



ENERGY EFFICIENCY WATCH

Energy Efficiency Policies in Europe



Case Study

*Sustainable Public Procurement –
The Netherlands*



Co-funded by the Intelligent Energy Europe
Programme of the European Union

Key facts and figures

Country	The Netherlands
Name of policy	Sustainable Public Procurement (SPP)
Type of policy	Obligation for central public tendering, guiding policy for regional and local governments (voluntary)
Target sector	Central, regional and local governments
Actions targeted	45 product groups and services including appliances, energy, paper, catering, construction material, travel services.
Duration	3 years (2014 - 2017)
Overall target and/or achievements	No quantitative targets were set. The general objective is to reach ambitious sustainability targets by making public purchasers add social and environmental selection criteria for 45 product groups in case of purchasing.
Overall aim of the policy	Reducing the carbon/environmental and social footprint of governmental purchasing by leveraging and using purchase power of government (60 billion EUR per year) to stimulate the market for sustainable products and services.
Innovativeness	The policy aims to be simple and easily replicable: for 45 product groups (such as e.g. paper, hardware, green spaces) specific minimum environmental criteria have been developed which can be easily used by all public purchasers in the field. This is intended to leverage the role model of the government. However, other European countries as well have policies in place purchasing products based on environmental criteria.

Policy objectives

The policy's goal is to ensure that public procurers, despite working under tight budget constraints, consider the lifecycle costs and not only the purchase price of products and services. Sustainable production is often not yet competitive compared to regular production in terms of the purchasing price. The market may, therefore, not lead to a transition towards a green production on its own, or at least leads to a delay of the transition. Sustainable Public Procurement policies could address this with smart market stimuli ensuring that public authorities purchase in a sustainable way and thus contribute to a market for sustainable products and production processes. By influencing what and how public authorities purchase products, they can contribute to energy conservation, the reduction of greenhouse gas emissions and other environmental impacts, while saving money in the long run. The figure below presents the various aspects and objectives of the SPP.

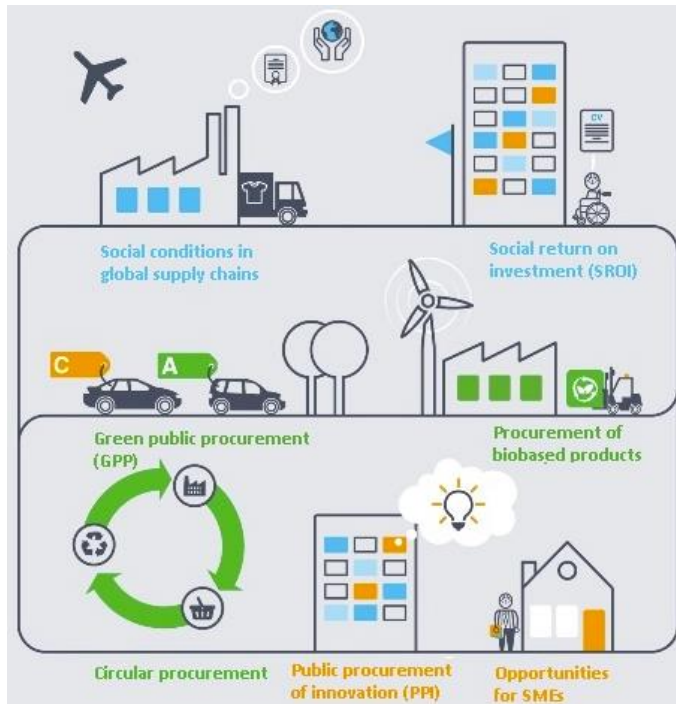


Figure 1. SPP aspects (source: pianoo.nl)

Beneficiaries and actions targeted

Rules for Sustainable Public Procurement are meant for central, regional and local governmental purchasers. They apply to all purchases made of products and services in the 45 product groups and therefore impact all government suppliers. These groups cover a very wide scope, from appliances (audiovisual, vending machines, hardware, printing services) to construction work (office construction and demolition), sewerage and water treatment related works and services, furniture, catering, vehicles and cars, paper and postal services, and networks and telephone services.

The sustainable public procurement rules are binding for central public tendering, but only guiding at regional and local government level. Sustainable public procurement should

- build on dialogue with suppliers and national industry councils,
- Use a system for monitoring and benchmarking,
- be embedded in the purchasing process of all governmental purchasers,
- be implemented in national purchasing legislation and
- spur cooperation and knowledge-sharing between public procurers.

