



# European Union: Green Public Procurement in the EU

Isabelle Maelcamp  
November 2013  
MR - 148

## Summary

The EU actively supports and promotes Green Public Procurement (GPP) in the context of its policy on sustainable consumption and production, and public purchasers at all levels in the EU are increasingly aware of the need to meet specific environment policy goals and targets for greenhouse gas emissions, energy and waste reductions. EU Public Procurement Directives allow public contracting authorities to include environmental considerations into their procurement procedures for public works, services and supplies contracts. The Directives specifically mention the possibilities for adopting environmental considerations at the level of technical specifications, award criteria and contract performance clauses. With this focus, the European Commission hopes to boost green purchasing, thereby encouraging the development of environmentally friendly technologies for the marketplace. U.S. companies are advised to be aware of the tools that public purchasers use to implement those policy goals and this report aims to help them be well prepared to successfully bid on contracts.

## Green Market Trends

Each year, public authorities spend some 19% of the EU's GDP or approximately € 2000 billion on goods, services and works contracts. With the emergence of the concept of "sustainable development," the global economic and political environment of contracting authorities has changed. This change reflects the integration of the environmental dimension into all policy areas, including by increasing the use of environmentally friendly products. The EU Public Procurement Directive 2004/18 specifically mentions the possibility for including environmental considerations in technical specifications, selection, award criteria and contract performance clauses.

U.S. companies ought to be aware of the growing importance that EU politicians and contracting authorities place on "buying green", and of the necessity to adapt their offer accordingly. A majority of EU Member States have adopted a National Action Plan on GPP, covering areas such as: the purchase of energy-efficient computers and buildings, office equipment made of environmentally friendly materials, sustainable timber, recyclable paper, electric cars, environmentally friendly public transport, organic food for cafeterias, electricity stemming from renewable energy sources, air conditioning systems complying with state of the art environmental solutions, insulation material devoid of chemical substances, etc.

## EU Environmental Policy in Specific Sectors

The EC 2008 Communication "Public Procurement for a Better Environment and Production" endorses specific targets for GPP, and outlines certain environmental obligations to be respected in specific sectors. For example:

- Office IT equipment: minimum energy efficiency requirements must be met, as per the EU Energy Star Regulation 106/2008;

- Road transport vehicles: purchases by public authorities above the GPA thresholds must meet certain energy consumption and emissions as per the EU Clean Vehicles Directive 2009/33/EC;
- Buildings: EU Energy Performance of Buildings Directive 2010/31/EU outlines minimum performance requirements for new buildings and major renovation projects, in order to reach the “nearly zero-energy” target by 2019.

GPP particularly targets the construction sector as buildings account for 36% of the EU greenhouse gas emissions and 40% of final energy demand<sup>1</sup>. In practice, contracting authorities may request experience in sustainable building design; minimum levels of energy and water efficiency standards and limits to hazardous substances in building materials. They may also use incentives for the use of sustainable timber and recycled materials.

## EU GPP Criteria

The EU has developed GPP criteria for many product groups, which public purchasers can directly insert into tender documents. The criteria are divided into two groups: the core ones address key environmental impacts and do not require additional verification; the comprehensive ones are for those who wish to purchase the best environmental products available on the market: these may require additional verification effort or a slight increase in cost compared to other products with the same functionality.

Specific GPP criteria have been developed thus far for these groups of products:

- Cleaning products and services
- Copying and graphic paper
- Tissue paper
- Construction
- Timber
- Electricity (indoor lighting, street lighting, traffic signals)
- Food and catering services
- Thermal insulation
- Combined heat & power
- Transport
- Furniture
- Office IT equipment
- Mobile phones
- Gardening products and services
- Textiles
- Windows, glazed doors and skylights
- Hard floor-coverings
- Road construction and traffic signs

The GPP criteria are outlined on the EC/DG Environment website:

[http://ec.europa.eu/environment/gpp/eu\\_gpp\\_criteria\\_en.htm](http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm)

## EU Handbook

Companies interested in knowing how EU contracting authorities plan to implement green purchasing are advised to review the EU Handbook on Environmental Public Procurement. The handbook describes how the green purchasing principles may be applied to the selection of suppliers and to products.

[http://ec.europa.eu/environment/gpp/pdf/buying\\_green\\_handbook\\_en.pdf](http://ec.europa.eu/environment/gpp/pdf/buying_green_handbook_en.pdf)

## Green Technical Specifications & Production Methods

EU Public Procurement Directive 2004/18 allows contracting authorities to choose between specifications based on technical standards or on performance-based requirements. The Technical Specifications of the

---

<sup>1</sup> EU Study “Buying Green!” Handbook: [http://ec.europa.eu/environment/gpp/pdf/buying\\_green\\_handbook\\_en.pdf](http://ec.europa.eu/environment/gpp/pdf/buying_green_handbook_en.pdf)

product or service can be defined by referring to existing international, European or national technical standards such as ISO, EN, DIN. Requirements for such references must be accompanied by the words “or equivalent” so that a supplier, whose products meet an alternative but equivalent standard, is not discriminated against. Technical Specifications can also be defined in terms of the environmental performance of the product or service, such as eco-label criteria, or the function the final product is required to fulfill. When a function is specified (rather than the exact technical characteristic) there is more flexibility in how suppliers can respond.

