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Procurement for a Sustainable Future

DIGITALEUROPE recommendations on how Public Procurement can support the transition to a more sustainable Europe



Executive Summary

DIGITALEUROPE believes in the tremendous potential of sustainable public procurement as a supporting instrument in attaining the goals of the European Green Deal and driving the transition to a low-carbon circular economy. Based on our experiences with procurement of IT in Europe, we present a set of key recommendations for further leveraging this potential.

DIGITALEUROPE, the leading trade association for digitally transforming industries in Europe, represents companies who are driving and implementing Circular Economy practices into their daily business activities. Our members strive to be at the forefront of new sustainable initiatives, as shown through our ongoing best practices¹.

As such, we support the European Commission's overall ambitions to address the challenges of accelerating the transition to a Circular Economy. Digital technologies play a crucial role in making the transformation to a circular economy happen. As the European Green Deal also identified, public procurement is an important instrument to support buyers in making more sustainable decisions.

Instruments such as EU Green Public Procurement (GPP) have their strength in rewarding environmental leadership with positive incentives. We agree on the tremendous potential sustainable public procurement can have for a shift towards resource-efficient, sustainable and innovative economies throughout Europe and underline the importance of public authorities using their purchasing power for giving preference to sustainable products and services. At the same time, we see today significant untapped potential of EU wide guidelines requiring time and resources to further develop and put into effect.

With this paper, DIGITALEUROPE presents its recommendations for the future of sustainable public procurement based on our years of experience with procurement of IT. It is intended to demonstrate our continuous commitment to

¹ See our DIGITALEUROPE case studies on digital sustainability
<https://www.digitaleurope.org/news/case-studies-on-digital-sustainability/>

support the development of EU wide guidelines for public procurements. For the future of sustainable public procurement in Europe, and the use of EU GPP in particular, DIGITALEUROPE calls upon European policymakers to:

1. Aim for a limited number of clear and easy to implement purchasing criteria per product type, providing the greatest sustainability benefit
2. Actively involve national and local procurers in revisions of GPP criteria
3. Invest funds from criteria development to check implementation of criteria in purchasing
4. Keep an open and transparent process for development of GPP criteria
5. Further promote EU GPP trainings to Member States to accelerate the uptake and enhance the spreading of knowledge and sharing of best practices

As secondary steps, we further call on policymakers to:

6. Consider combining green and social criteria into true Sustainable Public Procurement
7. Aim at understanding sustainability benefits of procuring services rather than products to be able to include in purchasing



Introduction

Sustainable Public Procurement (SPP), is a process by which public authorities seek to purchase goods and services that help support a reduced environmental and social (negative) impact throughout their lifecycle². Every year, public authorities in the EU spend approximately 1.8 trillion EUR, around 14% of GDP³ on the purchase of goods and services. Public authorities therefore play an important role in supporting the transition to a low-carbon circular economy. SPP can increase demand for more sustainable goods and encourage companies to develop more sustainable products and services, thus providing a strong stimulus for eco-innovation. Governments across Europe have committed themselves to move towards lower carbon, resource efficient, sustainable economy through political initiatives at EU-level⁴ and nationally – 23 out of 28 Member States have adopted national action plans.⁵

DIGITALEUROPE considers that the potential of SPP remains only partially exploited due to several barriers such as short-term cost considerations, a perceived lack of established environmental criteria, limited information and, until 2018, lack of training. There also appears to be an absence of cooperation between public authorities on procurement related issues. At EU level, 55% of public tenders still use the lowest price as the sole criterion, according to an investigation made in 2011⁶. We believe the situation has improved today, but certainly more still needs to be done. With this paper, DIGITALEUROPE presents its recommendations for the future of sustainable public procurement based on our years of experience with procurement of IT.



Recommendations based on earlier experiences

DIGITALEUROPE has taken part in the recent consultations for the revision of the EU GPP criteria set for Imaging Equipment (IE). We are contributing to the recently launched revision of the criteria for computers, monitors and smartphones.

² European Commission, DG Environment [webpage](#)

³ European Commission, DG Environment [webpage](#)

⁴ 2015 EU Action Plan for the circular economy; Green Public Procurement (GPP) for imaging equipment

⁵ National GPP Action Plans (policies and guidelines), European Commission Working Document

⁶ [Uptake of Green Public Procurement in the EU 27, Centre for European Policy Studies and College of Europe, 2011](#)

Aim for a limited number of clear and easy to implement criteria

As a general rule, we deem it of high importance that GPP criteria are based on the five principles of the EU Public Procurement Directive⁷ and based on scientific evidence in order not to leave room for any bias. They should further be based on existing regulatory requirements and not go beyond these. Criteria that seek to undermine original equipment manufacturers' (OEMs) ability to take legitimate steps to protect intellectual property rights should be avoided.

