

Task 2.2. Comparative analysis of different GPP practices identified

COMPARATIVE ANALYSIS OF DIFFERENT GPP PRACTICES

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1. METHODOLOGY FOR THE EVALUATION AND COMPARISON OF DATA

Under the **Task 2.1**, two questionnaires have been designed in order to collect data on GPP implementation and practices. Under the **Task 2.2**, a comparative analysis of different GPP practices was made.

Before the comparative analyses we prepared two (2) on-line questionnaires (Q); one for public procurers and one for national partners (NPs). The first questionnaire was focusing more on practices, the other on the GPP process and policy at the national level.

1. The first questionnaire (Q1 – public procurers) was designed in order to collect data on the procurement behaviours of public authorities in eight respective countries. The questionnaire in English language was published online/HTML format to facilitate data collection and tailor the survey to the respondents' time preferences. It was translated in only one national language (in Bulgarian) while in other countries public procurers got language support from project's institutional bodies. With the Q for public procurers, who are in practice carrying out GPP and know the best how to do it, what and how much they purchase, and what difficulties they are facing, we were collecting mainly two sets of data: about their own organisation' practices related to GPP and their own procurement experience. Partially we also wanted to know how much they are aware of the national policy of GPP.
2. The second questionnaire (Q2 – national partners) weighed up broadly the institutional / policy system of the GPP in the country and assessed in length the conceivable national support activities in each country. The questionnaire was addressed to national partners (NPs). First general section contained questions on the national status of GPP (policy frameworks) and estimated level of GPP uptake etc. Another section focuses on the process, i. e. all possible support activities that could help public procurers for easier, better and quicker implementation of GPP in order to assess what exactly exists in these countries. Hence, with the questions for NPs we expected to gather up-to-date data about the policy and institutional level of GPP in each project country. We assumed that NPs are very knowledgeable about the state of art of the GPP in their respective countries and also we need reliable data in order to consistently and trustworthily present the present status of GPP for each project's country in the final report of WP2. National partners also made comparison with the data in the National Action Plans (NAPs) as published at the EU Commission website (http://ec.europa.eu/environment/gpp/action_plan_en.htm).



The comparative analysis of survey results has fully revealed GPP practices and processes in GreenS countries. We used a defined set of indicators as the method for this comparison. The set of indicators in the table are corresponding to all five sections of both questionnaires (national policy framework for GPP; institutional national support activities; information about organisations' activities and awareness about policy framework for GPP; and GPP implementation) and are covering all answers. Marking each indicator with the corresponding answers from survey has clearly pointed out the main strengths and weaknesses of the countries involved and the manners and approaches of GPP implementation. However, some additional individual qualitative assessments were also needed and were applied by grading certain indicators. In this way, the good and the weaker (bad) practices of GPP implementation have been presented for each country individually and summed up as one result. These combined results were evaluated and are presented in the short report below. The results also clearly demonstrate the good and the weaker practices of the GPP implementation.

2. RESULTS

Good and bad practices of GPP

When drawing up a tender in public procurement, it is hard to talk about “bad” practices because the process is highly demanding and follows strict legal procurement requirements. Therefore, we are looking here at data collected mainly on “good” practices, some of which are of very good and some of “basic” or weaker performance. However, GPP implementation is not only about preparing the green tender documents, but also concretise them with many other support activities: political, managerial, information, exchange, promotion, trainings, assistance, help, etc.

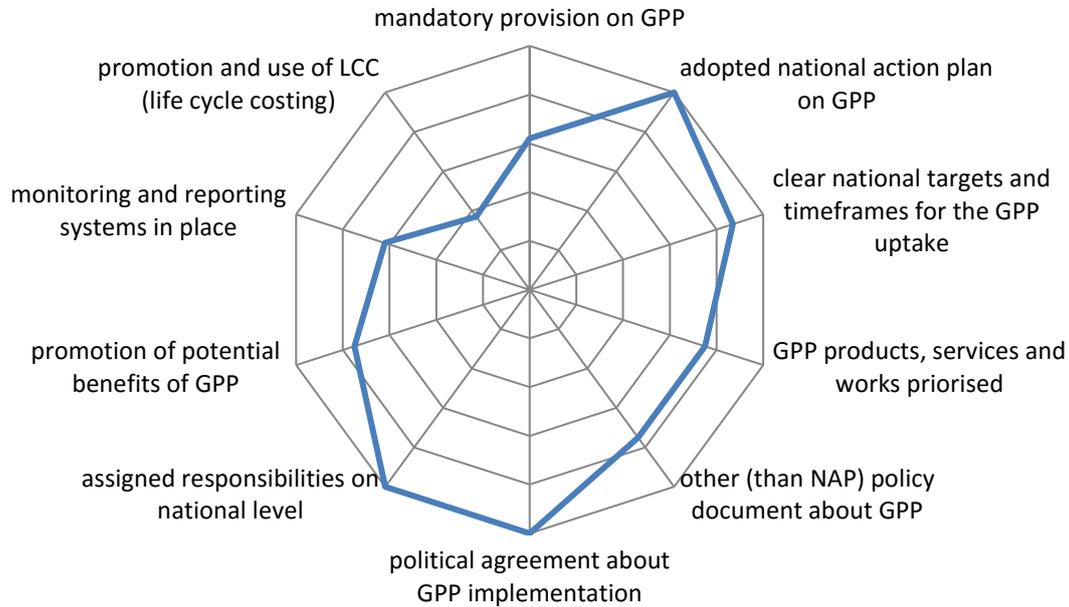
Responses under Points 1 and 2 have been given by eight national institutional bodies, and under Points 3 and 4 are responses by 114 public procurers.

2.1. National policy framework for GPP

From the answers received, there are three main clear indicators that characterise **good practice** of GPP implementation in the countries observed. These are: adopted national action plan on GPP, political agreement about GPP implementation in the country, and assigned responsibilities for GPP at the national level (all respondents had a unanimous opinion about this). Many respondents also highlighted that there are clear national targets and timeframes for the GPP uptake in place in their respective countries, as well as prioritised GPP products, services and works, and promotion of potential benefits of GPP and other (not only NAP) policy document about GPP. On the other hand, very few respondents agreed that the life cycle costing (LCC) is promoted and used among public procurers.



Figure 1: NATIONAL POLICY FRAMEWORK FOR GPP



The **worst** element of the presented arguments is the absence of the promotion and use of LCC (life cycle costing) among public procurers. There are two other **weaker elements**: knowledge about the existence of monitoring and statistical reporting for GPP tenders and contracts (basically only two countries could report about the percentage of the GPP uptake in 2014); and lack of any mandatory provision on GPP uptake.

