policy 2010 - 2040, which is focused on promoting sustainable development that strikes a balance between economic progress and care for the planet and the population.

Measurement and impact

Contracting authorities are required to report on public tendering procedures through a digital platform that is linked to the eProcurement system. Moreover, entities are required to use the SEACE (Peru's e-Procurement system) to display any tender procedure, which may include evaluation criteria related to environmental sustainability.

In addition, the Public Procurement Central - PERU COMPRAS, launched the Sustainable Public Procurement dashboard: environmental dimension, which presents updated information on the acquisitions made through the Electronic Catalogues, corresponding to goods approved with environmental care criteria.

Through that dashboard the society, public entities, suppliers, and other interested individuals can review the contracted amounts per month, per brand, and per supplier condition, such as SME (Micro and Small Enterprises) or non-SME. This pertains to the purchase of approved bond paper, air conditioning equipment and printer consumables.

Recent developments

Through Directive N° 001-2019-OSCE/CD, approved by Resolution N° 013-2019-OSCE/PRE, which develops the content of the Bases and Request for Standard Expression of Interest for the selection procedures to be convened within the framework of Law No. 30225, various provisions have been implemented on practices and criteria that promote sustainable public procurement, which are detailed below:

- In the standard conditions for the procurement of goods and the supply of goods, in the section on the Requirement provided for in numeral 3.1 of Chapter III states the following: "*Thus, for example, in the case of timber procurement, its legal origin must be verified in accordance with Article 183 of the Forestry Management Regulations, requiring the contractor to submit for 100% of the timber to be delivered: a) Forestry Transport Guides, in accordance with the Format approved by SERFOR, and b) Invoice with detailed information on the volume, quantity or pieces, as well as the species of timber*".
- In Chapter IV of the standard bidding conditions, for Public Bidding and Simplified Awarding for the procurement of goods, supply of goods, services in general, consultancy in general, works consultancy and execution of works, the evaluation factors "Environmental and social sustainability" and "Social protection and human development" are included, which have the purpose of assigning points to those bidders that accredit good environmental and social practices.
- Chapter IV of the above-mentioned standard bases for goods and services includes in the factor "Improvements to the technical specifications" or "Improvements to the terms of reference", clarifications to the effect that these factors may include aspects related to environmental or social sustainability.

Furthermore, Peru Compras, responsible for the Public Procurement Central, incorporates specific environmental criteria into its procurement processes. This includes criteria for electronic catalog product sheets, homologation sheets, and reverse auction sheets. For instance, in product categories like air conditioning equipment, bond paper, printer consumables (toner), and sawn wood products, environmental considerations such as energy efficiency, sustainable sourcing, and recycling plans are emphasised. The contracted amounts in various categories highlight Peru Compras' commitment to sustainable public procurement.

Portugal

Framework, scope, action-plans

The strategic framework governing GPP is Portugal currently defined by the (second) National Strategy for Green Public Procurement for the period 2017-2020 (or ENCPPE 2020), which applies public entities that are part of the State's direct and indirect administration, as well as to the State's business sector.

The Strategy promotes the definition of “green” technical specifications for a list of priority goods and services based on the EU GPP criteria, which needs to be adapted, by multidisciplinary working groups and in a phased manner, to the national market. Moreover, the Strategy defines a set of GPP-related targets for the list of priority goods and services:

1. Goal 1: % of public pre-contractual procedures that include environmental criteria.

	2017-2018	2019-2020
Direct and indirect administration of the State	55%	60%
State Business Sector	35%	40%

2. Goal 2: % of the financial amount associated with public pre-contractual procedures that include environmental criteria.

	2017-2018	2019-2020
Direct and indirect administration of the State	55%	60%
State Business Sector	35%	40%

The Portuguese Environmental Agency (APA), the Institute for Public Markets, Construction and Real Estate (IMPIC), the Shared Services for Public Administration (ESPAP), and the Shared Services for Health Ministry (SPMS) are the entities responsible for co-ordinating ENCEP 2020. They are also responsible to monitoring its implementation.

The National Strategy for GPP is included in the country's commitments on climate action, namely in the National Energy and Climate Plan 2030, which recognise the potential of GPP to decarbonise the public administration (Measure 1.5.3). Moreover, the Climate Fundamental Law (Lei de Bases do Clima) considers sustainable public procurement (in art. 37 and 39) as a key instrument to be adopted across Portugal's public administration to achieve climate neutrality in public procurement.

Other national plans and legal provisions that mention GPP and include GPP-related objectives are the National Climate Act, the Public Administration Resource Efficiency Programme, the National Circular Economy Action Plan (currently under revision), and the Strategy for Innovation and Modernization of Public Administration 2020-2023. The latter entails specific targets for the three main ministerial areas for green public procurement, until 2023.

Implementation

ENCPPE 2020 encourages State's entities and business sector to adopt environmental criteria in public procurement, without setting any mandatory GPP requirement. It also identifies a list of 21 priority goods and services for GPP implementation:

- Office Buildings
- Electricity

- Imaging equipment
- Electrical and electronic equipment used in healthcare
- Office IT Equipment
- Interior lighting
- Street lighting and road signs
- Infrastructure and equipment for the treatment, supply and distribution of water, collection and treatment of waste water and municipal waste
- Road infrastructure and traffic signals
- Furniture
- Interior panels
- Copy paper and graphic paper
- Combined heat and power
- Food products and *catering* services
- Gardening Products & Services
- Cleaning products and services
- Heating systems with water circulation
- Flush systems in toilets and urinals
- Textile
- Sanitary taps
- Transport.

Supportive manuals containing national GPP criteria are published on the official website of APA ([ENCEPE | site_encepe \(apambiente.pt\)](https://www.encepe.pt)) for some of the priority procurement categories. These criteria should be integrated in public procurement by State' entities and business sector. Local authorities are not part of ENCEPE's scope but, they can still use GPP criteria on a voluntary basis.

Measurement and impact

All public entities are required to report on public procurement through the main e-Procurement system, i.e. Portal BASE, which is managed by IMPIC. Moreover, contracting authorities are required to report on GPP through a digital platform linked to the e-Procurement platform Portal BASE. Currently Portal BASE has a search functionality for procurement procedures that are classified as "*Sustainable Contract*". This search option can be found in the advanced search of the contract or notice pages.

An aggregated evaluation of the impacts of GPP for the period 2017-2020 has also been conducted, and it focused on the total number of GPP procurement procedures and financial impacts.

