



NORWEGIAN MINISTRY OF
THE ENVIRONMENT



Green public procurement as an effective instrument for environmental politics

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EcoEmerge Study trip 2
14.02.2011

Photo: Marianne Gjørsv

Dear colleagues and participants in the Rumanian delegation.

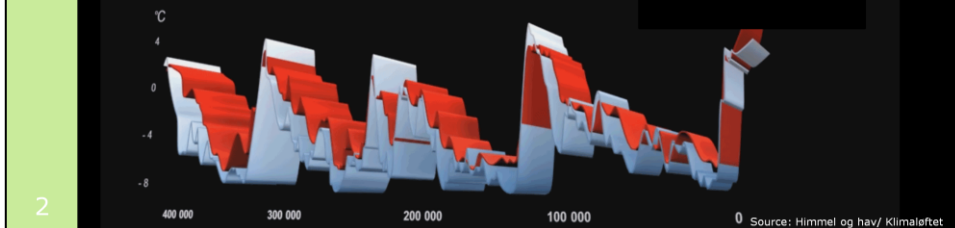
Welcome to Norway and the Ministry of Environment!

I strongly hope that this study visit will be according to your expectations. I know that some of you also participated in the first study visit in September last year, related to environmental technology. Welcome back to you too.

Our aim is that the program for this visit will contribute to new contacts and exchange of experiences and visions concerning green public procurement. Hopefully, it will also bring about more general knowledge of the environmental politics and practice, both in Romania and in Norway.

Green public procurement is a strong tool that needs to be used in a broader scale. We still have a way to go. We have common challenges, and hopefully we can find some of the same solutions.

Climate and greenhouse gasses



[Click]

Climate change is one of our greatest and most serious challenges.

This figure shows the relationship between temperature and the greenhouse gas content in the atmosphere, based on the analysis of ice cores from the Antarctica. The blue stripe shows temperature and the red one CO₂-concentration.

Global emissions of green house gasses have increased by 70% since 1970. During the next two decades we will see a doubling of the 1970 levels, unless we introduce new measures.

Temperature increase must be limited to 2°C



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Global warming has already led to great changes, for mankind and for the environment. We see ice melting in the North, more extreme drought in arid areas, more frequent and intense downpours, floods and landslides. According to the UN panel for climate change, the increase in emissions must stop before 2015 and emissions then decrease by 50-85% before 2050, in order to achieve the 2 degree goal. This means that the rich countries have to reduce their emissions by 25-40 percent from 2000 to 2020.

Norway is working for a new global climate agreement that bases itself on the 2 degree goal. But everyone should remember that even the 2 degree goal has consequences: when the 2 degree goal was announced at a UN-meeting in Bangkok, everyone cheered heartily. Then Micronesia took the floor and announced that this must be the first time that one applauded a goal that would lead to one of the member states disappearing. Yes, Micronesia will vanish into the sea when the temperature increases by 2 degrees.

Threats to biological diversity



Biological diversity is threatened by:

- land use – which is the largest threat to biological diversity,
- pollution,
- overharvesting,
- alien species and
- climate change.

The value of protecting ecosystem services



We have a moral and ethical responsibility for protecting ecosystem services and biodiversity. But we highly welcome other tools and sources of information for proving a broader range of arguments and arguments. [Click] The work of the study “The Economics of Ecosystem and Biodiversity” (TEEB) has a huge potential by giving us also economical facts for why biodiversity matters.

This TEEB-study has recommended a reform of national income accounting for improving management of natural resources. I would like to support the expression by Pavan Sukhdev; “We cannot manage what we do not measure”. Knowledge from the TEEB-study will help make the case for a reform in this area.

We are planning to make a Norwegian report about the value of protecting ecosystem services and biodiversity in Norway.