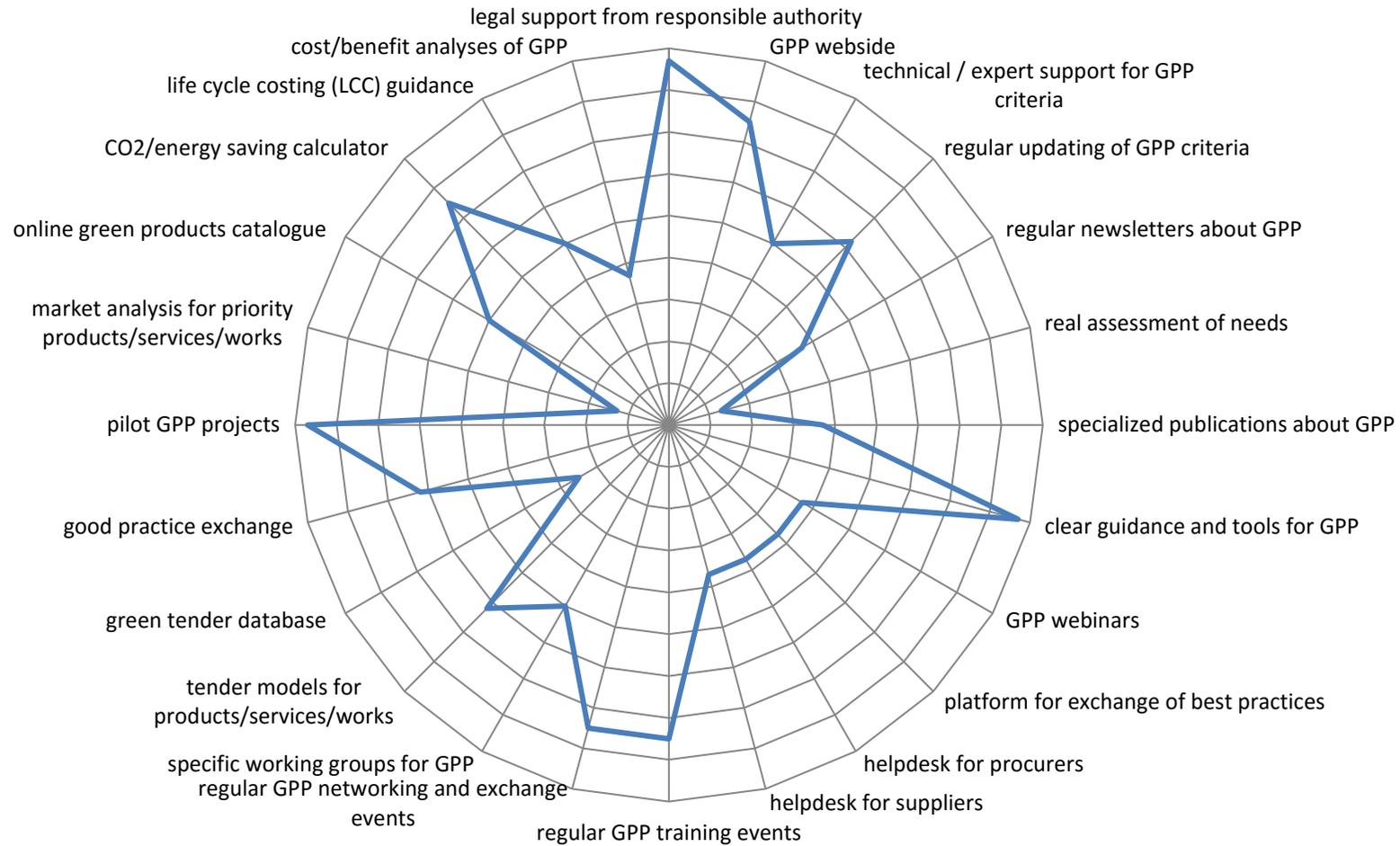
2.2. Institutional support activities for GPP

What makes GPP implementation easier? Obviously, the following three items can be categorised as **good practices**: existence of clear guidance and tools for GPP, implementation of pilot GPP projects, and legal support from responsible authorities. Regular GPP networking and exchange events, regular trainings, GPP websites and CO₂ / energy saving calculators are also among relatively strong support activities.

Bad performing elements are the following: *absence* of real assessment of needs for procurement in organisations, of market analysis for priority products/services/works, and also of a green tender database. Weaker spots are more numerous: no cost/benefit analyses of GPP, technical/expert support, helpdesk for procurers, helpdesk for suppliers, regular newsletters and specialized publications about GPP, GPP webinars, and platform for exchange of best practices.



Figure 2: INSTITUTIONAL SUPPORT ACTIVITIES



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So, according to the national partners (institutional bodies), how could the GPP uptake in the countries be **improved**? Respondents suggest several possibilities, mostly with regard to enhanced support to public procurers, more reliable information about GPP, greater legal clarity, and more training.

