



Sustainable Public Procurement in European Municipalities

The pro-EE project

pro-EE aims to improve energy efficiency through sustainable public procurement. For this purpose, pro-EE brought together producers and consumers, implemented energy-efficient Green Public Procurement (GPP) procedures in local administrations, and organised training for municipalities' procurement staff. At the same time, five pilot cities set up integrated energy efficiency action plans, which included the involvement of stakeholders and awareness-raising campaigns for citizens.

Why opt for sustainable procurement?

Sustainable public procurement – for enhanced use of scarce resources

Communities all over the world are facing the dramatic consequences of the excessive use of natural resources and climate change. Unsustainable consumption practices lie at the heart of these problems. Sustainable procurement – spending public money responsibly on products and services that foster sustainable development – must therefore be

a priority. Sustainable procurement means thinking carefully about what to buy: buying only what is really needed, purchasing products and services with high environmental performance, and considering the social and economic impacts of procurement.

Energy-efficient public procurement to reduce CO₂ emissions

Public procurement – and the way procurement processes are shaped and priorities are set in purchasing decisions – provide local authorities with significant opportunity to improve their overall energy consumption performance and reduce CO₂ emissions. Energy-efficient public procurement allows for improvements in energy efficiency by setting it as relevant criteria in the tender and decision-making processes relating to goods, services and works. It applies to the procurement of energy-consuming equipment, such as heating systems, vehicles and electrical equipment, as well as to the direct purchase of energy, e.g. in the form of electricity.

Public procurement boosts energy efficiency

Increasing energy efficiency correlates closely with the development of new technologies. Any new product being introduced onto the market needs to quickly increase demand to achieve a return on developmental costs and realise economies of scale. By developing future-oriented procurement strategies that include new solutions, which address the challenges of limited resources and

climate change, the public sector can have a significant impact on the mid to long-term efficiency and effectiveness of public services and the innovation performance and competitiveness of European industry. The combined purchasing power of public authorities working together can effectively create demand and lend new, energy-efficient products like electric cars and LED lighting the helping hand they need to successfully break into the market.

The pro-EE tools

pro-EE identified tools to support sustainable public procurement: procurement schemes, Joint Public Procurement (JPP), embedding of sustainable procurement in local energy efficiency plans, and trainings for municipal workers.

Organisation of schemes for energy-efficient procurement

To support sustainable public procurement,

- organise municipalities in the pilot region;
- identify products with the highest environmental priority;
- publish “Calls for Interest” for these products;
- develop tenders with energy efficiency criteria.

An “Implementation Manual on Energy-Efficient Joint Procurement” was developed on the basis of the pro-EE experiences.

Joint public procurement – the advantages

Joint Procurement (JP) means combining the procurement activities of two or more contracting authorities. The key defining characteristic is that there should only be one tender published on behalf of all participating authorities. pro-EE highlights several benefits for contracting authorities engaging in JP arrangements:

- Combining purchasing activities can lead to economies of scale and lower prices, especially for smaller municipalities.
- The total administrative work for the group of authorities involved can be substantially reduced by preparing and releasing one rather than several tenders.
- Combining the procurement activities of several authorities facilitates the pooling of different skills and expertise between authorities.

The possible contribution of joint public procurement to energy-efficient procurement must be verified from country to country. In all cases, a clear agreement on needs, capacities, responsibilities and the common and individual legal framework of each party is crucial.

Innovative joint public procurement in practice

In Upper Austria, the government administration and the Academy for the Environment work together on the pro-EE project. The cooperation’s goal is to provide customers with two advantages. The first is a financial one, achieved by bundling the demands of several municipalities. The second involves implementing ecological criteria, as well as fostering innovation in the field of energy efficiency. For municipalities as a new target group, the Academy provides grants to counterbalance economic disadvantages caused by innovative products. The Upper Austrian project team assumes responsibility for product offers and activities such as office IT, electrical devices, LED street and Christmas lighting.

Embedding sustainable public procurement in local energy efficiency plans

Energy efficiency plans provide systematic ground for sustainable procurement. To develop energy efficiency plans, the methodology designed recommends two steps: the so-called Climate Scan, which corresponds with a state-of-the-art evaluation of activities already being carried out, followed by identification of activities and measures that the local authority can take up within its own competences. The pro-EE pilot cities of Tôrres Vedras, Cascais, Murcia, San Sebastián and Amaroussion developed their energy efficiency plan under the

local authority's leadership. Involving as many as possible departments within the city administration and the local stakeholders secures the full potential for energy efficiency.