In order to promote the usage of green criteria in public procurement procedures, and as the managing entity of the National Public Procurement System (SNCP), ESPAP, IP has included in the framework agreements it awards, to the maximum possible extent, green criteria in one of more of the following stages:

- in the qualification of the suppliers within each framework agreement and/or
- when defining the technical and/or functional specification of the goods and services available in each framework agreement and/or
- during the execution stage.

SNCP's framework agreements have included green criteria since 2008, as the promotion of sustainable procurement was set as one of SNCP major strategic goals.

It is relevant to refer that the SNCP has been more ambitious in promoting green criteria in public procurement than the ENCPE itself, in the sense that framework agreements in categories beyond the 21 prioritaire ones, like Software Licensing, Maintenance of HVAC Systems or Maintenance of Lifting Systems.

As the framework themselves included green criteria, all the procedures conducted under them included green criteria. This strongly contributed to the usage of green criteria by public contracting authorities in procedures for these categories. Some public entities have already taken part to initiatives to assess energy and CO₂ reductions over the whole life cycle of products, services and works. For example, the GPP2020 Project that led to the design of CO₂ reduction calculators for energy Contracting, office ICT, street lighting and vehicles. Nevertheless, there is no standardised methodology to measure CO₂ emissions savings in green public tenders.

Under the Public Administration Resource Efficiency Programme, some public institutions (i.e. those with a level of energy consumption and number of employees above a certain threshold) are required to report their annual energy consumption, which must be converted in CO₂ emissions. Public procurement operations and activities are also covered.

Recent developments

The new National Strategy for Green Public Procurement 2030, known as ECO360, was in the last stages of the legislative process final development stage at the time of Survey, and was published on February 10th, 2023, by the Resolution of the Council of Ministers n.º 13/2023 (https://encpe.apambiente.pt/sites/default/files/documentos/RCM_13.2023_ECO360.pdf). The new strategy builds upon the lessons learned and raises the level of ambitions in terms of GPP targets and scope of implementation. This legislation introduced major updates in the previous ENCPE 2020, aiming to, among other things,

- extend the scope of public entities that should adopt this GPP strategy
- extend the scope of categories of goods and services whose procedures should include green / social / sustainable criteria
- define ambitious targets of usage of green / social / sustainable criteria in public procurement procedures per type of public entity, type of procedure
- define the governance model, clear roles and responsibilities for different public entities (ESPAP, APA, IMPIC) so as to
 - assure clear co-ordination among them
 - guarantee specific and clear documentation as well as technical and specialised support provided to every public contracting entity in order to help them implement ECO360
 - define monitoring process and responsibilities

In terms of monitoring, at the time of Survey, a new section in Portal Base was under development to show statistics and indicators on the use of environmental criteria in public tenders.

Poland

Framework, scope, action-plans

The fourth National Action Plan on Sustainable Public Procurement for the period 2017-2020 has been replaced by the State Purchasing Policy (adopted by the Council of Ministers on 11 January 2022) for the period 2022 – 2025. The State Purchasing Policy defines Poland's priority actions in public procurement and encourages contracting authorities to purchase innovative or sustainable products and services.

The Policy includes training and capacity-building activities targeted at contracting authorities to help them familiarising with the (i) practical aspects of GPP, including GPP-related benefits such as enhanced well-being of citizens and cost savings, (ii) the opportunities provided by the existing legal framework (i.e. Public Procurement Law) to integrate environmental considerations in public tenders, (ii) the green solutions offered by the market. Relevant education and information activities are also provided to control bodies and economic operators.

The Policy also foresees the creation of a catalogue of products and services for which State's contracting authorities will be required to apply certain environmental criteria. The catalogue of products and services, together with the environmental criteria is to be updated periodically (i.e. at least every 2 years) by an Inter-ministerial Team responsible for GPP. Moreover, the policy discusses different implementation instruments (e.g. life cycle costing, competence programme, EU GPP criteria, co-operation across units, creation of a GPP Team, etc.) that can be used by contracting bodies to greening their procurement activities and procedures.

The fourth National Action Plan on SPP was part of the 2030 National Environmental Policy (2019). For this reason, Poland is now committed to align the 2030 National Environmental Policy with the new strategic framework for GPP, as outlined in the 2022 State Purchasing Policy.

Implementation

Poland's Public Procurement Law requires contracting bodies within the government administration to strive for a wide consideration of environmental aspects in their procurement procedures, also considering the contracting body's needs and interests.

Measurement and impact

Art. 23 of the Public Procurement Law in Poland requires certain contracting authorities to provide their procurement plan for the given financial year in the Public Procurement Bulletin, as well as to publish it on the contracting body's official website. The planning of procurement procedures needs to comply with the standards set out in the Regulation by the Minister of Development, Labor and Technology (18 December 2020) on the standard form of the plan of procurement procedures. The standard form includes an "*additional information*" column, where contracting bodies can add information related to GPP (on a voluntary basis).

Moreover, contracting bodies are required to submit data on the use of GPP through a digital platform linked to the e-Procurement system. More specifically, data on the use of GPP in public tenders is provided by contracting bodies through an annual report on awarded contracts, that must be submitted to the Public Procurement Office. The annual reports on awarded contracts are submitted by all the contracting bodies by means of an online form available within the e-Procurement Platform. A standard form of the annual

report on awarded contracts was defined by the 2020 Regulation (i.e. a secondary legislation to the Public Procurement Law). The standard form also contains a special table, where contracting bodies provide information on awarded contracts containing environmental aspects.

Moreover, the data on GPP is provided in the Annual Report of the Functioning of the Public Procurement Market, which is published on the official website of the Public Procurement Office.

Recent Developments

The Public Procurement Office of Poland published a guide in 2022 on ecolabels, available from the PPO website, as well as information material on “The use of cost criterion with a life cycle costing method for buildings based on the regulation of the Minister of Development and Technology of November 23, 2021 on the method of calculating the life cycle costs of buildings and the manner of their presentation”.

Furthermore, the “New guidebook on exemplary GPP/SPP was elaborated in 2022 and published in early 2023, and the 2021 version of the “Guidebook on GPP related legislation” was updated.

The PPO also organised on 24 March 2022 the 16th annual GPP Conference as well as 3 GPP online training events, which took place in 2022.

Romania

Framework, scope, action-plans

The regulatory framework for public procurement¹ sets out the mandatory requirement for all contracting authorities and contracting entities, across all levels of government, for GPP. In addition to that, the country has a specific primary legislation on GPP since 2016 (Law no. 69/2016) and a Guide for implementation has been approved by Order of the Ministry of Environment, Water and Forests together with the National Agency for Public Procurement no.1068/1652/2018.

Implementation

The Law no. 69/2016 on Green Public Procurement that establishes the legal framework for conducting green public procurement in Romania and the Guide for its implementation includes the minimum requirements regarding environmental protection for certain groups of products and services that are requested at the level of technical specifications. The groups of products and services selected in the guide are the following:

1. Copy and graphic paper
2. New indoor and outdoor furniture, furniture renovation/reconditioning services and furniture collection and reuse of furniture stocks at the end of life cycle services
3. Food supply and catering services
4. Vehicles for transport
5. Cleaning products and services
6. IT office equipment

Measurement and impacts

Public organisations are not required to report on the GPP plans, the use of green criteria in public tenders, nor on their performance in terms of CO₂ emissions.

Recent developments

The National Strategy in the field of Public Procurement (NSPP) 2023–2027 was approved by the Government Decision no. 554/12.06.2023² and it is currently being implemented. The Strategy is a public policy document that includes the Government's objectives regarding the continuation of the reform of the public procurement system in the timeframe 2023 – 2027. The document aims to build a more performant public procurement system oriented towards innovation and sustainability. This new strategy has in view public procurement as a strategic tool that can contribute to the resilience and economic recovery of Romania, including by ensuring social, *environmental* and innovative benefits.

Under the first specific objective of the NSPP 2023-2027 (*OS1-Using public procurement as a strategic tool, including ensuring SME access to public procurement markets and ensuring social, environmental and innovation benefits*), the action plan of the Strategy provides a number of specific actions related to GPP. Therefore, the following actions aim to actively promote GPP in Romania:

- **Action A11** - Amending and supplementing the legislation in the field of public procurement with specific provisions for green public procurement

- **Action A12** - Development and adoption of the National Green Procurement Plan
- **Action A13** - Establishing indicators regarding the environmental impact of the most frequently purchased products, services and works, together with establishing targets for achieving these indicators, based on the existing legal framework

Moreover, NSPP 2023-2027 includes complementary measures that would improve GPP adoption in Romania, most of them focused on training the public procurement professionals in the field of public procurement. Some examples are:

- **Action A1** - Establishing a competence center in the field of sustainable public procurement and innovation within NAPP
- **Action A2** - Updating the Online Guide managed by NAPP with sections/aspects regarding green, socially responsible and innovative public procurement
- **Action A3** - Elaboration and implementation of a regular programme of conferences and seminars, with the direct involvement of the academic environment in these activities
- **Action A4** - Providing support to the centralised procurement units (CPU) in carrying out strategic centralised procurement procedures in sectors of interest through the NAPP Expertise Center and disseminating good practices regarding sustainable public procurement and innovation identified at the CPU level
- **Action A6** - Development and implementation of a guide and a training module on sustainable public procurement and innovation addressed to senior management within contracting authorities
- **Action A7** - Providing training sessions to controlling institutions in the field of public procurement
- **Action A8** - Carrying out a survey aiming to identify the conditions/needs that contribute to the accomplishment of strategic public procurement by public authorities

Law no.69/2016 regarding green public procurement was repealed by Emergency Government Ordinance no. 3/29.01.2024. The primary and secondary legislation on public procurement have been completed with provisions regarding the use of mandatory environmental criteria for some categories of products that have an impact on the environment, during the entire life cycle.

Furthermore, the Guide for implementation approved by Order of the Ministry of Environment, Water and Forests together with the National Agency for Public Procurement no.1068/1652/2018, has been repealed and replaced by Order of National Agency for Public Procurement no.2395/2023 for the approval of the ecological criteria applicable to product categories that have an impact on the environment during the entire life cycle, provided in annex no. 2 to the Methodological Norms. The guide provides minimum ecological criteria for 11 groups of products, as following:

- Computers, monitors, tablets, smartphones;
- Copy paper and graphic paper
- Image processing equipment, consumables for processing equipment a IMAGE
- Furniture
- Interior cleaning products
- Textile products
- Electrical and electronic equipment used in the healthcare sector
- Products for arranging green public spaces
- Thermal power plants with water
- Road lighting and road signaling systems
- Vehicles for road transport

Notes

¹ Article 187,(5) a) and Article 188, (2), (3) of Law no.98/2016 on public procurement, Article 209, (4), (^4), (5) a) and Article 2010, (3) of Law no.99/2016 on sectoral procurement.

² <https://anap.gov.ro/web/hotararea-de-guvern-nr-554-pentru-aprobarea-strategiei-nationale-in-domeniul-achizitiilor-publice-2023-2027/>.

Slovak Republic

Framework, scope, action-plans

The (2019) National Strategy for Environmental Policy until 2030 recognises the potential of GPP to support green innovation and the country's transition towards a circular economy. The Strategy sets the target to implement GPP in at least 70% of the total number and value of public procurement contracts. To ensure success, GPP will be made mandatory for central government authorities, self-governing regions, and municipalities. The mandatory requirement to use GPP will initially be limited to a selected number of product groups, which will gradually expand to reach the target set by 2030. Moreover, the electronic system for public procurement will help disseminate information of GPP and monitor implementation.

The GPP-related initiatives and objectives set out in the Strategy are further enforced by the 2019 Resolution (No. 478/2019) on the Concept of Development and Implementation of GPP, which identifies the 4 key actions for GPP design and implementation:

1. Involvement of decision-makers and commitment at all levels;
2. Improvement of GPP-related skills;
3. Creation of an efficient and simple procurement method;
4. Monitoring and evaluation.

The Resolution also defines the co-ordination arrangement between the main central-level institutions responsible for GPP: the Ministry of Environment, the national Environmental Agency and the Office for Public Procurement.

Furthermore, GPP is mentioned in several other strategies and national-level policies concerning the environment and climate, including the Low-carbon Development Strategy until 2030 with a view to 2050, the revised Strategy on Climate Change Adaptation, the National Energy and Climate Plan for the period 2021 - 2030, the Economic Policy Strategy until 2030, and the Strategic Transport Development Plan until 2030.

Implementation

To date, there is mandatory requirement to use GPP for 5 specific product groups (Copying and graphic paper, Computers and monitors, Road transport and Indoor cleaning services, construction and reconstruction of ground constructions) for the contracting authorities on the central government level (ministries and central government bodies) and is based on the resolution of the Government Office of the Slovak republic. Starting from 31 March 2022, the Public Procurement Act has mainly set a general requirement to integrate environmental considerations in public procurement, which applies to all levels of government. Notably, environmental considerations should be integrated in the description of the subject of the contract, as a special condition of performance, or as award criterion to evaluate offers in at least 6% of public contracts in the calendar year (for ministries and central government bodies) or together with social considerations for other contracting authorities in which at least ten public contracts were launched or implemented (outside of low-value contracts).