Figure 3: IMPROVEMENT OF GPP UPTAKE

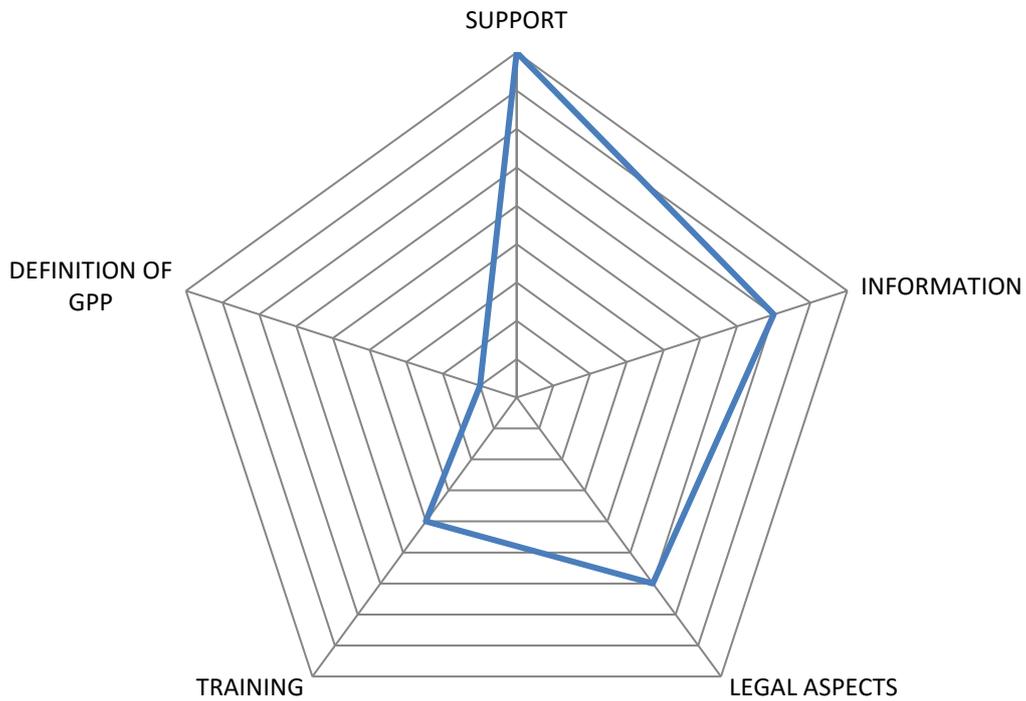


Tabela 1: IMPROVEMENT OF GPP UPTAKE

<p>SUPPORT development of a complete set of support instruments for public authorities and businesses; GPP uptake in Latvia could be improved by ensuring free-of-charge technical support available to public bodies and municipalities, with improved support activities and better communication; it is important for Public Administrations to have tender templates for services, products and works; weak political support (budget savings are often prioritised over green purchasing criteria); more resources for support; financial instruments for small municipalities to encourage the use of GPP; current economic situation has also played as a negative role for GPP, since initial purchasing cost became the only valid criteria for procurement departments; political decisions</p>	9
<p>INFORMATION it is important to enforce communication and information activities, for example with periodic focus events at the local level; wide and continuous promotion of the benefits of GPP; difficulties in finding reliable information and practical tools for GPP implementation; the need for expertise in implementation of green criteria in public procurement; green products are still perceived to be more expensive (than standard products); tools such as Life-Cycle Cost Analysis are not used by public administration at all; more obstacles for embedding green criteria in tenders</p>	7
<p>LEGAL ASPECTS clear and stimulating legal frame; GPP implementation would be higher only if GPP became a law with penalties; setting up mandatory GPP for priority groups; unclear legal framework; centralised monitoring system; staff performance indicators</p>	6
<p>TRAINING integration of GPP training into vocational training as a mandatory component, lack of training, lack of appropriate training programmes for public servants to develop technical and legal skills on GPP, training</p>	4
<p>DEFINITION OF GPP Clear and exhaustive definition of what is "green" procurement.</p>	1

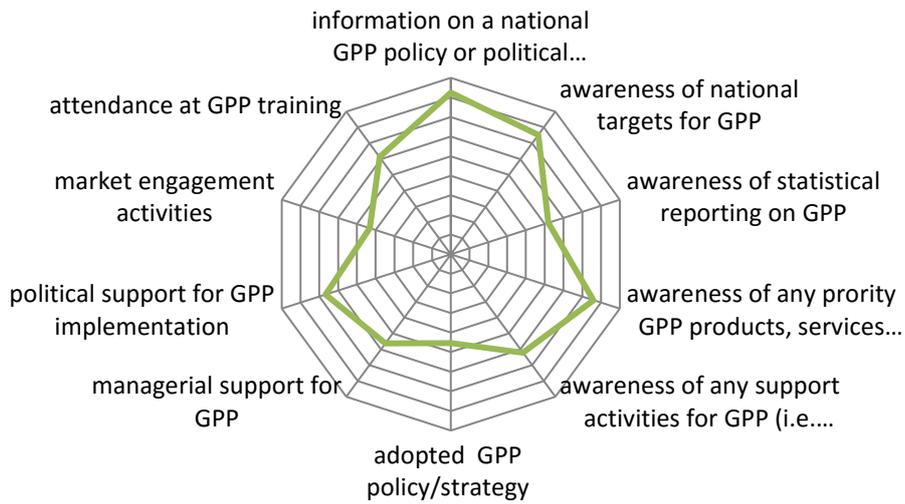
2.3. Organisation’s activities

We also searched for the information on awareness of the public procurers of the existing national policy on GPP and on the level of support that they get within their organisations.

Without a doubt, they are very well informed about the existence of national GPP policies or political agreements for the uptake of GPP, and they are quite well aware of the national targets for GPP and priority GPP products, services and works. This leads to the possible assumption of good practice: when public procurers are more familiar with the existence of a national GPP policy, the implementation of GPP could also be more feasible.



Figure 4: GPP AT ORGANISATIONAL LEVEL



At least two weaker points should be emphasised here: not many organisations have a GPP policy or strategy in place, and market engagement activities in their organisations, as well as the awareness of statistical reporting on GPP, are quite weak.



- Are public procurers aware of the existing support activities and do they use them?
They are quite aware of their existence, but the majority of them only use created websites with GPP content.

Figure 5: USE OF SUPPORT ACTIVITIES

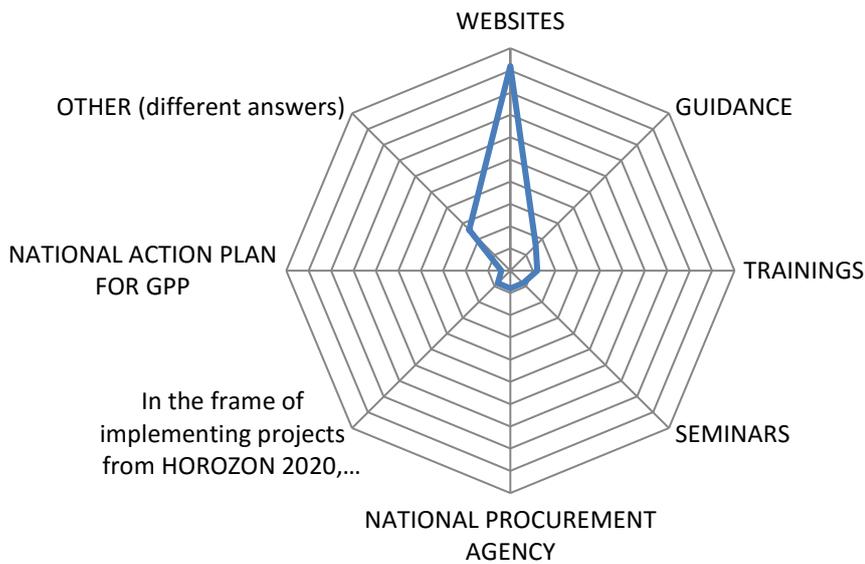


Tabela 2: USE OF SUPPORT ACTIVITIES

WEBSITES	46
GUIDANCE	8
TRAININGS	6
SEMINARS	4
NATIONAL PROCUREMENT AGENCY	4
WITHIN PROJECTS UNDER HORIZON 2020, IEE, ETC.	4
NATIONAL ACTION PLAN FOR GPP	2
OTHER (DIFFERENT ANSWERS)	13