Training in sustainable public procurement

Training in sustainable public procurement enhances competence and knowledge within municipalities and cities. Training should include information on relevant facts and tools for green public procurement such as energy-efficiency labels and their practical application in tenders, possibly provided by the participants, details of the latest innovative products, joint green public procurement, legal frameworks, sustainable tendering and best practice examples from municipalities and cities.

Additional technical workshops can feature round tables with national, regional and local public authorities, and focus on the implementation of action plans and policies for energy-efficient and green public procurement and the presentation of tools for joint public procurement. pro-EE-partners

organised training sessions and workshops on energy-efficient procurement for the procurement staff of municipalities and cities in all participating countries. Additional training for public authorities in the Czech Republic, Slovakia and Hungary were also organised.

Pilot training in the Czech Republic

In the Czech Republic, the pilot training took place at the Centre for Sustainable Rural Development in Hostetín, a village where sustainability has been practised for many years. Energy efficiency experts from the Centre Veronica Hostetín, an institute for ecology, trained participants in green public procurement. Green public procurement was previously not widely recognised in Slovakia or the Czech Republic, but has apparently become a more relevant aspect for municipalities within these countries due to rises in energy prices. It seems that there is great potential for implementing climate protection measures by boosting energy-efficient procurement across Europe, particularly in Eastern European countries.

The recipe for success – stakeholder involvement, political support and embedding in energy plans

pro-EE results emphasise that **involving different stakeholders** is essential to the success of strategic sustainable public procurement (SPP) approaches. Contacts to business and industries at an early stage have proven decisive for the identification of innovative products, and are required for the formulation of energy efficiency criteria in respective public tenders. Platforms where purchasers have the opportunity to exchange information between themselves and with producers are particularly helpful.

It must be also noted that SPP action plans can only deliver if they are backed by **high-level political commitment** and they succeed in building capacities for SPP among procurers. The real question is neither what has to be done nor how to do it, but rather how to put those who want to act in a position to be able to do so. Therefore, the involvement

of local decision-makers in training sessions is an absolute must. Sensitization must repeatedly be complemented with a strong political stand within the administration. After a declaration in favour of GPP in the council, a constant and explicit stance in favour of ecological purchasing must be adopted.

Overall, **energy-efficient procurement** must be **embedded in the activities of the public body in the field of sustainable energy** and linked to other activities and projects. To introduce it as an isolated issue drastically reduces the impact of activities. This means creating awareness that virtually all departments and institutional activities have an impact on the local government's consumption of energy and the emission of greenhouse gases, and establishing synergies with other ongoing projects and activities, notably within the scope of the Covenant of Mayors.

Based on pro-EE experiences, **training sessions** should focus on combining more strategic elements such as awareness-raising among all

involved actors with technical tools, common criteria and exchanges on a broad scale. It is advisable to involve decision-makers in the training.

The Covenant of Mayors – embedding public procurement in Sustainable Energy Action Plans (SEAPs)

The Covenant of Mayors is a new initiative by the European Commission in which signatory cities and municipalities commit to going beyond the “3x20” EU energy targets through enhanced energy efficiency and cleaner energy production and usage. This formal commitment is to be achieved through the implementation of Sustainable Energy Action Plans (SEAPs). The current guidebook provides detailed step-by-step recommendations for the entire process of elaborating a local energy and climate strategy, from initial political commitment to implementation. The practical part is also dedicated to the description of technical measures that can be implemented by the local authorities in the area of public procurement. The pro-EE pilot cities of Cascais, Murcia and San Sebastián count among the first signatories of the Covenant of Mayors.

Climate Alliance resolution for 100% ecological, social and fair public procurement

For Climate Alliance, public procurement is an important strategic domain for CO₂ reduction and climate protection. A resolution drawn up at Climate Alliance’s 2009 General Assembly in Brussels encourages all member cities and communities to do everything in their power to formulate 75% of their tenders in an ecologically and socially-sustainable way by 2012, rising to 90% by 2015 and 100% by 2020.



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Climate Alliance
Climate Alliance / Klima-Bündnis / Alianza del Clima e.V.
European Secretariat
Galvanistr. 28
D – 60486 Frankfurt am Main
Germany

Tel. +49 (0)69 717139-0
Fax +49 (0)69 717139-93
europe@climatealliance.org
www.climatealliance.org

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