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*Statement adopted at the North Sea commission Annual Business Meeting 13 June 2008.*

## **ENERGY AS A PRIORITY IN EUROPEAN SUSTAINABLE PROCUREMENT**

### **SUMMARY**

Given the importance and urgency of securing our energy supply in Europe while ensuring energy efficiency, and low carbon emissions, it is recommended that the Commission emphasise the link and prioritise energy in sustainable procurement.

The Commission should ensure that we align all relevant policies and Directives to ensure that national and local governments are required to green their procurement with particular reference to Energy Efficiency, Green and Renewable Energy Production and Supply.

### **BACKGROUND**

Public Procurement amounts to 16% of EU GDP.

#### **Sustainable Procurement**

Sustainable procurement is the application of sustainable development principles to procurement and is a key activity in helping to ensure that the world remains habitable and that people have a decent quality of life. There is a wide range of approaches to sustainable procurement, which can be applied at all stages in the procurement process.

Hence any organisation that is serious about reducing its environmental impact has to give serious attention to the amount of fossil fuel that it uses in all its business operations heating, energy and transportation. And it needs to give similar attention to the greenhouse gas emissions of its suppliers. Given the purchasing power of local authorities, policies of sustainable procurement and energy will have a major impact on supply chains over time.

#### **Energy and Bali Action Plan**

The European Union has welcomed the agreement reached at the UN climate change conference in Bali, Indonesia to start formal negotiations on a global climate regime for the post-2012 period and on a Bali Roadmap that sets out an agenda for these negotiations. European Commission President José Manuel Barroso said: "We have worked hard to achieve this result. It is a very important step forward. Europe is determined to contribute all it can to move forward also in the future. I appeal to all our partners to take these commitments seriously and to act swiftly. Indeed there is only one planet. Together, developed and developing countries can reach success."



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## **UN Bali Action Plan (December 2007)**

*(The following are relevant extracts from the action plan that have a relationship to climate change action by local government and will relate to sustainable procurement)*

### **The Conference of the Parties agreed to:**

(b) Enhanced national/international action on mitigation of climate change, including, inter alia, consideration of:.....

(vii) Ways to strengthen the catalytic role of the Convention in encouraging multilateral bodies, the public and private sectors and civil society, building on synergies among activities and processes, as a means to support mitigation in a coherent and integrated manner;

(e) Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation, including, inter alia, consideration of: ..

(v) Mobilization of public - and private-sector funding and investment, including facilitation of carbon-friendly investment choices;

## **EUROPE AND SUSTAINABLE PROCUREMENT**

The greatest source of information at European level on sustainable procurement is:

European Commission Environment Directorate - **specifically the Green Public Procurement Section**. DG Environment published a study on costs/benefits of Green public procurement in Europe" (by Öko-Institut and ICLEI for EC), in July 2007. Its conclusion was that green products were no more or less expensive than the non green alternative.

[http://ec.europa.eu/environment/gpp/pdf/eu\\_recommendations.pdf](http://ec.europa.eu/environment/gpp/pdf/eu_recommendations.pdf)

One of its key recommendations was that political commitment (at all government levels) is regarded as essential to increasing green public procurement. They specifically mentioned that the report should be disseminated through the CPMR given its high credibility for decision makers.

**ICLEI Local Governments for Sustainability** is an international association of local governments and national and regional local government organisations that have made a commitment to sustainable development. They have a Sustainable Procurement Team, and provide informative newsletters, special events and specific publications.

**Generally**, there are some excellent projects, toolkits and advice available to local authorities (from the UN to regional sources) to promote sustainable procurement, including energy in terms of buildings, transport and energy procurement itself. This paper is not going to repeat these and links are given at the end of this paper to some of the most useful web sites.

The **purpose of this paper** is to look at the opportunities for the North Sea



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Commission and the CPMR to lobby the EU for specific priority to be given to energy in sustainable procurement and upcoming legislation and programmes and also strengthens the North Sea Commission 's **“PORSGRUNN CHALLENGE”**.