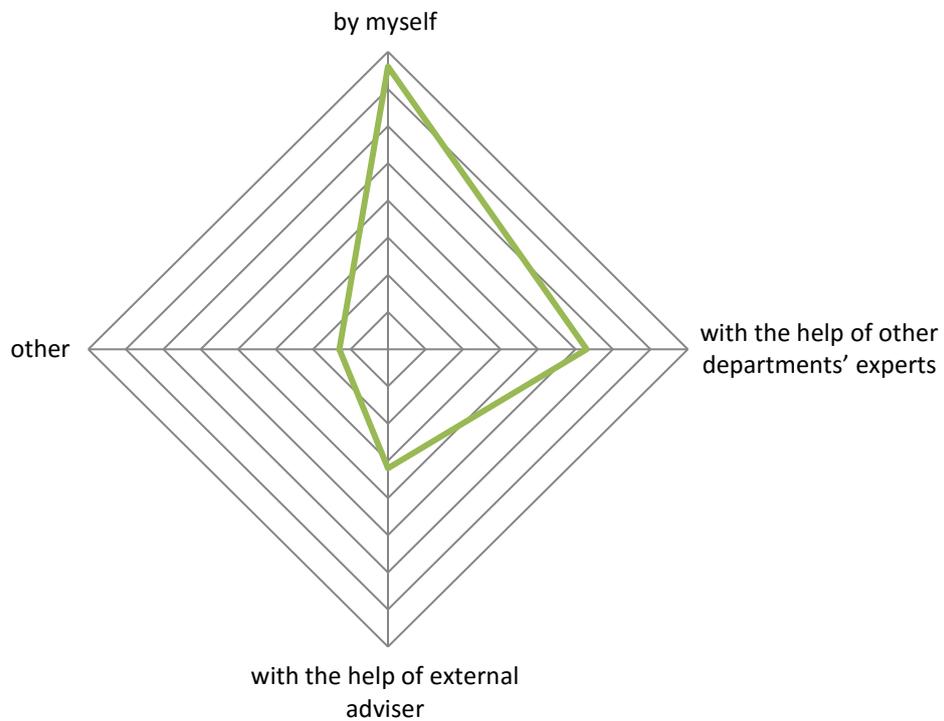


2.4. GPP implementation

However, the most important phase of the GPP implementation is certainly the preparation of the tender documents and the use of GPP criteria. How public procurers are carrying out these tasks?

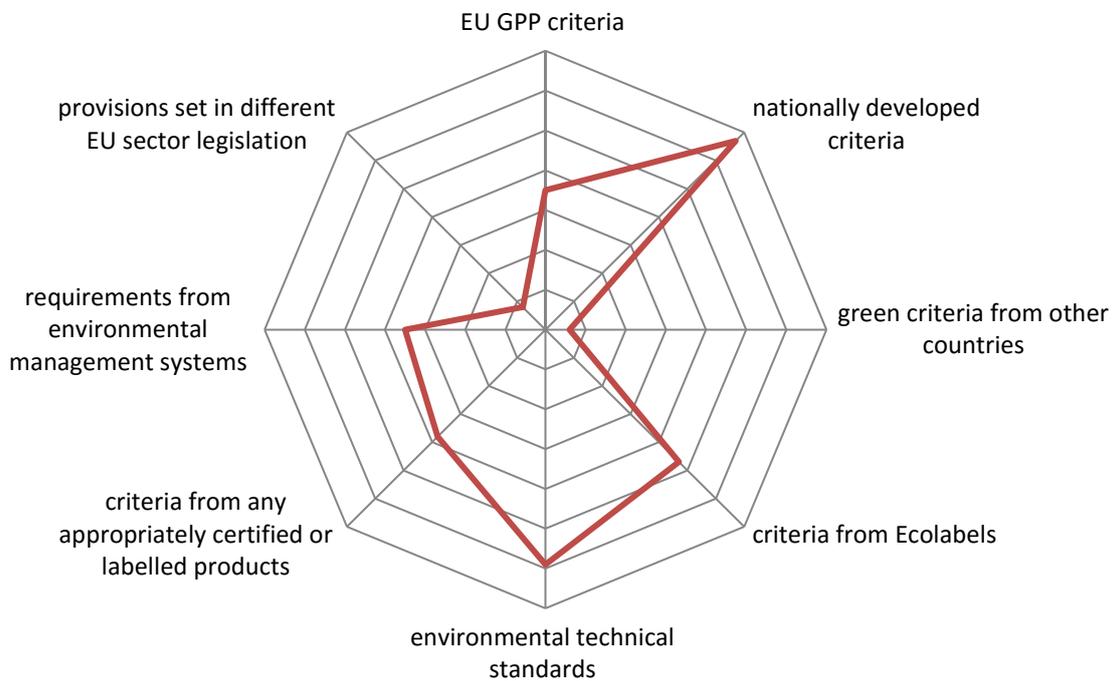
The responses showed that the majority of respondents are including GPP criteria in tender documents either by **themselves** or with the help of experts from other departments. However, the assistance of an external consultant is often used as well.