Design and implementation

The general legal framework is provided by the Public Procurement Act of 1 April 2013. Since 2014, “PIANOO” (Professional and Innovative Tendering Network for Government Contracting Authorities), which used to be the tendering expertise centre for the government, has become the central contact point for Sustainable Public Procurement (SPP) for all Dutch public procurers. Acting as the Public Procurement expertise centre, its goal is to professionalise procurement and tendering in all government departments in order to improve efficiency and compliance with the rules. In order to do so, PIANOo provides active support to procurers in order to accelerate the fulfilment of SPP and its professional application within government procurement services. Its expertise is built up through a large network of around 3,500 public procurement professionals and contracting authorities. PIANOo brings experts in specific areas together, pools knowledge and experience and provides advice. It also fosters dialogue between government contracting authorities and private sector companies. PIANOo provides support to all public purchasers when purchasing the 45 product groups included in the

Sustainable Public Procurement legislation. It also manages the Dutch government's online tendering system, TenderNed, which allows businesses to access all public tenders and manage all the steps of the process, thus increasing transparency and facilitating efficient tendering.

Policy impacts

The legal framework for sustainable public procurement is in place since 2013 only, and the implementing authority PIANOo since 2014. Therefore, an overview of impacts and achievements of the policy does not exist yet. Detailed environmental criteria documents have been drawn up for 45 product groups that have been selected because they are commonly purchased by government bodies and have a significant environmental impact (such as service cars and vehicles, construction works or appliances). They include both minimum requirements and award criteria, i.e. a list of weighted criteria that should be the basis for the selection decision of the products and services (although the public purchasers have some freedom regarding the weighing). Suppliers must meet the minimum requirements to be eligible for a public purchasing contract. Based on the award criteria, suppliers can be encouraged to further improve their environmental performance. Implementation of the minimum requirements contained in the environmental criteria documents is mandatory for all government procurements. Other government bodies have indicated that they will implement the minimum requirements set out in the environmental criteria documents as standard by 2015. As a result, all procured products and services from these 45 product groups now meet minimum standards, and may even go beyond them, which has improved the sustainability of government used products.

For instance, for services cars, SPP rules prescribe that the public authority first considers alternatives to buying a new car. If it decides to buy the car, it should select a car that is no larger than necessary for professional purposes and make sure that the sustainability criteria is determining in the choice of the car. SPP rules also provide the minimum requirements in terms of energy efficiency, CO₂ emissions and raw materials use of the car. Another interesting example concerns the renovation of office buildings, where SPP rules do not prescribe selection criteria, but provide that retrofitted buildings must reach certain levels with regard to energy conservation, materials use and health in building requirements. These levels are all described on the website pianoo.nl. The minimum mandatory level is 'level C', but the rules also describe levels A and B, which public tenderers are encouraged to require. While it is clear that such a policy is having beneficial effects on the whole market for the product groups it targets, as service providers adapt to the improved criteria, it is still too early to be able to assess the leverage effect that the policy has had on the overall development of a wider market for sustainable products and services.

Lessons learnt 1: Success factors

Using and implementing environmental criteria when publicly tendering or purchasing one or more of the products and services as included in the 45 product groups is quite easily adaptable, even for purchasers which are not fully familiar with or knowledgeable on environmental aspects of purchasing. Knowledge sharing of experiences is, however, necessary to ensure large scale deployment and overcome barriers. For instance, the benefits and expenditures of sustainable purchasing are not always distributed equally within organisations. Investments for energy efficient solutions may for instance be made by another department than where the benefits are achieved. Experiences of how to address such issues are available on the PIANOo website and platform and are also disseminated through network meetings.

Lessons learnt 2: factors to avoid and possible further improvements

The minimum environmental criteria for products and services are not very ambitious and therefore do not seem to trigger suppliers to come with innovative solutions. This calls for sustainable public procurement to take another step: excluding less sustainable products and services and encouraging and inviting highly sustainable and innovative products and services. Exclusion can be made relatively easily by establishing lower minimum requirements in the environmental criteria documents. Encouraging and inviting highly sustainable and innovative products and services requires more complex procurement techniques. This could involve organising market consultations or a functional call for bids in which the desired function is described, instead of the product, and award criterias are used in which life-cycle sustainable performance gives an advantage over purchase price in winning the contract. This requires a professional procurement organisation in which sustainability is a significant part of the procurement process. After all, the procurer is only an advisor who guides the process, but does not determine the demand itself. The final client can also choose to cooperate on a local/regional basis in procurement, creating a synergy advantage through a quantity discount, better knowledge sharing and more efficient use of the available capacity. This is described in Figure 2 below.