Measurement and impact

Slovak Environment Agency collects data on GPP implementation through an on-line survey that is run on an annual basis. Moreover, the participation to the survey is just on a voluntary basis. The collected data is analysed and until year 2021 (for year 2020) were presented in an annual report, subject to the approval by the Government Office of the Slovak republic. The approval resolution and the report were published on the official website of the national Government. Slovak Environment Agency continues to collect data on GPP implementation even after year 2020 but these data are no more publicly available. Moreover, there is a plan to obtain data regarding the GPP implementation via new information system eForms, which should provide data directly from the systems in which public procurements are carried out.

In terms of impact measurement for public procurement, the Institute for Environmental Policy has developed a tool (2018) to analyse the costs and environmental impacts of green procurement but only for certain product groups. The tool mainly allows to assess and compare (i) investment and operating costs and (ii) the lifecycle CO₂ emissions of alternatively (i.e. electric cars) vs. conventionally-powered cars.

Recent developments

Since 1st October 2022 Slovak Ministries and other central government bodies are obliged on the basis of the resolution of the Government Office of the Slovak republic No. 541/2022 to apply GPP in public tenders of works (construction and reconstruction). This regulation is obliged for the works above the 30 000 EUR. Small construction and reconstruction of ground constructions under 30 000 EUR and linear construction are excluded of the application of GPP.

Slovenia

Framework, scope, action-plans

In addition to the Public Procurement Act (2015) the Government of the Republic of Slovenia adopted a Decree on GPP in 2012, with the aim of reducing emissions and making the public sector a role model for society and the private sector. The GPP Decree was revised in 2018 (*Uradni list RS, št. 51/17 z dne 19. 9. 2017*) in order to promote markets for green products and support the country's transition to a circular economy. The last update of the GPP Decree was in 2021 (*Uradni list RS, št. 121/2021 from 23. 7. 2021*) with the additional two green subjects. In particular, the GPP Decree provides for the obligation of contracting authorities to integrate environmental considerations for different procurement categories (e.g. products, services, and works).

Several line ministries (e.g. Ministry of the Environment, Climate and Energy, Ministry of Economy, Ministry of Infrastructure) are involved in the preparation and amendments of the GPP Decree. In addition, the Decree is often recognised and mentioned in the preparation of other environmental policies and strategies. For example, GPP implementation and support is a measure in the National Energy and Climate Plan (*Nacionalni energetska in podnebni načrt*), which emphasises the potential of public procurement to contribute to the country's climate neutrality goal.

Implementation

The GPP Decree requires contracting authorities to include minimum and additional environmental criteria for 22 different procurement categories, including electricity, food and catering services, textiles, office paper and hygienic paper products, electronic office equipment, televisions, refrigerators, freezers, washing machines, dishwashers, dryers, vacuum cleaners and air conditioners, furniture, water heaters and space heaters, hot water storage, sanitary fittings, toiletry equipment and urinal equipment, wall panels, buildings, roads, vehicles, tires, electric bulbs and lamps and indoor lightning systems, road lighting, cleaning products and services, gardening services, furniture, and -noise road barriers.

Environmental criteria can be included in tender documentation in various ways, including as technical specifications, exclusion, and participation criteria, award criteria, and specific contractual provisions. In addition, contracting authorities may either develop their own GPP criteria or they can use models of the GPP criteria provided by the ministries (e.g. Ministry of Public Administration and Ministry of Environment, Climate and Energy), and that are published on the website of the Ministry of Public Administration.

The Regulation on GPP also defines GPP-related targets for individual procurement items that contracting authorities must achieve in each procurement procedure (e.g. the proportion of lamps allowing the use of electric lamps ranked in the highest energy class available in the market is at least 90%). The selected GPP criteria must therefore be in line with the goals set in the Decree.

Measurement and impact

Contracting authorities report on the use of GPP through a digital platform that is linked to the eProcurement system. In addition, contracting authorities are required to state in the published contract notice whether green criteria have been used and whether the obligations and targets set out in the GPP Decree on GPP have been met. Data on GPP is publicly available through the annual GPP report.

In 2022, Slovenia carried out an analysis of the impact of GPP as part of a larger initiative called "LIFE IP project Care4Climate". The study covered the years 2018, 2019 and 2020 and focused on a limited number of product and service categories: electrical and electronic equipment, road vehicles and design and/or construction of buildings. It assessed a range of impacts for each procurement category, covering environmental, economic and social aspects.

The purpose of the analysis was to develop the methodology, define the baseline and assess the impacts of GPP, in particular in terms of market share, reduction of greenhouse gas emissions, wider environmental and climate impacts, and economic and social impacts. The results of the monitoring will be used to inform and improve the design of GPP-related policies and instruments, as well as to provide additional support and motivation to public purchasers and suppliers.

Recent developments

As part of the LIFE IP Care4Climate project, the Slovenian authorities are supporting both public procurement practitioners and producers to implement GPP actively and more ambitiously. In November 2023, they organised a workshop on circular procurement of investments and buildings, which was very well received. Several activities are in progress to support the stakeholders, in 2024 the main focus will be on organic food, use of wood, cleaning services and IT equipment. Among the promotional activities, there are two interesting ones in progress: an open competition for a product made of used wood and an open competition for the best small circular procurement.

Spain

Framework, scope, action-plans

At the national level, the Ecological Public Procurement Plan 2018-2025 (Order PCI/86/2019) constitutes the strategic framework for GPP, and it applies to the General State Administration, its autonomous bodies, and the managing entities of Social Security system. The Plan is managed by the Interministerial Commission on the use of ecological criteria in public procurement, under the leadership of the Ministry for the Ecological Transition and the Demographic Challenge and the Ministry of Finance. The Interministerial Commission ensures the co-ordination of the National Government, its public bodies and the Social Security management bodies in the incorporation and use of green criteria in public procurement. There are also many state bodies responsible for the management of the Green Public Procurement Plan in its different phases (supervision, review, monitoring, training) - the Interministerial Commission is involved to a greater or lesser extent in all of them. For the subnational level, the national legal framework on public procurement (Act 9/2017, of November 8, on Public Sector Contracts or LCSP) allows subnational entities to develop their own regional public procurement strategies, which can include GPP. Some Autonomous Communities are now approving their own strategies, which also cover green public procurement.