DIGITALEUROPE members also, at varying levels, continuously contribute to SPP developments in the Member States. A topic that is repeatedly brought forward by local procurers is that there are no simple, easy to use EU criteria and that many guides are just too detailed⁸ which often requires a high level of expertise and understanding. DIGITALEUROPE strongly supports product criteria that are well scrutinized and investigated when suggested, but extremely simple and straight forward to verify when used to facilitate the actual uptake and successful implementation.

Actively involve national and local procurers in GPP criteria development and revisions

During our active participation in the development of GPP criteria for IE we have noticed that the level of engagement from national procurement organisations in the Member States is low. We consider this worrying because the successful uptake of EU criteria at national level will largely depend on the feedback and active involvement of national authorities and procurers.

From DIGITALEUROPE members' engagement at national level, national procurement agencies seem to have limited interest and/or capacity to influence and engage in the EU GPP development group. As such, national considerations are not, or only to a limited extent, taken into account⁹. The fact that Member States such as Italy, Netherlands ([link](#)) and Sweden ([link](#)) have recently adopted national GPP guidelines for IE and consumables, in parallel to the development of the EU

⁷ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement, recital 1: the principles of non-discrimination, equal treatment, transparency, proportionality, mutual recognition

⁸ An example of a criterion that is demanding for a procurer to implement is the draft GPP IE criteria related to consumables hazardous substances content. The list of substances in the draft is not aligned with any international eco-label and it is likely every supplier will put forward different type of verifications. In a normal workday for a typical procurer for a smaller city or a municipality, that has responsibility for example for health care for the elderly, school meals provision and public transportation is not easily achievable to be able to validate this type of non-standard information.

⁹ There are some exceptions such as Sweden, where the National Procurement Agency is active in the development of the Voluntary Agreement for Imaging Equipment and aware of the EU GPP revision.

GPP for IE, shows that the process at EU level could be faster and should ensure transparency in the consultation. We believe national GPP criteria of each country should reflect respective EU GPP criteria.

Keep an open and transparent process for GPP criteria development

To ensure clear and easy to implement criteria, the stakeholder engagement process is essential. We experienced that, although extensive feedback backed with science-based facts were put forward by the industry, only a small portion of the feedback was taken into account by the European Commission's Joint Research Centre (JRC) and often with limited explanation.

We believe more transparency and exchange of views is needed since we fear that the lack thereof may result in less engagement from industry stakeholders in the development of EU level GPP. Increasing pace in the development of EU level GPP criteria must not occur by sacrificing the open stakeholder process that we welcome, either at the EU-level nor at Member State level.

Invest funds from criteria development to check implementation of criteria in purchasing

We see that lots of time is spent in the initial phases by the consultants on developing preliminary and technical reports. In the case of Imaging Equipment, consumables and services the process is now about to enter its' third year. The Preliminary report consisted of a very detailed analysis of the market and available technologies as well as sales models. The Technical report then listed about 15 criteria for IE hardware that was suggested also in different ambition levels.

While we welcome product criteria that are well scrutinized and investigated when suggested, we consider that they have to be extremely simple and straight forward but also implementable. We also believe more needs to be done to increase the uptake at national level. DIGITALEUROPE believes that there is a need to monitor much more what is actually implemented and improve reporting. We welcome the research in the initial phase of the revision of the EU GPP criteria for PCs displays and smartphones, early 2019, where some analysis of the uptake of current EU GPP criteria by public procurement organisation in actual tenders have been made.

Promote EU GPP trainings to Member States to accelerate update and enhance sharing of best practices

We acknowledge the somewhat difficult position for EU level GPP criteria to be adopted in Member States as the EU Public Procurement Directive has no compulsory component when it comes to sustainability. However, to create the

necessary incentives and scale, DIGITALEUROPE encourages a harmonised European approach. As mentioned earlier, EU GPP criteria should therefore be developed with close involvement of Member States and, to promote and facilitate take up of EU criteria and national implementation, the criteria should be clear and kept to a minimum.