The public sector must become an environmentally aware customer



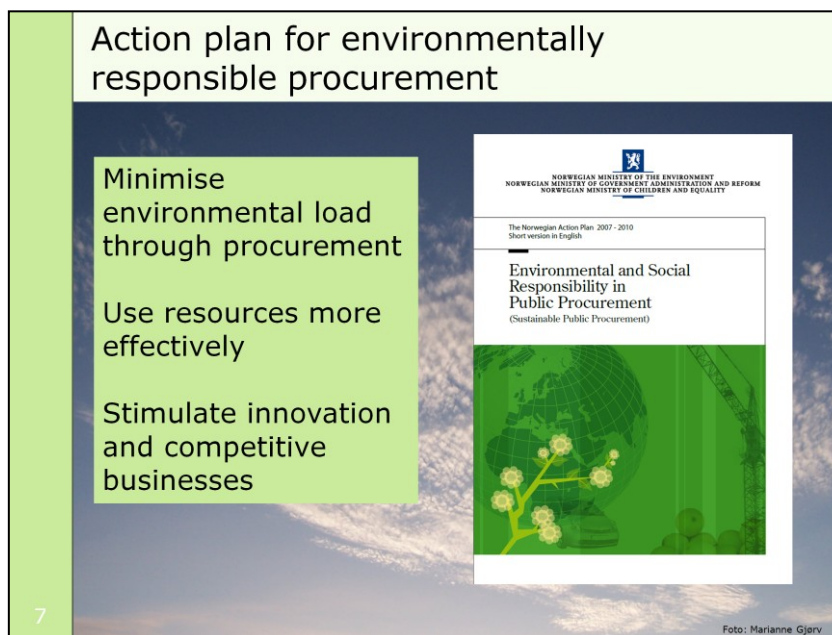
The climate crisis cannot be solved unless the major powers take responsibility. But we all have power, market power, to influence all the goods and services that are responsible for a large proportion of the global climate emissions.

The public sector is a very significant customer for goods and services. In Norway, the public sector spends more than 45 billion euros, including the oil sector. This is about 16% of gross national product and a major segment of the Norwegian market.

The public sector shall be an environmentally aware and demanding customer. [Click] We shall use our market muscle to apply strong climate and environmental criteria and stimulate green innovation.

Besides being able to apply strong and consistent market pressure, the public sector also has the ability to adapt existing regulations when these need modifications to allow the introduction of new, greener products in the market. I will come back to a concrete example later in my presentation.

The public sector must become a green market driver.



In Norway, we started greening public procurement in the late 1990s. Handbooks and tools were developed and distributed, but we noticed a need for coordinating and concentrating effort and placing clear requirements on procurement officers. We needed to follow up better as well.

So, in 2007, the government approved the National Action Plan for Environmental and Social Responsibility in Public Procurement for 2007-2010.

The objectives of this action plan are: [Click]

- 1) to minimise environmental load through procurement of goods and services,
- 2) to use resources more effectively and
- 3) to stimulate innovation and a competitive business sector.

Environmental technology and environmentally based services are two of the rapidly growing sectors in the world today. A large and focused public sector demand will be an important contributor to new employment and a progressive business sector.

The national state is in the driving position. We see that local authorities and county councils are already in action and implementing – and we expect them to place similar requirements “further down the system”.

Environmental policy for state procurement



Photo: Marianne Gjerv

Constructing buildings
Real estate

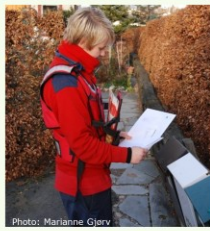


Photo: Marianne Gjerv

Clothes and textiles



Photo: Tekstilgarn.no

Washing and cleaning services



Hotel services



Photo: Marianne Gjerv

Electronic products



Photo: Marianne Gjerv

Office furniture

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The national action plan has its own environmental policy for state procurement, valid from 1st January 2008.

The major points are:

- Criteria to be compatible with the Nordic Swan-label and the EU-Flower-label when possible. On this slide you can see some of the products that have such criteria.
- Product selection should be based on life cycle costs, quality and environmental characteristics, like climate and energy effective, low contents of hazardous chemicals, low emissions and resource usage.
- Suppliers that have routines and competence that ensure low environmental load, should be prioritised when purchasing services.

Environmental management system



Already in 2001, the government decided that all state agencies should have environmental management integrated with their management systems by 2005 (Green State). A handbook was published in 2003, supported by an internet tool. Most state agencies now have a simple environmental management system.

Green public procurement needs to be integrated with the organisation's steering systems, and environmental management was considered a good way of linking the two.