The main objective of the Ecological Public Procurement Plan 2018-2025 is to ensure a balanced approach between environmental performance and economic efficiency in public tenders. For this reason, it encourages contracting authorities to include environmental requirements in procurement, according to their needs and level of ambition, and without creating unjustified administrative burdens. The Ecological Public Procurement Plan 2018-2025 is also included in the National Integrated Energy and Climate Plan 2021-2030, which outlines the necessary measures the country to meet the country's 2030 energy and climate targets to align with the EU commitments (Act 7/2021 on climate change and energy transition), such as reducing emissions by 40% compared to 1990s levels and increasing by 32% the share of renewable energy sources for final energy consumption.

GPP and the procurement of low-emissions and eco-friendly products are also mentioned in different sectorial regulations (e.g. circular economy, waste and soil contamination, noise pollution, wood and forests), as well as in broader national-level plans, such as the First National Air Pollution Control Programme (PNCCA) and Spain's Recovery Transformation and Resilience Plan.

Implementation

The national legal framework on public procurement (i.e. the Act 9/2017, of November 8, on Public Sector Contracts – or LCSP - and the Royal Legislative Decree 3/2020) makes GPP mandatory, across all levels of government. More specifically, environmental considerations should be integrated across the different phases of the procurement procedure:

- As conditions for the execution of contracts (art. 202 LCSP);
- As technical specifications (art. 126.4 LCSP)
- As technical or professional solvency requirement (art. 88 to 92 and 94LCSP);
- As award criteria. Notably, GPP considerations should be integrated as qualitative criterion to better assess the relationship between quality and value for money (e.g. art. 145 LCSP);
- As criteria for abnormally low tenders (art. 149 LCSP);
- As criteria for exclusion (article 71 LCSP).

In addition to that, sectorial environmental legislation includes mandatory requirements to use GPP. For example, according to art. 22 and 31 of the Act 7/2021 on Climate Change and Energy Transition, for works contracts and work concession contracts managed by the General State Administration and its entities, at the award stage, some of the following criteria should be included: maximum energy rating, energy-saving and energy-efficiency that promote a high level of thermal insulation, renewable energy and low emissions from facilities, use of sustainable construction materials considering their useful life, measures to reduce GHG emissions and other atmospheric pollutants in the different phases of the construction process, and measures to adapt to climate change.

Another example of sectorial legislation incorporating mandatory requirements to use GPP is the Royal Decree 1055/2022 on packaging and packaging waste which states that priority will be given to replacing single-use packaging with reusable and reused packaging in the framework of public procurement contracts. In addition, it establishes that in the framework of public procurement, public administrations shall include the purchase of products in reusable and easily recyclable packaging, and/or in packaging made from recycled materials, the quality of which complies with the required technical specifications.

Furthermore, according to article 16 of the Act 7/2022 on waste and contaminated land for a circular economy, Public Administrations shall include, in the framework of public procurement, the use of products of high durability, reusable, repairable or easily recyclable materials, as well as products made from waste materials or by-products, the quality of which complies with the required technical specifications. In this sense, the purchase of products with the European Union Ecolabel will be encouraged.

Moreover, there is an extensive number of actions and initiatives undertaken at the sub-national level to promote and guide GPP implementation. These include binding and non-binding regulations, guidance documents and instructions, supportive tools for contracting authorities. For example:

- Practical Guide for the inclusion of social and environmental responsibility clauses in administrative contracting in the Principality of Asturias and its public sector (2018);
- Recommendation 2/2018 of the Public Procurement Advisory Board. Purpose: Environmental Clauses in Public Procurement (2018). Autonomous Community of the Basque Country;
- Green Public Procurement Guidelines (2020). Autonomous Community of Aragon;
- Green Guide. Environmental measures in public contracting in the field of building (2020). Autonomous Community of Valencia;
- Guide: Common mistakes in the introduction of environmental criteria in public procurement (2020). Autonomous Community of the Basque Country;
- Circular Shopping Guide in Andalusia. Manual on the application of circularity criteria in public procurement and its status in Andalusia (2021).

Measurement and impact

Contracting authorities are not required to report specifically on GPP as part of their annual public procurement plans. However, contracting authorities are obligated to publish all information pertaining to their contracting activities on the Public Procurement Platform or a regional equivalent. This involves consolidating information and documents related to contracting activities to ensure transparency and accessibility. Additionally, the mandatory publication of tender documents and similar materials, along with tender notices, is required, including the use of GPP criteria. Finally, contracting authorities must register essential contract data, including relevant details on awarded contracts with the Public Procurement Register or its regional equivalent, which are linked to the e-Procurement system.

In terms of impact measurement, this varies across procurement categories. For some categories, such as cars or electricity, there is a standardised methodology to assess carbon footprint, but for other

methodological approaches and data are not available. Nevertheless, the Ministry for the Ecological Transition and the Demographic Challenge provides on its web page information and tools for calculating organisational carbon footprints. Moreover, the Ministry provides reference emission factors for some procurement categories, so that the evaluation of CO₂ emissions savings is feasible.

At the organisational level, many municipalities are calculating their carbon footprint on a voluntary basis. This is also the case of some Ministries. For example, the Ministry for the Ecological Transition and the Demographic Challenge is calculating its carbon footprint since 2010.

Recent developments

With the scope to improve co-ordination between national and sub-national public procurement strategies and support the compliance with the national legal framework, a National Public Procurement Strategy (NPPS) was approved, after more than 18 months of preparatory works in co-operation with the relevant stakeholders, by the Independent Office for Regulation and Supervision of Procurement (OIReScon) on the proposal of the Cooperation Committee on Public Procurement on 28 December 2022. It is published on the Public Procurement Electronic Platform. The Public Procurement Cooperation Committee on the development of the NSPP is made up of representatives of Spain's territorial administrations (national, regional and local). Its extensive work and collaborative efforts, representing Spain's territorial administrations, played a crucial role in aligning diverse interests and concerns into the NPPS. The NPPS is binding, and covers a 4-year period, although monitoring and evaluation will take place every 2 years. The draft NPPS includes a chapter on strategic public procurement, and it also covers GPP. Notably, it identifies the main instruments to promote and enforce strategic public procurement, such as procurement plans, preliminary market consultations, life cycle cost assessment, professionalisation, creation of template documents that contracting authorities can use as a reference, monitoring and data collection. The NPPS also highlights the need to improve co-ordination of public procurement policies with other public policies.