European standards organizations are promoting environmental considerations. The EC has adopted a [Communication on the Integration of Environmental Aspects into European Standardization](#). Companies have to provide proof either that they can comply with the standards or, if they do not follow the same methods, that they meet the performance levels set by the standards. Contracting authorities may include requirements related to the way in which the product has been manufactured, as long as they are relevant for characterizing the product based on a life cycle approach. For example, information on whether there are specific levels of emissions into the air and water during the production process may be requested. However, contracting authorities cannot include requirements related to the overall environmental management of the supplier’s business.

## Eco-labels

Eco-labels were developed to help consumers select green products and services. Eco-labeled products are proof of conformity with voluntary environmental requirements in the EU. U.S. companies can use the eco-label to demonstrate that their products/services are high-quality and meet high environmental performance standards. Doing so will help these companies set themselves apart from competing bidders and help them be better positioned in competing for EU tenders. Contracting authorities may use the information contained in the eco-labels to draw performance-based or functional environmental technical specifications, although they cannot require bidders to be registered under a certain eco-label scheme.

U.S. companies should note that contracting authorities are not obliged to define the technical specifications related to the environmental performance of products in a manner consistent with eco-label criteria. In addition, such authorities are free to require a higher level of environmental protection than that laid down in EU legislation or standards, on condition that the level required does not limit access to the contract and does not lead to discrimination between bidders. (For more information about the EU eco-label, see our separate report available at <http://www.buyusainfo.net>)

For further information on eco-labels, go to the EC/DG Environment website:  
<http://ec.europa.eu/environment/ecolabel/>

A list of the eco-labels commonly used by public purchasers in the EU is outlined in the following document per industry sector of activity:  
<http://ec.europa.eu/environment/gpp/pdf/ecolabels.pdf>

## Green Selection of Suppliers

Contracting authorities are allowed to exclude companies that have acted against national environmental legislation, and may request that bidders provide proof of previous experience in working at high environmental quality levels. The Public Procurement Directive also allows contracting authorities to ask bidders to demonstrate their technical capacity to apply certain environmental management measures for

certain public works and services contracts (transport service, waste management, construction activities), such as EMAS (Eco-management and Audit Scheme).

### **Green Award Criteria**

The Public Procurement Directive explicitly allows contracting authorities to include environmental considerations in award criteria. Contracts can be awarded based on lowest prices or the "Meat" (Most Economically Advantageous Tender) principle. Other criteria may be taken into account such as delivery date, technical merit or environmental characteristics as long as they are clearly mentioned in the tender, related to the subject matter, are objectively quantifiable and that the importance of each criterion is weighted.

The Directive builds on case law at the European Court of Justice. In the famous 1997 Concordia bus case, the European Court of Justice confirmed that the city of Helsinki was right in purchasing city busses that presented low emission and noise levels but that were more expensive. The court case confirmed that award criteria may include environmental considerations that minimize the "Meat" criteria.

### **Green Contract Performance Clauses**

Contract performance clauses, which identify how a contract is to be carried out, may not be used to specify a particular production process, but may indicate how goods are to be supplied or the method of transport. Examples of possible requests include use of reusable materials, appropriate disposal methods for products and packaging, staff trained in environmental impact of their work, specific requests for transportation of goods, etc.

### **Websites of interest**

The European Commission Green Public Procurement website:  
[http://ec.europa.eu/environment/gpp/index\\_en.htm](http://ec.europa.eu/environment/gpp/index_en.htm)

Summary of the Handbook on Buying Green:  
[http://ec.europa.eu/environment/gpp/pdf/handbook\\_summary.pdf](http://ec.europa.eu/environment/gpp/pdf/handbook_summary.pdf)

The Handbook on green public procurement:  
<http://ec.europa.eu/environment/gpp/pdf/handbook.pdf>

### **For More Information:**

For more information on this topic, or for a copy of our related reports, please contact: [isabelle.maelcamp@trade.gov](mailto:isabelle.maelcamp@trade.gov), Commercial Specialist, U.S. Mission to the EU. The U.S. Commercial Service at the U.S. Mission to the European Union is located at Boulevard du Regent 27, Brussels BE-1000, Belgium, and can be contacted via e-mail at: [brussels.ec.office.box@trade.gov](mailto:brussels.ec.office.box@trade.gov) or by visiting the website: <http://export.gov/europeanunion>

*To the best of our knowledge, the information contained in this report is accurate as of the date published. However, the Department of Commerce does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. The Department of Commerce can assist companies in these endeavors.*

INTERNATIONAL COPYRIGHT, U.S. DEPARTMENT OF COMMERCE, 2013. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES