



NORWEGIAN MINISTRY OF THE ENVIRONMENT
NORWEGIAN MINISTRY OF GOVERNMENT ADMINISTRATION AND REFORM
NORWEGIAN MINISTRY OF CHILDREN AND EQUALITY

The Norwegian Action Plan 2007 - 2010
Short version in English

Environmental and Social Responsibility in Public Procurement

(Sustainable Public Procurement)





Foreword

The Government wishes consumption and production in Norway to be as sustainable as possible. The public sector has to lead the way and set an example through its own procurement processes. Greater emphasis on the environment, life cycle costs and a positive reputation may also contribute to a better and more efficient public sector.

We believe that, as a major customer, the public sector has a particular responsibility to minimise the environmental impact of its procurement. By being a demanding customer, the public sector can also help the business sector to become more competitive in a market where the demand for environmental technology is growing fast. By stipulating environmental requirements, the availability of environmental product information will also be increased.

Interest in ethical and/or social considerations in procurement is increasing. We wish to ensure that public enterprises have the knowledge needed to follow this up.

Public enterprises must make adjustments for environmental and social responsibility in their management systems and increase their knowledge in this area. Surveys show that this is one of the greatest barriers to satisfactory integration of environmental and ethical considerations in public procurement today.

The Government wishes to address this issue and has therefore drawn up a three-year action plan for environmental and social responsibility in public procurement. This action plan will, among other things, be coordinated with the Government's White Paper on climate policy, which will be published this summer. The action plan is also an essential element of the continuation and strengthening of the Green Government project, and it includes a specific environmental policy for central government procurement. The main elements of the action plan were presented in a recent Government White Paper Report No. 26 (2006-2007) The Government's Environmental Policy and the State of the Environment.

The work on this action plan was overseen by an inter-ministerial working group and based, among other things, on advice and recommendations from the national Panel for Green Public Procurement (www.innkjopspanelet.no). We wish to thank the Panel and all others who have provided input for the action plan.

The full Norwegian version action plan is available at http://www.regjeringen.no/nb/dep/md/dok/rapporter_planer/planer/2007/T-1467-Miljo-og-samfunnsansvar-i-offent.html?id=473352

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1. Summary and Conclusions

The Government wants the public sector to lead the way as a responsible consumer and demand environmentally sound products and services which have been manufactured in accordance with high ethical and social standards. To this end, the Government has drawn up a three-year action plan for environmental and social responsibility in public procurement with the following main elements:

Objectives and priorities

- Environmental and ethical/social considerations in public procurement shall contribute to an efficient public sector and a competitive business sector.
- It is a goal that the environmental impact of public purchases is minimised. When incorporating environmental considerations in public procurement, priority will be given to measures relating to climate and energy, hazardous chemicals and biodiversity. The following product groups are prioritised: property management and building, transport and vehicles, food, ICT equipment and e-meetings, textiles, health and hygiene consumer products, and to key product groups relating to office activities.
- The Government emphasises that the public sector will take social responsibility through its procurement by contributing to ethically acceptable production, trade and consumption. This

includes what is often referred to as 'Fair Trade'. An important task will be to improve traceability and transparency in the value chain and thus enable procurers to document that the products have been manufactured in an ethically acceptable manner.

Policy instruments and measures

The Government will:

- 1 Adopt a specific environmental policy for government procurement, stipulating specific requirements for government institutions when purchasing products in the priority groups. This policy will come into force on 1 January 2008.
- 2 Request government institutions with a significant impact on the environment to introduce third-party certified environmental management systems, like ISO 14001. Other government institutions will have a simpler environmental management system.
- 3 Assist municipal and regional authorities in increasing their focus on environmental and social responsibility in procurement routines, through cooperation with the Norwegian Association of Local and Regional Authorities and through capacity-building measures.
- 4 Facilitate capacity-building, guidance and tools for purchasers.



- 5 Propose measures that stimulate innovation and sustainable commercial development, such as the utilisation of research and development contracts under Innovation Norway, with a view to encouraging cooperation between enterprises and public customers on environmental technology.
- 6 Pave the way for better data, indicators and reporting on the environmental impact of public purchases through guidance and status surveys. The goal for Statistics Norway's pilot project, StatRes Environment, is to assess possible indicators and survey the availability of existing and new data.
- 7 Clarify how much scope of action procurers have under the current regulations to stipulate ethical and social requirements and how ethical and social standards can be promoted in public procurement. The Government will also arrange for a printed guide, advising public procurers on how to promote ethical and social standards. Based on this guide and practical examples, a training and advisory service for purchasers in the public sector will be established.
- 8 Cooperate closely with other relevant countries through the UN, the EU and the Nordic Council of Ministers, in order to develop criteria, practical tools, indicators, etc.



The environmental impact of public procurement is to be minimised. Here an example from a teleconference, which reduces transport needs.



2. Objectives

PRIMARY OBJECTIVES

Procurement in the public sector should take place with the minimum of environmental impact and with respect for fundamental workers' rights and human rights.

Environmental and ethical/social considerations in public procurement shall contribute towards an efficient public sector and a competitive business sector.

The public sector shall contribute to benefits to society by ensuring the most efficient use of resources in public procurement, based on good commercial practices and equitable treatment. These principles are laid down in the Norwegian Public Procurement Act. The Public Procurement Act provides an important basis for work on environmental and social responsibility in public procurement. The Act requires public procurers, when planning purchases, to take into account the life cycle costs and environmental impact of each purchase (Section 6 in the Act). This provision was included in 2001.

This action plan details the measures that are to be implemented for the purpose of promoting environmental and social responsibility in public procurement. Particular importance is attached to proposing

measures that facilitate synergies between environmental and social responsibility and measures to promote an efficient public sector and a competitive business sector.



3. Policy Instruments and Measures

3.1 Central government shall lead the way

MEASURES

- ▶ Adoption of a specific environmental policy for government procurement, containing specific requirements for the priority product groups. This will enter into force on 1.1.2008.
- ▶ Government institutions with a significant impact on the environment will be requested to implement a third-party certified environmental management system, such as ISO 14001 or EMAS, for all or part of their activities.
- ▶ Other ministries and subordinate agencies shall, as a minimum, have a simpler environmental management system, ref. for example the Guide to Green Government (the Green Government project) issued in 2003. This Guide will be updated in the course of 2007.
- ▶ Better statistics and reporting on the environmental impact of government procurement, ref. Chapter 3.5 Reporting and data.
- ▶ The Government will consider instructing government institutions to include social and ethical standards in their procurement practice.

Introduction

The Government has direct control over central government institutions and believes that these have a particular responsibility to lead the way on sustainable procurement. The Government will therefore establish standards and guidelines for central government.

3.1.1 Environmental management in central government – a continuation of the Green Government project

An evaluation of the Green Government Project shows that 50-60 per cent of government institutions have introduced a system for environmental management as set out in the Guide to Green Government, which was drawn up in 2003. However, government institutions have asked for even more specific advice and guidance on, for example, which measures should be implemented. The evaluation also emphasises the importance of rules on documentation and reporting.

The Government regards the use of environmental management systems as an important way of promoting environmental considerations in public procurement and of treating procurement-related measures as part of an integrated environmental policy in the individual organisations. Such systems will generally help to focus on the environmental impact of operations in the particular organisation and provide management with a tool to follow up environmental measures. They also give procurers a mandate and sufficient scope of action to stipulate environmental requirements. The Government will therefore continue its work on environmental management systems in central government. All government institutions must have an environmental management system which is well integrated into the organisation's other management systems.

In light of the results of the evaluation, the Government sees the need for measures to strengthen environmental management in central government (Green Government). The Government has therefore drawn up a specific environmental policy for government procurement with detailed requirements for government institutions in priority product areas; it will request government institu-

tions with a significant impact on the environment to introduce third-party certified environmental management systems, and it will take steps to improve statistics and reporting on environmental impacts of government procurement and operations.

The requirements regarding environmental management and procurement will be implemented during the coming three years in the annual planning and budget documents to subordinate agencies, and each ministry will be responsible for following up its own agencies. This will also be specified in the national budget and other Parliamentary documents.



The Guide to Green Government.



3.1.2 Environmental policy for government procurement

The Government wishes to clarify its ambitions for environmental considerations in government procurement in a separate environmental policy stipulating specific requirements for purchases of priority product groups. This policy will enter into force on 1 January 2008 and shall be integrated into the environmental management systems adopted by the individual institutions. This environmental policy will be made applicable in subordinate agencies, for example through the annual plan and budget documents (in the same way as environmental management). The environmental policy for government procurement is summed up in Box 1. This policy will set general requirements for government purchases. The relevant capacity-building assistance, such as indicative product criteria and tender specifications - see Chapter 3.3 Capacity-building measures, tools and networks - will make it simpler for government institutions to adopt the environmental policy.

Government institutions are urged to supplement the environmental policy with other objectives and measures relating to procurement relevant for their own activities. Government institutions vary considerably in character. Some institutions are, for example, involved in construction, laboratory work, forest and land management and they face environmental challenges relating to procurement which are not dealt with in the general environmental policy for government institutions. It is therefore important for these institutions to meet these challenges with the help of their own environmental management systems. The implementation of third-party verified environmental management systems is especially relevant for these institutions.

3.1.3 Social and ethical requirements

The Government will survey the possibilities and limitations of current legislation and consider ways in which social and ethical standards can be promoted in public procurement, ref. Chapter 3.6 Legislation – Public Procurement Act. Against this background, the Government will issue guidelines on how social

and ethical requirements are to be integrated and will consider requiring central government procurers to base their purchases on specific social and ethical requirements. See also Chapter 3.3 Capacity-building, tools and networks.



*Environmental aspects have been integrated in the process from the start when building the new Opera in Bjørvika, Oslo. Energy efficiency is important and the Opera will be equipped with Norway's largest photovoltaic panel. The Directorate of Public Construction and Property is the property developer and responsible for ensuring that environmental requirements are followed. The Directorate is also responsible for the procurement of equipment for the Opera, like furnishings and workshop, lighting and sound equipment, as well as ICT. Three environmental objectives have been defined, one of which is related to energy use. The other goals cover chemicals, biological diversity, life span/durability and disposal.
Photo/Gjerholm design*

Box 1: Environmental policy for government procurement

The Government has adopted a specific environmental policy for central government procurement that enters into force on 1 January 2008. All government institutions shall follow up this environmental policy and incorporate it into their internal management systems.

Objectives:

- To minimise the overall environmental impact of government purchases of products and services
- To make efficient use of government resources
- To contribute to a competitive business sector by encouraging a market which promotes innovation and the development of environmental technology and environmentally sound products.

General principles:

1. Products and services must be chosen on the basis of lifecycle costs, quality and environmental properties
2. Priority must be given to products and services which are energy-efficient, have a low content of hazardous chemicals, low pollutant emissions and low resource consumption
3. In the case of products for which eco-labelling criteria have been developed (Nordic Swan and EU Flower labels), these criteria must be applied as far as possible
4. In the case of services, priority must be given to suppliers with routines and expertise that ensure a low environmental impact, e.g. suppliers who can document this by using ISO 14001 or the national Eco-Lighthouse Scheme.

Priority product groups

- Property management and building, including energy use and tropical timber
- Transport and vehicles, including business travel
- ICT equipment
- Food
- Textiles, including washing and cleaning
- Health and hygiene consumer materials (e.g. hygiene products, nappies, skin care)
- Printed matter and paper, office furniture and supplies, cleaning services and hotel services

Specific requirements regarding procurement of the selected product groups

The Government's environmental policy sets specific requirements for procurement of the priority product groups. These are specified in the table below. It is a condition that the requirements do not lead to any significant increase in total costs (life cycle costs) relating to the purchase and that the purchase fulfils the same utility. Procurers may therefore use their own judgement in special cases. The requirements apply mainly to purchases for which tender specifications are drawn up.

Indicative product criteria and capacity-building assistance will be available by 1 January 2008. This will assist government institutions to meet the requirements in the table.

Institutions must be able to *document* that they have taken environmental criteria and lifecycle costs into account in their choice of supplier/product in the priority product groups.

**Property management and building**

| | |
|---------------------------------|--|
| Chemicals | Avoid building materials containing substances on the authorities' priority list of pollutants or relevant substances on the Norwegian Pollution Control Authority's (SFT) list of hazardous substances requiring special attention. If eco-labelling criteria have been drawn up (Nordic Swan or EU Flower) for a product group, products fulfilling these criteria should be chosen. |
| Energy use and greenhouse gases | In building projects, set specific requirements for energy use, e.g. in the form of kWh per m ² . Make it a requirement that heating is not based on electricity or fossil fuels. The requirements should be stricter than the minimum requirements in technical regulations. |
| Tropical timber | Do not use tropical timber in any form, either in the building itself or in the materials used during the building period. |
| Waste/hazardous waste | In building projects, set a target of 60-80 weight percentage segregation at source (including demolition, excluding construction pit). In the case of demolition, conversion and rehabilitation demand an environmental survey in order to prevent incorrect disposal of chemicals that are hazardous to health and to the environment. |
| Environmental know-how | Ask architects, consultants and contractors to document training/courses in environmentally sound planning and building. |
| Leases | Stipulate relevant environmental requirements when signing leases. |

Transport and vehicles

| | |
|---|--|
| Vehicles (greenhouse gases, local air pollution, noise) | Choose vehicles producing low emissions of greenhouse gases, NO _x and particulate matter. When purchasing or leasing passenger cars, with the exception of emergency vehicles and other vehicles with special functional requirements, the guideline limit is maximum 120-140 g/CO ₂ in 2008. The limit may be tightened at a later date. The possibility of stipulating that all government vehicles operate on CO ₂ -free or CO ₂ -neutral fuel by 2020 is being investigated. Diesel-operated vehicles must have particulate traps. Choose low noise, easy-roll, stud-free tyres whenever possible. |
| Business travels | Purchase UN-approved 'CO ₂ quotas' to counterbalance emissions from government employees' international air travel. Make greater use of e-meetings as a substitute for business travel whenever practical. |

ICT equipment

| | |
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| Chemicals, energy, greenhouse gases, waste | Choose ICT equipment with low energy consumption, low content of pollutants (see the authorities' priority list) and easily upgradeable. Attach importance to e-cooperation when choosing equipment. |
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Food

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| Chemicals, energy, biodiversity, animal welfare | By 2015, 15% of food consumed in government institutions shall be organic. |
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Textiles

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| Chemicals | Avoid textiles containing substances on the authorities' priority list or substances on SFT's list of hazardous substances requiring special attention. If eco-labelling criteria have been drawn up for a product group (Nordic Swan or EU Flower), choose products fulfilling these criteria. When purchasing textiles, give consideration to how these can be cleaned with the least possible chemical use. For example, textiles that cannot be washed but require cleaning with environmentally hazardous chemicals should be avoided. |
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Health and hygiene consumer material

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|-----------------------------------|--|
| Chemicals, use of resources, etc. | Whenever possible choose products that satisfy the criteria for Nordic Swan or EU Flower eco-labels. |
|-----------------------------------|--|

Printed matter and paper

| | |
|-----------------------------------|---|
| Chemicals, use of resources, etc. | Whenever possible choose copy paper, envelopes and printed matter that satisfy the criteria for Nordic Swan or EU Flower eco-labels and which are made of recycled paper. |
|-----------------------------------|---|

Office furniture and supplies, cleaning, hotels

Whenever possible choose products that satisfy the criteria for Nordic Swan or EU Flower eco-labels, if such criteria exist. In other cases, give preference to products and services which are energy-efficient, have a low content of pollutants (priority list), produce low pollutant emissions and use few resources. Priority should be given to goods made of recycled material and approved for recycling.