Moreover, to foster GPP implementation and provide guidance to contracting authorities, the Ministry for the Ecological Transition and the Demographic, in co-ordination with the Ministry of Finance and Public Service, has been working on a Guide on ecological public procurement. Most importantly, the Guide will present GPP best practices and provide examples of GPP criteria that have been already endorsed by different Spanish and European courts.

The work on the Guide is still on-going and should soon be approved by the Interministerial Commission for the incorporation of ecological criteria in public procurement. Moreover, the Guide will be revised and updated as new GPP criteria are endorsed by administrative and judicial courts.

Finally, The Ministry for Ecological Transition and the Demographic Challenge has published the manual *Ecoedición*. A public guide of criteria and tools, with the aim of showing in a simple way the steps to follow to make an eco-edited publication that contributes to reduce the environmental impact in all its phases and processes. This action is also in line with the provisions of the Green Public Procurement Plan (2018-2025).

Switzerland

Framework, scope, action-plans

Switzerland has not developed a national strategy or action plan specific to GPP. Nevertheless, Sustainable Public Procurement (SPP) is part of the broader national Strategy for Sustainable Development 2030. Notably, the Strategy states that the Swiss Confederation “*procures products, services and construction works that meet stringent economic, environmental and social specifications throughout their service life. It establishes a strategic framework that sets the level of ambition for sustainability criteria and provides for appropriate controlling and monitoring*”.

In addition to that, the country has recently revised its public procurement legal framework (*Federal Procurement Act, 2020*)¹ with the objective, among others, to harmonise procurement legislation between the federal and cantonal level while setting an economic use of public funds that has sustainable economic, ecological and social effects. To guide and support implementation of the revised norms, a new Strategy for public procurement by the federal administration was issued in 2020 (“*Federal Procurement Administration Strategy - Strategy for the Implementation of the Total Revision of Public Procurement Legislation for the Strategic Period 2021-2030*”), and it identified sustainability as part of the mission of the Swiss public procurement system as well as a key strategic axis.

Implementation

Since 1 January 2021 - under the revised legal framework, contracting authorities at the federal level are encouraged to further consider quality and sustainability factors, for technical specifications and award criteria, while ensuring that the core-principles of non-discrimination and transparency apply, as well as the compliance with the other commitments deriving from international procurement agreements. They are also required to award contracts to the most advantageous offer, rather than to the most economically favorable offer. Moreover, all contracting authorities, across all levels of government, are required to only award contracts to suppliers that comply with national and international legal provisions (e.g. Swiss environmental law, international conventions on the protection of the environment signed by the Federal Council) on environmental protection and conservation of natural resources², depending if the place of performance is in Switzerland or abroad.

To guide and support the implementation of sustainable public procurement by contracting authorities, the Swiss Federal Procurement Conference (CA) has also developed some guidance documents, including a document on the Guiding Principles for SPP (2018) and a set of Recommendations (2021) to integrate sustainability criteria, including environmental criteria, across the different phases of the procurement procedure (i.e. selection criteria, technical and functional specifications, and award criteria).

Furthermore, a new knowledge platform on sustainable public procurement (PAP) provides since 2021 contracting authorities of the Confederation, cantons and municipalities with information and tools on sustainable public procurement.

Measurement and impact

Central purchasing agencies (e.g. Federal Office for Defence Procurement, the Federal Office for Buildings and Logistics, and the Federal Roads Office) provide data on SPP through an independent digital platform, which is not linked to the e-Procurement system. Moreover, each central purchasing agency publishes an

annual report on public procurement (“*Set de reporting du controlling des achats de l’administration fédérale*”), which also contains information on GPP. Other public organisations still report on the use of GPP, but this is done on a voluntary basis.

Moreover, some public organisations report on sustainability performance related to public procurement. For example, the Federal Office for Buildings and Logistics (or UFCL), which is one of the three central purchasing agencies in Switzerland, publishes an annual report on its progress in sustainability, including in the area of public procurement.

Recent developments

The Federal Office for Buildings and Logistics organises, together with other stakeholders, an annual conference on sustainable public procurement. The aim of the Conference is to contribute to the exchange of experience between contracting authorities at all levels and to support the ongoing efforts to develop sustainable public procurement practices and their harmonised implementation in Switzerland.

On 18 June 2023, Switzerland’s voters approved the Climate and Innovation Act, whose goal is for Switzerland to become climate neutral by 2050. The act states among others that the Confederation and the cantons are playing a leading role in achieving the objective of net zero emissions and adapting to the effects of climate change, including through government procurement practices.

Notes

¹ The new legal framework entered into force on 1 January 2021.

² This is included in art. 12 of the Federal Procurement Act. Moreover, the same article has been included in the “Intercantonal concordate on government procurement” that governs procurement at the cantonal level.

Sweden

Framework, scope, action-plans

Public procurement is part of the government's climate action plan, which states that public procurement must contribute to achieving Sweden's climate goals. Sweden's climate action plan mentions that environmental costs over the entire life cycle should be taken into account for reduced climate impact, that public procurement plays an important role in designing the transport infrastructure in accordance with the environmental and climate goals and that investments in transport infrastructure should gradually develop to become climate neutral. The climate action plan is part of the climate policy framework. According to this framework, the government must issue a climate action plan every four years.

In Sweden, there is no national-level policy or strategic framework specific to GPP. However, the National Public Procurement Strategy (2017) identifies 7 strategic objectives to guide and steer the public procurement system, including (i) fostering innovation and alternative solutions, and (ii) promoting environmentally responsible public procurement. Besides central-level authorities, the 7 strategic objectives are expected to guide the public procurement strategies by contracting authorities and entities at the municipal and regional level as well.

The National Public Procurement Agency (NAPP), which was created in 2015, is responsible for supporting the implementation and follows up developments in the procurement area on a regular basis, i.e. in terms of environmental considerations.

Sweden has a national strategy for circular economy which points out the direction for the transition to circular production, consumption and business models as well as non-toxic and circular material cycles. An action plan is linked to the strategy, which states that public procurement should contribute to resource efficiency, recycling and circular business models.

Implementation

The Swedish Public Procurement Act (2016) encourages environmental considerations in public procurements, but it does not include any mandatory requirement to use GPP and it is up to contracting authorities to integrate environmental criteria in public tenders. NAPP is tasked with working for increased environmental considerations and working to ensure that the generational goal for environmental work and the environmental quality goals that the Parliament has decided on are reached.

The agency provides a variation of support including guidance on circular economy within the procurement framework and methods for calculating the environmental impact as a result of public procurement.

NAPP also provides a criteria service, which features a database of criteria for different product categories, and with three ambition levels.