Figure 6: WAY OF INCLUDING GPP CRITERIA IN TENDER DOCUMENTS



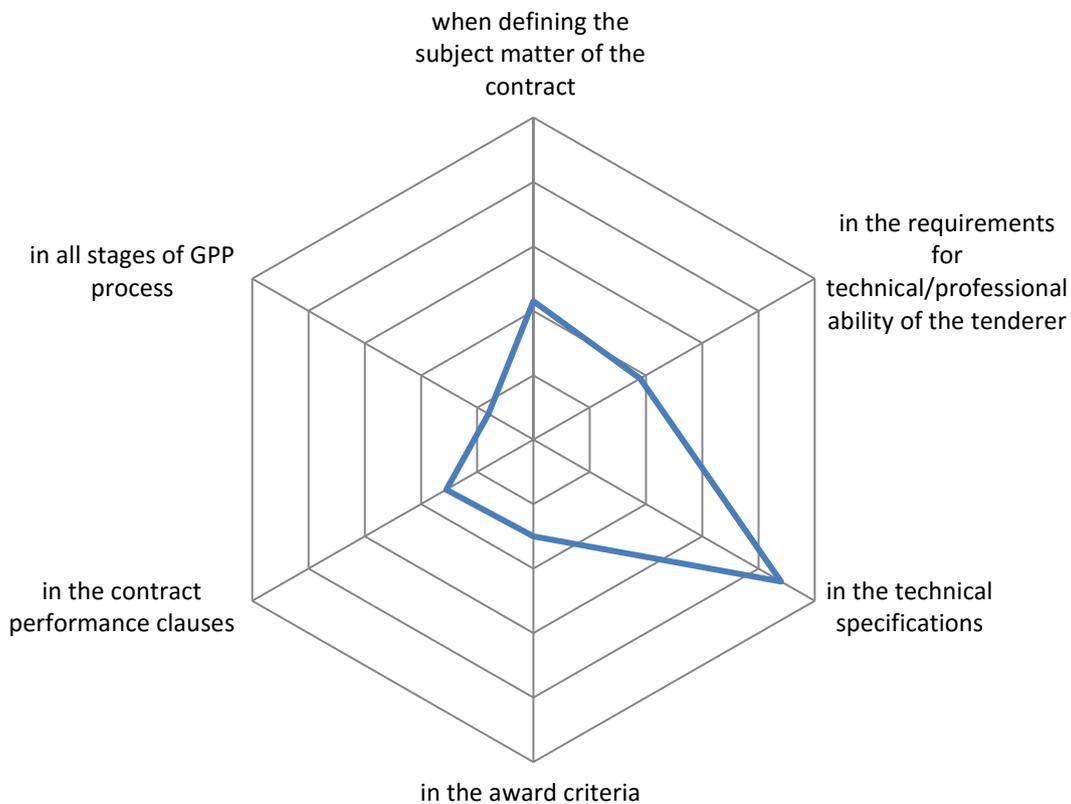
- The **sources** for green/energy efficient criteria are mostly nationally developed criteria (based mainly on the EU GPP criteria) and environmental technical standards or criteria from Ecolabels. They are not likely to be familiar with the green criteria from other countries or with provisions set out in different EU sector legislation that might be used as a source of GPP criteria.

Figure 7: SOURCES OF GREEN CRITERIA USED



- By far the most common **inclusion** of green/energy efficient requirements within the procurement stages are the technical specifications. Very often the respondents define requirements for the tenderer’s technical and professional ability, as well as in the definition of the subject matter of the contract – although the latter should be always set as it clearly indicates the main intention of the procurement at the very beginning of the procurement process. Much less used are the award criteria – as a very useful and supportive (though not simple) tool for searching the best green/energy efficient products in the market – and the contract performance clauses that can define additional requirements for contractors. Very few respondents have chosen the provision to include green/energy related requirements in all stages of GPP process when preparing green tender.

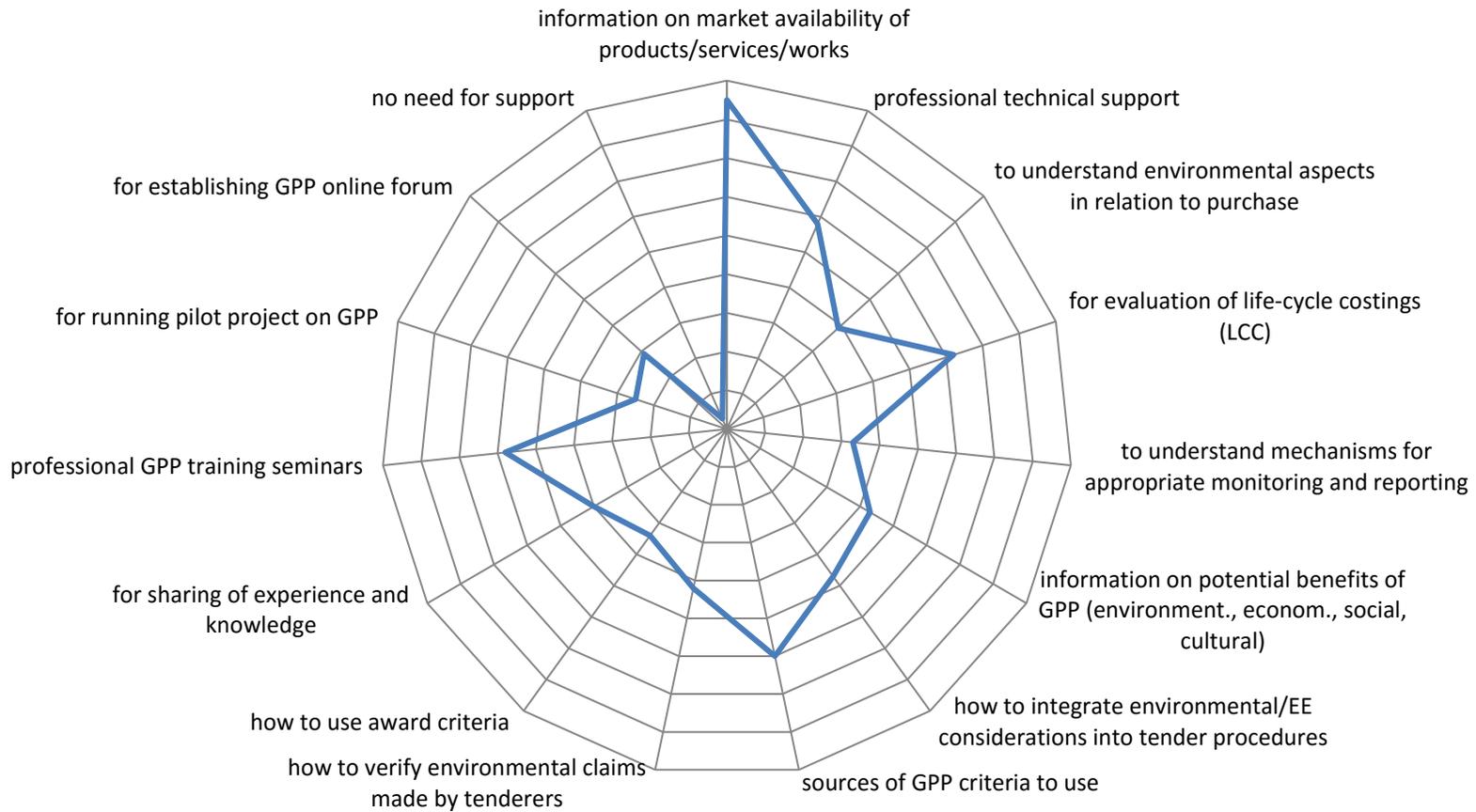
Figure 8: INCLUSION OF GREEN CRITERIA IN PROCUREMENT STAGES



- **In the future**, public procurers would mostly **need** the following support for the GPP implementation: information about market availability of products/services/works; which sources of GPP criteria to use; how to evaluate life cycle costings (LCC), professional GPP training seminars and professional technical support in preparation of GPP tender documents. They expressed the least need for running pilot projects on GPP and for establishing GPP online forums. However, it is very interesting to see that the respondents expressed a relatively low need to understand the environmental aspects of to purchase and to obtain information on potential benefits of GPP.