[Click] So environmental management has been also included in the national action plan and environmental policy in procurement is a mandatory part of the environmental management system. All agencies with significant environmental consequences are to implement third party certified systems such as EMAS or ISO-14001 for all or parts of the organisation. All others shall have at least a simple environmental management system in place. We are now looking at better monitoring systems in order to follow up underlying agencies.

Agency for Public Management and eGovernment (Difi)

Responsible for following up the national action plan at the national level

Monitoring

Central competence unit

Develop tools

Support regional focal points

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Foto: Marianne Gjerv

Greening public procurement implies talking to public procurers. This is most effective if it is tightly coordinated with other activities connected with improving public procurement in general. In Norway, the Agency for Public Management and eGovernment (known as Difi), was established in 2008 and given the responsibility for improving public procurement.

It was therefore natural to also give Difi the responsibility for following up the national action plan, so as to ensure integration of environmental and social aspects into public procurement activities. This collaborative model has now been copied by five other ministries, all using public procurement as a means to achieving their respective political goals.

Difi's activities at the national level include:

- Development of procurement tools, handbooks, recommended criteria, templates
- Outreach through the internet, procurement networks
- Monitoring, measurement and reporting of status
- Participation in policy development

Activities are both on public procurement and environmental management.

Difi also manages and supports the 18 regional focal points and runs two of them itself.

You will be hearing a lot more about Difi's activities and experiences during your stay in Oslo, as they are also responsible for this study visit on behalf of the Ministry.

Procurement and green innovation

Public procurers are important actors in the development/adoption of new, green technology

Dialogue with business is important



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We need new eco-effective technologies to meet the climate challenge.

[Click] Public procurement can be the driving force for development and/or adoption of new technologies, in combination with adapting regulations and financial support and risk minimisation when new products have to be developed.

Let me take some examples first before looking into the necessary conditions:

Norway is dependent on car ferries, especially in the fjords on the West coast. Ferry services are provided by private companies that bid for a public contract. The ferries have been diesel driven with significant emissions of CO₂, NO_x and particle matter. Liquid Natural Gas (LNG) is a much more environmentally friendly solution, but has not been used for passenger ferries. The maritime regulations did not allow for gas driven passenger ferries, and there was no distribution system for LNG. The road agency, with political support from the Minister of Transport, specified environmental criteria that could be met by LNG and the required changes in regulations were made and distribution apparatus established. Most big ferry routes on the West Coast now use LNG and they are spreading to the North of Norway too.

Developing "Smart buildings"

A school built with "passive house"-standards



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[Click] On this picture we see a school built according to "passive house standards" in order to use energy more efficient and reduce its ecological footprint.

The Defence Estate Management agency has been working with the building sector to develop "Smart Building" tools that integrate the building and estate management phases using shared electronic descriptions of the buildings and focussing particularly on energy management.

The potential for using electronic alternatives to paper and travel has still to be achieved.

And there are many other opportunities for Green Innovation. But we need better dialogue with the business sector and openness for new solutions and ways of doing things in the public sector – and that may include funding.

Where do we stand now?

Greening electronic public procurement

More consistency – international mainstreaming

Monitoring and measuring environmental effects

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Photo: Marianne Cjerv

[Click] More and more of procurement is using electronic tools, so called electronic public procurement. This is an opportunity for green public procurement, but we need to get the right information in and out of these systems. This makes mainstreaming even more important.