Measurement and impact

In Sweden only the number of public tenders must be reported in an award notice. However, according to the procurement laws, a notice must be published in a registered database. A database can only be registered if it meets the requirements for mandatory information. According to the procurement regulation, notices below the threshold values must contain, among other things, if the procurement contains requirements or conditions relating to environmental considerations.

The contracting authorities use electronic procurement tools to advertise procurements in the registered databases. In the procurement tool, you fill in information about the procurement in a ready-made notice form. The notice is then created automatically in the database that the procuring organisation use. Even though the country has not developed a standardised methodology to evaluate CO₂ emissions savings from public tenders, some contracting authorities report on the environmental and climate impacts of selected purchasing areas, e.g. CO₂ saving. In addition, close to 200 government agencies are covered by the regulation (2009:907) on environmental management in government agencies, which means that they must introduce and develop environmental management systems and every year follow up and report the results of the work. Part of the report refers to the total amount of CO₂ (kg) and per annual workforce regarding air travel, car travel, train travel, bus travel, machinery and other vehicles.

Recent developments

A new climate action plan will be decided by the end of 2023. It also contains writings about public procurement.

From 1 January 2024, it will also be mandatory to state in all procurement notices whether considerations are taken to environmental sustainability.

United Kingdom

Framework, scope, action-plans

The Greening Government Commitments set out the actions UK government departments and their agencies will take to reduce their impacts on the environment in the period 2021 to 2025.¹ This includes the following commitments pertaining to procuring sustainable products and services:

- To continue to buy more sustainable and efficient products and services whilst also achieving value for the UK taxpayer, UK government departments will report on the systems they have in place and the action taken to buy sustainably, including to:
 - embed compliance with the Government Buying Standards in departmental and centralised procurement contracts, within the context of the UK Government's overarching priorities of value for money and streamlining procurement processes.
 - understand and reduce supply chain impacts and risks.

The UK has the National Procurement Policy Statement (NPPS). The NPPS sets out the national priorities that all contracting authorities should have regard to in their procurement where it is relevant to the subject matter of the contract and it is proportionate to do so. Contracting authorities should consider outcomes that contribute to effective stewardship of the environment including tackling climate change and reducing waste.

Furthermore, the UK has enacted procurement policies to support Green Public Procurement (GPP) and its commitments on Net Zero. The Procurement Policy Note 06/21² introduces a new Selection Criteria for major government contracts, where suppliers failing to produce a Carbon Reduction Plan (CRP) and commit their organisation to Net Zero by 2050 are deselected from the procurement process. Since its adoption in September 2021, over GBP 300 billion of contracts and frameworks have applied the measure and thousands of suppliers have produced CRPs and committed to Net Zero by 2050.

The UK has an overarching commitment to achieve Net Zero by 2050, which incorporates procurement and whole economy measures, as established by an amendment to the Climate Change Act in 2019. Delivering net zero through public procurement is referenced in the UK's Net Zero Strategy.

In May 2022, the UK published the Draft environmental principles policy statement. This supports the introduction of core environmental principles established by the Environment Act 2021. These principles play an important role in supporting environmental improvement plans and delivering the country net zero commitment to tackle climate change. It aims to provide ministers, and those developing policy on their behalf, with the space to use the principles to enable and encourage innovation. This approach will ensure that nature and the environment are proactively designed into the policymaking process.

Responsibility to ensure co-ordination between environmental and GPP commitments is split between departments. The Cabinet Office holds responsibility for procurement policy, and the Procurement Policy Working Group is responsible for discussing policy development and disseminating new policy requirements across Government. This is an interdepartmental group led by the Cabinet Office and is used to develop and share procurement policy, including GPP. Other departments will have their own structures in place to monitor policy adoption in their own areas, which may include other areas of GPP.

The Cabinet Office, the Department for Energy Security and Net Zero and the Department for Environment, Food and Rural Affairs all play a role in the co-ordination and collation of data relating to departmental emissions and wider Net Zero commitments.

Implementation

The UK has adopted mandatory requirements for central government which include:

- **Procurement Policy Note (PPN) 06/21 - Taking account of Carbon Reduction Plans in the procurement of major government contracts.**

In 2019, the UK became the first major economy to adopt a legal commitment to achieve Net Zero carbon emissions by 2050. To support this, the Government Commercial Function has developed a new commercial policy measure for all central government departments and arm's length bodies. This procurement policy measure requires suppliers bidding for major government contracts to commit to achieving Net Zero by 2050 and publishing a Carbon Reduction Plan (CRP) at the selection stage of the procurement. Suppliers failing to meet this requirement are deselected from the procurement process. Procurement Policy Note 06/21 applies to procurement valued at GBP 5 million per annum and above.

CRPs must meet a published standard which includes but is not limited to:

- Confirming the bidding supplier's commitment to achieving Net Zero by 2050 for their UK operations.
- Providing the supplier's current emissions for the sources included in Scope 1 and 2 of the Greenhouse Gas Protocol and a defined subset of Scope 3 emissions.
- Providing emissions reporting in CO₂ (Carbon Dioxide Equivalent) for the greenhouse gasses covered by the Kyoto Protocol
- Setting out the environmental management measures in effect, including certification schemes or specific carbon reduction measures you have adopted, and that you will be able to apply when performing the contract and that support achieving Net Zero by 2050.
- Publication of the CRP on the supplier's website.

The measure applies to all categories of spend (including construction, fleet, digital etc.) where it is relevant and proportionate to do so. To date PPN 06/21 has been applied to procurements totalling over GBP 300 billion, ranging from large scale Defense contracts, Digital Services, Construction and Fleet, and has also been adopted voluntarily by many sub-central bodies such as the NHS and Local Government authorities.

- **Procurement Policy Note (PPN) 06/20 - Taking Account of Social Value in the Award of Central Government Contracts.**

This PPN launches a new model to deliver social value through the UK Government's commercial activities. Central government organisations should use this model to take account of the additional social benefits that can be achieved in the delivery of its contracts, using policy outcomes aligned with this government's priorities:

- Fighting climate change
- Effective stewardship of the environment
- Deliver additional environmental benefits in the performance of the contract including working towards net zero.

All government departments and their connected non-departmental public bodies must make sure that they meet the minimum mandatory Government Buying Standards (GBS) standards when buying goods and services. The UK also encourages the wider public sector to specify the minimum mandatory standards in tenders. The product specifications set out in the GBS are aimed primarily at public sector organisations procuring goods or services. However, any organisation concerned about sustainable procurement may choose to follow them or to specify them in tenders. The GBS are part of public procurement policy, with individual standards developed with input from across government, industry and wider stakeholders. The standards have been extensively reviewed with market research and analysis to establish criteria that take long-term cost effectiveness and market capacity into account.