3.2 The municipal sector

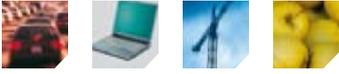
MEASURES

- ▶ Communicate the intentions of the action plan to municipal and regional authorities
- ▶ Cooperate with the Norwegian Association of Local and Regional Authorities (KS) on following up and implementing environmental and social responsibility in public procurement, and use the consultation process between the Government and KS to discuss how local authorities can be encouraged to meet the same requirements as the central government in their procurement routines.
- ▶ Cooperate with KS to ensure that environmental responsibility in municipal procurement is given a central place in the five-year programme “Livable Communities – municipalities working in small networks for a sustainable community development”, which was established in 2006. This will include contributing to climate-friendly energy development in municipal buildings through the Green Energy Communities project.
- ▶ In the course of 2007, the Ministry of Agriculture and Food and the Ministry of Local Government and Regional Development will start up the Organic Communities project. Local authorities that have pioneered the development of production and consumption of organic food will be chosen for the project.
- ▶ Contact KS to ensure that environmental responsibility is included in KS’s training programme for publicly elected officers.

Introduction

It is important that the intentions in the action plan are also followed up by municipal and regional authorities. A number of these authorities are spearheading the work of integrating environmental and social responsibility in public procurement and are setting a good example. The City of Oslo, for example, is a pioneer in this area and has made great progress in its efforts to include environmen-

tal requirements in procurement and in its introduction of environmental management. The City of Oslo decided in 2003 to introduce an environmental management system for all municipal authorities before the end of 2006. Agencies and enterprises with a significant impact on the environment will be certified in accordance with ISO 14001 or EMAS; others will use the national Eco-Lighthouse certification. As of 1 April 2007, 161 municipal enterprises



in Oslo were Eco-Lighthouse certified and nine agencies were certified according to ISO 14001.

A total of almost 400 municipal and regional enterprises have introduced third party-verified environmental management systems. One hundred and forty-six local authorities have Eco-Lighthouse certified enterprises.

In recent years the development of Fair Trade cities and local authorities has picked up speed. A Fair Trade city or local authority works actively to increase knowledge, availability and consumption of Fair Trade-labelled products in their local community and has to satisfy certain criteria. For example, the local council must pass a resolution supporting Fair Trade and it must set a good example by using Fair Trade products itself. Fair Trade cities are to be found in several European countries. Sauda was the first local authority in Norway to be awarded Fair Trade status. It was followed by Lier. Steps are being taken in a number of Norwegian towns and local authorities to achieve Fair Trade status.

The Government takes a positive view of the work being done by local and regional authorities to promote and strengthen environmental and social responsibility.

3.2.1 The Livable Communities programme and the Green Energy Communities project

In 2006, the Ministry of the Environment initiated a new programme targeting local authorities, called *Livable Communities*. Responsibility for the management of this programme lies with the Norwegian Association of Local and Regional Authorities (KS). The main thrust of the project is to systemise and build up knowledge and experience of local development work in the field of environment and social development and transfer it to as many local authorities as possible through learning networks. Public procurement is a priority area in the programme (under the heading of sustainable production and consumption). The Ministry of the Environment will provide capacity-building assistance to support this work in the municipalities. See Chapter 3.3 Capacity building, tools and networks.