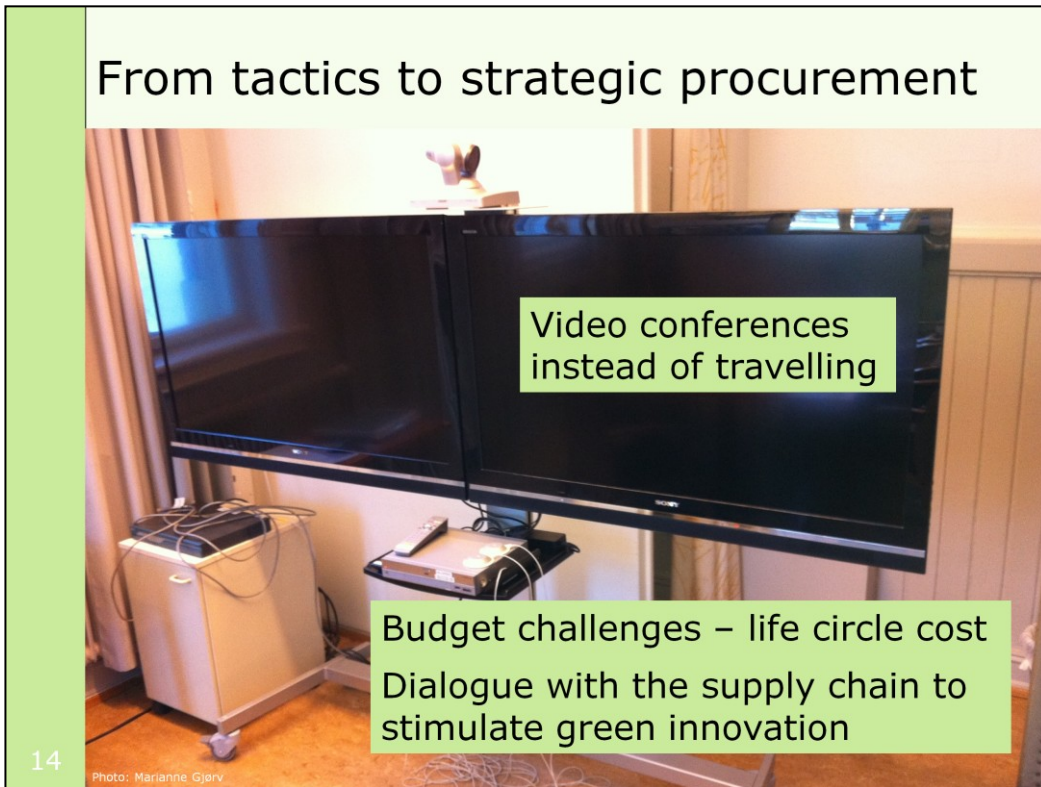
We need better statistics and measurement of environmental effects. Electronic public procurement will help, and so will better reporting from environmental management systems. But we still have a long way to go.

Norway will probably be renewing its national action plan this year and the European Commission is discussing renewing its whole public procurement framework. In this context, it is natural for me to share some issues which may be worth thinking about. And we would welcome input on these. Maybe you can challenge some of the contacts you make in Norway with these points?

Firstly, we have reached the stage where environmental criteria are being applied, but if we are going to influence suppliers, they need to be applied consistently, accross organisations, nations and over time.

Secondly, we need to do even more to integrate green public procurement into all the tools and handbooks that procurers use. They should not have to think that green requirements are special. It should be part of the job.

From tactics to strategic procurement



Most of the green public procurement work has focused on buying this or that printer, not so much on how to avoid printing at all, or using video conferences instead of travelling. These are **strategic procurement** issues that we are starting to focus on.

Budget challenges: We talk life circle cost and thinking broadly about the whole cost of ownership, but our budgets are still made at the ministry level for a year at a time. We are getting better, but we need better life circle cost tools and decision making processes that take account of the whole picture – for society and the years to come.

Finally, the question of how much we can demand of the **supplier chain**, within the constraints of the European public procurement framework, is still open and looks as though it will be drafted. How can we engage in constructive dialogue with the supply chain to stimulate **green innovation**?

Good memories from a visit to Romania



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Have a nice stay in Norway!

Photo: Ministry of the Environment

This picture, which shows a Great White Pelican, is taken on my visit to the Danube delta in Romania in 2008. I have really good memories from that visit!

Norway and Romania share the same vision of a sustainable future. This will require major changes in emissions and consumption patterns in both countries.

The new period with the cooperation in the European Economic Area and Norway Grants in Romania, will bring about new possibilities for environmental programmes and cooperation in many fields. As you all know, Romania is the second largest beneficiary, with a total of 306 million euro.

We hope that the agreement with Romania will be concluded as soon as possible and that new programmes will lead to further cooperation between our authorities, local communities, NGOs, researchers and enterprises.

[Click] I hope you will enjoy your stay, both professionally and socially. Thank you!