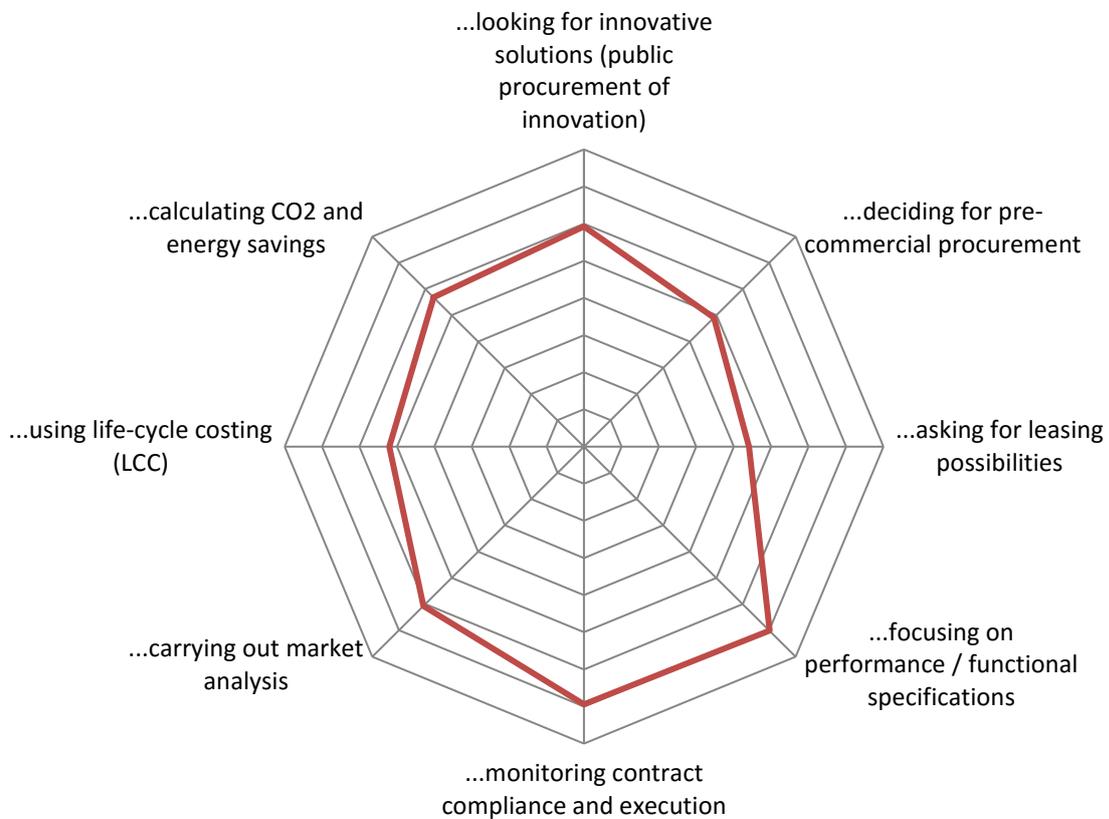


Figure 9: NEED FOR ADDITIONAL SUPPORT



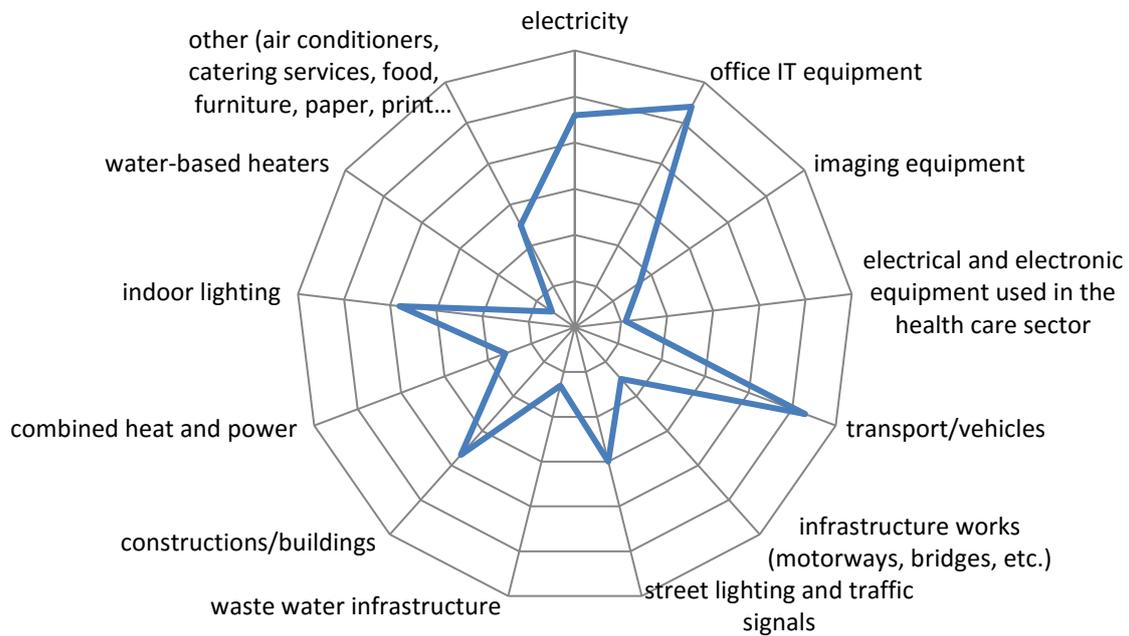
- The answers to the question about how often do public procurers **look for innovative solutions** during the GPP tendering process revealed that they are most often focusing on performance/functional specifications and on monitoring of compliance and execution of the contracts. On the other hand, they very rarely ask for leasing possibilities, decide for pre-commercial procurement or use life cycle costing tool.