In addition, education on the basics, that tools that exists and a free EU Helpdesk on GPP, will be useful to support national and local authorities. We welcome the GPP Training Toolkit that has been developed and available on the European Commission's website. We call for a further promotion of these trainings and urge that the uptake in Member States is on the agenda of the bi-annual GPP Advisory Group meetings. The theme PDCA, plan-do-check-act, works well in any type of organisation be it public or commercial.



Recommendations for future consideration

In addition to the recommendations based on our earlier experiences on GPP criteria development, DIGITALEUROPE shares some further recommendations to feed into considerations about the future of sustainable public procurement.

Consider combining green and social criteria into true Sustainable Public Procurement

Social and ethical aspects in the manufacturing phase is already taken into account in procurement criteria in some Member States. Since more than a decade, many of IT industry companies cooperate in an industry network for the management of sustainability topics including social and ethical aspects in the supply chain, i.e. the Responsible Business Alliance¹⁰. For future consideration of EU criteria, we see that more and more Member States are picking up on the possibility to include local social criteria to assist local society¹¹.

The ability for public sector procurers to include social concerns mainly relates to the number of people involved to deliver the service, as per a contract performance clause. DIGITALEUROPE welcomes the move from GPP to SPP since most advanced public sector organisations have shown this is the way forward, to make sure the procurement overall objective is met. This would require more cooperation between the European Commission services, similar to the consultation on a

¹⁰ <http://www.responsiblebusiness.org/>

¹¹ Example can be drawn from the concept of social 'social returns in the Netherlands or public sector requirements in the UK such as Scottish Procurement.

Commission guide on socially responsible public procurement by DG GROW in 2018¹².

Aim at understanding sustainability benefits of procuring “services” rather than “products”

Another important move is to enable also public sector to utilise services rather than products, a trend that has been increasingly adopted in the commercial sector¹³. The concept of managed print services has for instance been around for over a decade and adopters often mention ease of access and security as the main reasons for use. Market research by managed print services providers shows that environmental considerations are often among top ten reasons to use the service instead of purchasing a product and manage it in-house

In upcoming developments and revisions of EU GPP criteria, such as the criteria for PCs displays and smartphones, we would welcome the inclusion of criteria where these products are purchased as services. If we think about circularity as both the use of material and products as long as possible, on the precondition that these keep up with advancement in technology level such as energy efficiency and potential emissions, this would be enabled by closer ties to a service provider. We believe different tiers in the supply chain as well as users will need to work together on drafting criteria for services, enabling the uptake of product as a service. In the IT sector this has proven to be more environmentally sound for years for printing as a service. Preliminary results from recent comparative study show that this holds true also for professional use of desktop and notebook PCs. It is positive that the consideration of services is included in the draft EU GPP for IE, but different aspects need to be taken into account when dealing with services rather than products¹⁴. This requires close cooperation with public sector.

DIGITALEUROPE remains a committed stakeholder in the technical process of EU Green Public Procurement criteria development for relevant product groups and we look forward to also contribute constructively to the upcoming discussions on how public procurement can be further leveraged in the context of the European Green Deal goals.

¹²https://ec.europa.eu/info/consultations/commission-guide-socially-responsible-public-procurement_en

¹³ page 7-8, https://ec.europa.eu/info/consultations/commission-guide-socially-responsible-public-procurement_en

¹⁴There is a need to split warranty from service and for industry to educate new users on the difference. As-a-service also typically means longer contracts and different financial models that needs to be adopted to the reality of financing models in public sector. Yet another topic is the transparency of usage data so that service providers can assist in offering the most suitable solution for the users' needs.

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About DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

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Corporate Members

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National Trade Associations

Austria: IOÖ

Belarus: INFOPARK

Belgium: AGORIA

Croatia: Croatian

Chamber of Economy

Cyprus: CITEA

Denmark: DI Digital, IT

BRANCHEN, Dansk Erhverv

Estonia: ITL

Finland: TIF

France: AFNUM, Syntec

Numérique, Tech in France

Germany: BITKOM, ZVEI

Greece: SEPE

Hungary: IVSZ

Ireland: Technology Ireland

Italy: Anitec-Assinform

Lithuania: INFOBALT

Luxembourg: APSI

Netherlands: NLdigital, FIAR

Norway: Abelia

Poland: KIGEIT, PIIT, ZIPSEE

Portugal: AGEFE

Romania: ANIS, APDETIC

Slovakia: ITAS

Slovenia: GZS

Spain: AMETIC

Sweden: Teknikföretagen,

IT&Telekomföretagen

Switzerland: SWICO

Turkey: Digital Turkey Platform,

ECID

Ukraine: IT UKRAINE

United Kingdom: techUK