### Upcoming European Policy

The European Commission is preparing a set of initiatives to make procurement of public bodies, including Local Authorities greener. It is also important the Commission clearly establishes in the directive what qualifies as Green Procurement.

The three key initiatives at the moment are:

- a) National Action Plans on Green Public Procurement
  - b) A new Communication from the Commission
  - c) A related proposal on Public Procurement on Green Vehicles.
- (Source: Convention of Scottish Local Authorities European Office)

a) The 2003 EU Communication on Integrated Product Policy defined that National Action Plans should be produced by Member States by end 2006. In practice only 12 Member States have done so. The following link provides an update on the current national action plans.

[http://ec.europa.eu/environment/gpp/pdf/national\\_gpp\\_strategies\\_en.pdf](http://ec.europa.eu/environment/gpp/pdf/national_gpp_strategies_en.pdf)

In March the Commission will take stock on this in view of proposing an EU wide target on Green Public Procurement.

b) It is understood that the Commission is about to finalise a Communication, (a policy paper), that will be published in 2008. This is an important step that will prepare the political ground for a draft **Directive on Green Public Procurement to be tabled in September 2008.**

- **Voluntary targets:** The key aspect of this proposal is a set of **voluntary target of 20% of local procurement shall be green by 2010 and 50% by 2020** (central government figures shall be 30% in 2010 and 50). The average level of Green Public Procurement (GPP) by then should be that of the three best performing states had in 2006.
- **Toolkit:** The commission is providing guidelines in 11 product categories and the 4 award criteria for each of them: *paper, cleaning products, office machinery, transport, furniture, electricity, textiles, medical devices, etc.* Guidelines 12 more product categories will be provided later next year.

c) The Commission is preparing a new proposal to encourage local authorities to spend part of their annual purchase of vehicles on green ones. This follows the defeat in the European Parliament last year of an earlier proposal that proposed explicit targets for Local Authorities to be met. Therefore the Commission approach now is more cautious and it will only propose a set of minimum standards on award criteria that Local Authorities can then use when assessing the ecological standards of their prospective fleet.



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## **ENERGY AS A PRIORITY IN EUROPEAN SUSTAINABLE PROCUREMENT**

Research for this paper has shown that there is no specific policy to promote Energy in Sustainable Procurement as a priority. It is generally assumed that energy is expected as good practice as part of all sustainable procurement processes. Given the international and European priorities to reduce emissions for climate change, and the Bali commitments (above), the North Sea Commission and the CPMR should consider lobbying Europe to give priority to energy within green/ sustainable procurement programmes and upcoming legislation.

The key areas where priority should be emphasised in future Commission policies would require more research, however the following could be considered as a start:

1. Energy procurement from the grid for renewable or certified green energy sources
2. Self generation or decentralised energy at local or regional level
3. Planning system to priorities renewable and decentralised energy production
4. Specification in local government tenders that requires for new builds, renovations, transport, equipment, alternative fuel sources etc to set low carbon targets. The use in tenders also to specify low mileage/kilometres, low emissions in life cycle to ensure reduced energy use.
5. Opportunities for joint procurement with neighbouring authorities. This can maximise the ability to procure green/ renewable energy at more affordable prices.
6. Make changes to European Procurement Regulations to make Green Procurement targets achievable.

### **CONCLUSION**

*There is a role for the North Sea Commission and the CPMR in persuading the Commission to prioritise energy, within Sustainable Procurement. The justification for this is to ensure that Europe can ensure energy security and reach its climate change targets.*

### **Useful Links**

[http://ec.europa.eu/environment/gpp/index\\_en.htm](http://ec.europa.eu/environment/gpp/index_en.htm)  
<http://www.iclei.org/index.php?id=796>  
<http://www.iclei-europe.org/?spupdate>  
<http://www.iclei-europe.org/index.php?id=1820>  
<http://www.iclei-europe.org/index.php?id=sustainableprocurem>  
<http://www.iclei-europe.org/index.php?procuraplus>  
<http://www.cannybuyer.com/guidebook/>