Figure 10: INNOVATIVE APPROACHES IN GPP PROCESS



- In the last three years, the respondents most frequently **purchased** the following energy efficient products/services/works: transport/vehicles, office IT equipment, electricity, construction/buildings, and indoor and street lighting. Only few of them purchased water-based heaters or electrical and electronic equipment used in the healthcare sector.

Figure 11: ENERGY EFFICIENT PRODUCTS PURCHASED



- According to the procurers, the **main difficulties** regarding the implementation of GPP are those related to the GPP criteria (such as how to form the right ones) and to the knowledge/skills/professionalism of the procurers in this field. The other substantial set of difficulties includes all those regarding (lack of) any kind of support and information about GPP. The third robust cluster represents insufficient market readiness (for example, not enough offer of green products on the market or higher prices for green products). There are interesting answers about the limitations of organisations' budgets and about the competency of suppliers.

Figure 12: MAIN DIFFICULTIES REGARDING THE IMPLEMENTATION OF GPP

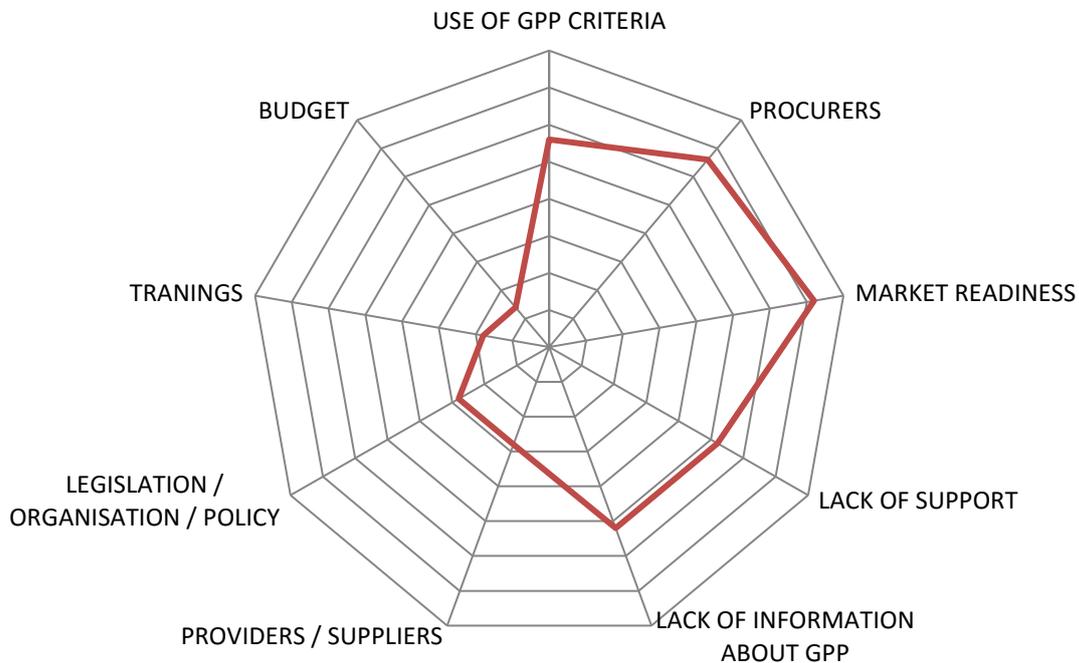


Tabela 3: MAIN DIFFICULTY FOR THE IMPLEMENTATION OF GPP

<p>1. USE OF GPP CRITERIA in distinguishing the “green” criteria in procurement documentation; in the selection of “green” criteria; evaluation criteria; lack of environmental criteria for all categories of goods and services; too complicated; finding appropriate alternatives; sources of GPP criteria to use; complex preparation of technical criteria; the only way to include green criteria is in the form of improvements to the bid documents; ignorance of the GPP existence and its purpose; application of criteria and compatibility with the actual public policy; GPP criteria may not offer all companies equal conditions; to form the right criteria; technical environmental specifications; technical specifications for vehicles are complicated; assessment of technical parameters; difficult to set GPP requirements in small procurements; evaluation of LCA; preparation of technical specification; assessment of the energy efficiency of products and services; inclusion of contract clauses that guarantee implementation of GPP; positive results; criteria for paper product; difficulties in verifying criteria; difficulties with monitoring; lack of technical information about criteria</p>	<p>28</p>
<p>2. PROCURERS elaboration of procurement documentation; lack of knowledge; lack of time for preparation of specifications; lack of knowledge concerning legal requirements & possibilities; shortage of time; staff resources for public procurement; lack of awareness; lack of skills; poor knowledge of GPP; lack of references; awareness-raising of the involved stakeholders; knowledge and resources for follow-up the contract execution; purchasers are often uncertain; it is easier to do nothing if it’s not required by law; ... the urgency to define some green tenders; time consuming; insufficient expert capacity; control of the contract results; tenders preparation; difficult to evaluate; complex methodology of assessment; competition tenders; when defining the terms of the tender; comparison and monitoring; avoid the change; the institute’s contractual activity itself (with little impact in tenders likely to be green adapted); difficult to check compliance</p>	<p>33</p>
<p>3. MARKET READINESS usually higher costs of “green” products; lack of mechanisms for the promotion of ecological products and services; our costs increased with the implementation of GPP; availability of "green" products; no suitable products; lack of supply; limitations for small offers and complex logistics; no access to catalogues of green products/services; planning of available resources for implementation; high specificity of the products to be procured, which hinders green procurement; market engagement; lack of information about the "green" market; lack of information about available green products/services on the market; operators’ skills; difficulties in assessing environmental performance of some products</p>	<p>36</p>
<p>4. LACK OF SUPPORT how to define requirements for contractors; lack of incentives; management should be persuaded about the need for GPP; no technical support; no political support; lack of concrete leadership; no support from the government; lack of national support for GPP implementation; lack of monitoring system; need to support the development of green products and services; lack of management support; policy weaknesses; instructions are not specific; lack of professional technical support (2 times); lack of political support; lack of preparation, attitude and consistent political leadership; lack of updated guidelines; lack of communication with all partners who are involved in GPP</p>	<p>26</p>
<p>5. LACK OF INFORMATION ABOUT GPP lack of information campaigns; lack of information about good practices; lack of information about the benefits of GPP; lack of information and awareness; to promote the importance of GPP; lack of promotion of good practices</p>	<p>26</p>
<p>6. PROVIDERS / SUPPLIERS</p>	<p>14</p>



confidence of the supplier; lack of information about providers; lack of green providers (3 times); reliable suppliers; mercantilism; lack of competitiveness by local companies; lack of capacity of contractors/suppliers; offer does not meet demand; negatively affecting competition due to more advanced requirements; reliability; it reduces the number of tenders	
<p>7. LEGISLATION/ORGANISATION/POLICY</p> <p>legal framework; bureaucratic process; national public recruitment legislation; problems with legal adaptation of processes; lack of ordinances; lack of knowledge of the legislation in the field of procurement; definition of an internal sustainable procurement strategy in the organization; spread of green purchase within the organisation; low capacity in administration; as a public company, we are forced to make use of a tender model drafted by the legal department of the regional government</p>	14
<p>8. TRAININGS</p> <p>lack of specialized trainings; lack of trainings; lack of training of purchases responsible; lack of trainings for procurers; lack of specific capacity building processes for the staff in charge of tenders</p>	9
<p>9. BUDGET</p> <p>limited budgeting; budget constraints; financing shortage; the budget of public organisations; insufficient funding</p>	7



3. ABSTRACT OF MAIN GOOD AND BAD (POOR) GPP PRACTICES

The survey results and comparison show that many GPP practices are commonly applied to various categories of GPP implementation by public procurers and administrations. On the other hand, the application of at least some categories still remains limited. Therefore, some of these categories could be listed among the good, while others among the bad GPP practices. Additionally, barriers for actions designed to overcome them are considered relevant by the respondents, and the needs for further improvements are being clearly highlighted.

Key findings are listed below.

Good and bad GPP practices at the national level

Good practices

1. According to national partners (institutional bodies), all respective countries have:
 - *adopted national action plan on GPP,*
 - *reached political agreement on GPP implementation in the country, and*
 - *assigned responsibilities for GPP at the national level.*
2. Among various institutional support activities in GreenS countries, the existence of:
 - clear guidance and tools for GPP,
 - implementation of GPP pilot projects, and
 - legal support from the responsible authorities
 all had received the highest confirmation from national partners.
3. Information on the national GPP policy or political agreement on GPP uptake are identified quite high among public procurers.

Bad practices

The weakest points, as defined by the institutional bodies, are:

- significant lack of promotion and use of LCC (life-cycle costing) in these countries,
- *substantial absence* of real needs assessment for procurement in organisations, and
- lack of market analysis for priority products/services/works.

Only three countries reported the existence of a statistics portal for public procurement tenders and contracts, and only two estimated the shares of the country's GPP uptake.

Furthermore, the awareness among procurers of statistical reporting on GPP is quite weak.



Good and bad GPP practices at the organisational level

Good practices

1. A good example is clearly cooperation of public procurer with other experts within the organisation when preparing GPP tender documents.
2. The participation of public procurers at GPP training seminars is quite important.

Bad practices

At the level of public organisation in which public procurers work, three critical weaknesses were noted: organisations rarely adopt GPP policies or strategies; organisations do not undertake much market engagement activities; and procurers find it difficult to decide on the share of GPP in the total number of procurements within their organisation.

Good and bad GPP practices at the level of GPP implementation

Good practices

1. The most common source for GPP criteria are nationally developed criteria, which are mainly based on the EU GPP criteria.
2. According to the results, public procurers most often include green/energy-related criteria in the technical specifications.
3. The most frequently purchased products in the last three years were: vehicles, office IT equipment, electricity, buildings, and indoor and outdoor lighting.
4. During the GPP process, procurers most often focus on performance / functional specifications and on monitoring contract compliance and execution.

Bad practices

1. The use of award criteria as reported by respondents is low, although public procurers usually evaluate the quality of the tenders and compare costs at the award stage. Award stage could also recognise environmental performance better than the minimum requirement set in the technical specifications.
2. Based on the results, decisions for pre-commercial procurement are rare among procurers.



Final general observations

- While national institutional bodies are reporting of numerous varieties of support activities and more than half of public procurers are aware of their existence, they still do not use them sufficiently; they mostly only use websites with GPP content. This clearly indicates the need to develop a comprehensive range of active support and cooperation with public procurers at national level.
- Public procurers positioned inclusion of green/energy-related criteria when defining the subject matter of the contract only in the second place. However, choosing the “green” title makes it easier for tenderers to quickly recognise what is wanted and to express the message that the environmental performance of the product or service will be an important part of the contract.
- The second most used source for green/energy-related criteria are environmental technical standards. This possibly indicates that there are not enough GPP developed, and that very likely the existing criteria are not being promoted sufficiently among public procurers.
- It is interesting to observe that public procurers have declared that they have more political than managerial support for the GPP implementation.
- It is interesting to learn that the opinions of national partners on how to improve the uptake of GPP are quite consistent with the responses of public procurers on what they see as the main difficulties for the implementation of GPP. Among the most often cited solutions are additional support and more information for public procurers on successful GPP implementation.
- Public procurers would need more information on market availability of products/services/works for evaluation of life-cycle costing, on sources of GPP criteria to use, and on supplementary professional technical support and professional training seminars.
- According to public procurers, among the main obstacles for improved implementation of GPP are: lack of professionalism of procurers (lack of knowledge, skills, expertise, awareness, time, etc.); lack of knowledge about using GPP criteria and sources of criteria; and insufficient market readiness (lack of availability of green products, higher costs, etc.).

In general, the results of the survey indicate that there is a kind of lack of interconnections between the GPP policies and the actions performed at the national level, and the real practice and GPP employment among public sector officials responsible for procurement. On the one hand, it seems that despite all efforts to convey national GPP policy, information is not reaching the main target, and on the other hand, it seems that the national GPP support activities are being accepted for the sake of the GPP policy itself. In order to achieve greater uptake of GPP, much effort is therefore still needed to support public procurers /authorities in further GPP implementation.



Finally, two other, not least important aspects in relation to GPP implementation have to be mentioned in highlighting the results of the survey. The first one is the absence of clear and encouraging legal framework for GPP enforcement, or even comprehensive (straightforward) GPP definition. The second one concerns the entire area of supply. This includes the often inadequate offer of green/energy efficient products/services/works in the market, as well as the often under-informed suppliers/providers. This only proves the necessity to better inform the market of new (or additional) requirements and expectations of public procurers and public authorities, and to do so well in advance to give the suppliers sufficient time to prepare for green or even innovative solutions.

Comparison matrix data in Excel form (including open questions) are available in Annex *Comparative matrix* and in report *Expanded list of good and bad practices on GPP*, where the results of good and bad practices per country are presented.



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