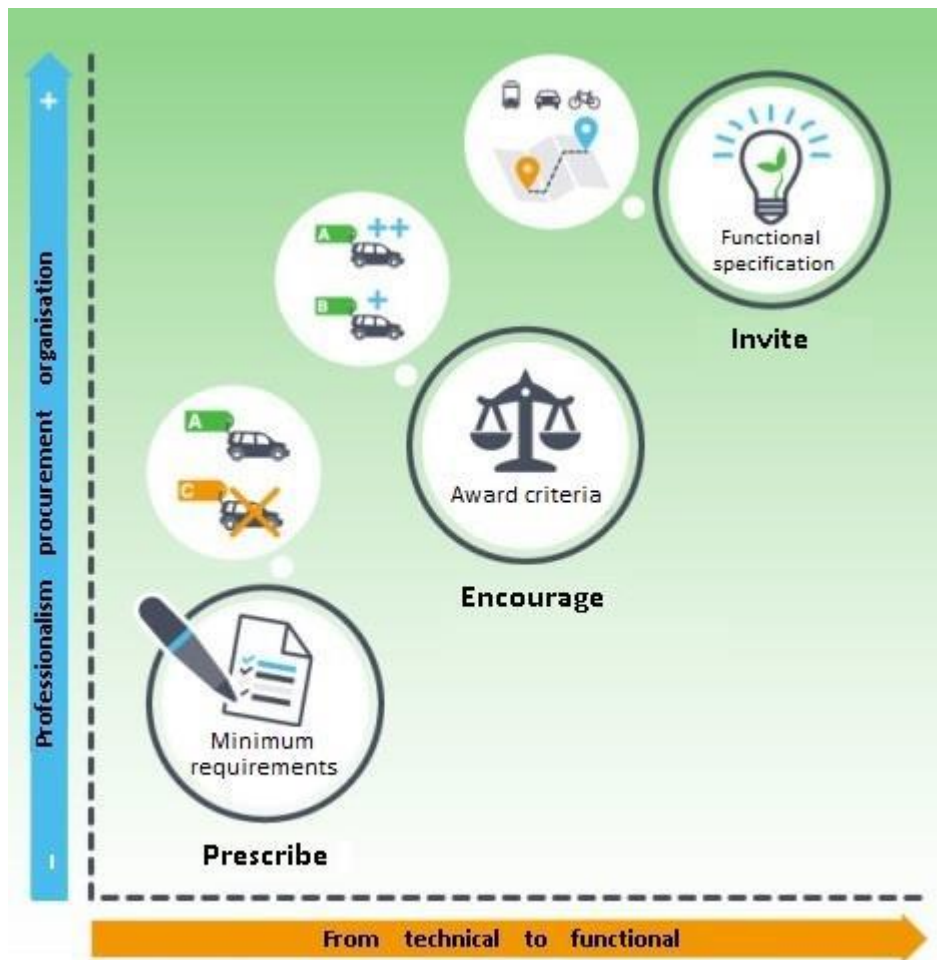


Figure 2. From prescribing to inviting

Source: www.pianoo.nl

References and further information

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The Project

In 2006, the European Union adopted the Directive on energy end-use efficiency and energy services ("ESD"). The Directive sets an indicative energy saving target of 9 % by 2016 as well as obligations on national authorities regarding energy savings, energy efficient procurement and the promotion of energy efficiency and energy services. It requires Member States to submit three National Energy Efficiency Action Plans (NEEAPs), scheduled for 2007, 2011 and 2014.

The Energy-Efficiency-Watch Project aims to facilitate the implementation of the Energy Efficiency Directive. This Intelligent Energy Europe project tried to portray the progress made in implementation of energy efficiency policies since the Energy Service Directive via NEEAPs screening and an extensive EU wide expert survey.

www.energy-efficiency-watch.org

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List of Abbreviations

EE – Energy Efficiency, **EED** – Energy Efficiency Directive, **EPC** – Energy Performance Certificates, **EPDB** – Energy Performance of Buildings Directive, **ES&A Targets** - Energy Savings and Action Targets, **ESCO** – Energy Service Company, **ESD** – Energy Service Directive, **EU** – European Union, **EEW** – Energy-Efficiency-Watch, **MEPS** – Minimum Energy Performance Standards, **MRV** – Monitoring, Reporting and Verification, **MURE** – Mesures d'Utilisation Rationnelle de l'Énergie, **NEEAP** – National Energy Efficiency Action Plan, **R&D** – Research and Development