Furthermore, the Construction Playbook sets out key policies and guidance for how public works projects and programmes are assessed, procured and delivered. Contracting authorities will also have to have regard to the strategic priorities in the National Procurement Policy Statement (NPPS). Finally, the Greening Government Commitments to continue to buy more sustainable and efficient products and services with the aim of achieving the best long-term, overall value for money for society.

Measurement and impact

Contracting authorities are not required to collect data on GPP beyond the requirements of the Greening Government Commitments.

Regarding the existence of an aggregated evaluation of impact of GPP: PPN 06/21 has been applied to 280+ procurements since 30 September 2021, these procurements have a total value of GBP 300 billion. The commitments made under PPN 06/21 apply to all suppliers who are bidding for the procurement, and these commitments apply across the whole organisation, not just in the delivery of that contract.

Access to granular data on GPP is not currently available in the UK, but systems are under development to capture more detail in this area.

Recent developments

The UK is reforming the way public authorities purchase goods, services and public works by simplifying and modernising procurement rules and procedures. The Procurement Act, which received Royal Assent on 26 October 2023, is anticipated to come into force in October 2024, along with secondary legislation required to implement some of the Act's provisions. The Act introduces a new supplier selection regime, based on principles including non-discrimination, fair treatment, value for money, maximising public benefit, transparency, and integrity. While value for money remains the core objective of procurement, the Act requires public sector buyers to take account of the national strategic priorities set out in the NPPS. The NPPS states that contracting authorities should have regard to wider public benefits, such as creating new jobs, tackling climate change and improving supplier diversity, and innovation throughout the procurement process.

At COP28, the UK was signatory to two leading commitments to use the power of public procurement to decarbonise the construction sector.

- The UK was signatory to the Forrest and Climate Leaders' Partnership (FCLP) commitments³ to increasing the use of sustainably sourced timber in the construction process.
- The UK was signatory to the Industrial Deep Decarbonisation Initiative (IDDI) commitments⁴ to establishing standards for low carbon steel and cement, and to utilise these products in major construction projects.

Notes

¹ <https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025/greening-government-commitments-2021-to-2025>.

² <https://www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts>.

³ <https://forestclimateleaders.org/wp-content/uploads/2023/12/FCLP-COP28-Release-Buildings-06122023.pdf>.

⁴ <https://www.unido.org/news/cop28-governments-double-down-their-commitment-buy-green-steel-cement-and-concrete>.

United States

Framework, scope, action-plans

Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability (December 8, 2021) and the Federal Acquisition Regulation (FAR) Part 23 - Environment, Energy and Water Efficiency, Renewable Energy Technologies, Occupational Safety, and Drug-Free Workplace, last revised in 2021 constitute the US legal framework on GPP.

GPP is mentioned in national commitments on climate change: Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability (December 8, 2021).

Regarding co-ordination between environmental and GPP national commitments: Staff from the White House Council on Environmental Quality, Environmental Protection Agency, and other offices advise in the promulgation of sustainable acquisition regulations. The institution in charge of ensuring co-ordination is the Executive Office of the President.

Implementation

The US has mandatory requirements to use GPP for procurement for specific purchasing categories: energy-consuming products, products with recovered materials, biobased options, and products made with ozone-depleting substances. There are also policy preferences for the procurement for substitutes for products that contain perfluoroalkyl or polyfluoroalkyl substances (PFAS) and for categories listed within the Environmental Protection Agency's Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing. These preferences exist universally at the Federal level in the United States. States have their own procurement systems.

Regarding the existence of GPP targets, the US adopted targets for procurement and for specific purchasing categories at the Federal level.

Regarding GPP criteria: the FAR Part 23, Environment, Energy and Water Efficiency, Renewable Energy Technologies, Occupational Safety, and Drug-Free Workplace, includes direction to relevant solicitation provisions and contract clauses for relevant sustainable categories.

Measurement and impact

Public institutions in the US report through a digital platform linked to their e-procurement systems.

At the time of the Survey, the US do not have a standardised methodology to measure the impact of GPP on CO₂ emissions, however Executive Order 14030, Climate-Related Financial Risk (May 20, 2021) directed the Federal Acquisition Regulatory Council to consider amending the Federal Acquisition Regulation (FAR) to ensure that major Federal agency procurements minimise the risk of climate change, including requiring the social cost of greenhouse gas emissions to be considered in procurement decisions and, where appropriate and feasible, give preference to bids and proposals from suppliers with a lower social cost of greenhouse gas emissions.

The US conduct an aggregated evaluation of impact of GPP at national level: energy reductions are tracked and there is a standard "Sustainability" procurement data report. This report displays actions and dollars for the "Recovered Materials/Sustainability" values. Actions with a foreign Place of Performance or a Claimant Program coded as Weapons are excluded from this report.

Recent developments

The Biden-Harris Administration proposed in August 2023 the Sustainable Procurement rule that will aid the ambition of net-zero emissions from Federal procurement by 2050. The Sustainable Procurement rule, a proposal by the Federal Acquisition Regulation (FAR) Council, strengthens existing sustainable products requirements by directing Federal buyers to purchase sustainable products and services to the maximum extent possible. In particular, it directs agencies to follow EPA's Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing, which provides recommendations across 34 purchase categories for use of 40 standards and labels, including labels such as EPA's ENERGY STAR, Safer Choice, and WaterSense programmes. The proposal also protects public health by directing agencies to avoid the procurement of products containing perfluoroalkyl or polyfluoroalkyl (PFAS) chemicals, known as "forever chemicals." EPA's Federal Purchasing Recommendations include thousands of American-made products and services that address energy or water efficiency, PFAS reduction or elimination, bio-based content, recycled content, ozone-safe substances, and more.

OECD Public Governance Reviews

Harnessing Public Procurement for the Green Transition

GOOD PRACTICES IN OECD COUNTRIES

This report presents the results of the 2022 OECD Green Public Procurement (GPP) Survey, to which 38 countries (OECD Member and accession candidate countries) responded. The aim of the survey was to better understand how public procurement, a significant economic lever, is being used to generate environmental benefits. The report is organized around four areas: green public procurement policy and strategic framework, public-private interactions on green public procurement, the monitoring and the evaluation of green public procurement, and building capacity and support for green public procurement. Developments in GPP since the survey was completed in 2022 are included in the country-specific factsheets annexed to the report.



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