The *Green Energy Communities* project was launched in February 2007. The Ministry of Local Government and Regional Development, the Ministry of the Environment, the Ministry of Petroleum and Energy and KS have joint responsibility for this project. "Green energy communities" will be linked up to the "Livable Communities" cooperation agreement between KS and the Ministry of the Environment. This project grew out of the fact that local authorities own 25 per cent of all commercial buildings in Norway and are responsible for a third of the energy consumption in all commercial buildings. Local authorities can contribute to reduce Norway's total emissions of greenhouse gases, and they will also gain financially from saving energy in their own buildings.

The goal of "Green Energy Communities" is to get municipal councils in Norway to focus on energy-saving measures, bioenergy and reduction of emissions of greenhouse gases. The local councils that have been selected for the project will receive technical, administrative and financial support through their own networks to raise energy planning to a strategic level in their municipalities. The experience gained from the networks will be a source of inspiration and learning for local authorities all over the country.

3.2.2 Organic food

In the course of 2007, the Ministry of Agriculture and Food and the Ministry of Local Government and Regional Development will initiate the *Organic Municipalities* project. Local authorities that have pioneered the development of organic food production and consumption will be chosen for the project. Priority will be given to familiarising future consumers, i.e. children and young people, with organic food by targeting day-care centres and schools, including out-of-school care, school canteens, etc. Furthermore, the regional connection between organic food production and consumption and locally produced food will be emphasised. The aim of this project is to contribute to the Government's target that 15 per cent of food production and food consumption be of organic origin by 2015. Experience and knowledge from these organic municipalities will be passed on and be a source of inspiration for other Norwegian municipalities.

3.3 Capacity building, tools and networks

MEASURES

- ▶ Help to further develop capacity-building assistance for public procurers, with reference to environmental considerations. This includes providing them with indicative product criteria and tender specifications for the priority product groups and assisting with updating and preparation of tools, guidance and advice.
- ▶ Arrange for an assessment to be made of how environmental considerations can be integrated more satisfactorily into procurement training (colleges, courses, continuing education, etc.)
- ▶ Have a guide made for public procurers describing how they can promote ethical and social requirements. Based on this guide and practical examples, a training and advice service will be established for public sector purchasers.
- ▶ Help to make the required knowledge as accessible as possible to individual procurers at central and regional level and establish networks between procurers to improve utilisation of this knowledge.
- ▶ Take an active part in the work that is underway in the UN, EU and the Nordic Council of Ministers and consider the development of national capacity-building measures in light of that work, ref. Chapter 3.7.

Introduction

A study of green public procurement (GPP) status in Europe (EU) and Norway shows that one of the greatest barriers to green public procurement is the lack of environmental knowledge. Procurement officers who are not environmental specialists will, for example, need guidance on relevant environmental criteria for different products. This will also apply to ethical/social aspects of public procurement. There is a need for specific capacity-building assistance, tools, good examples and support for network building.

A number of measures have been initiated to promote green public procurement. In 2005, GRIP (the National Foundation for Sustainable Consumption and Production) established a national training programme for green public procurement, aiming to encourage and make it easier for purchasers to take environmental considerations into account. The advisory Panel for Green Public Procurement, consisting of representatives of relevant authorities, business organisations and public procurers, contrib-



utes important input on the need for capacity building. In the course of autumn 2006 the Panel provided a number of different suggestions for measures to meet this need.

3.3.1 Indicative product criteria and tender specifications

The environmental impact of different products and product groups will vary and the environmental requirements that are relevant and realistic to set will also vary. If indicative product criteria and/or tender specifications are available for the different product groups, it will be far simpler for public procurers to take environmental considerations into account. In other Scandinavian countries, EU countries and Japan, indicative criteria have been developed for different product groups and can be downloaded directly into tender documents. The European Commission has recently taken the initiative in developing indicative criteria for eleven product groups, and Scandinavian countries have cooperated on the development of a joint format for such criteria. Norwegian procurers are in urgent need of such indicative product criteria. The Government will therefore take steps to ensure the availability of indicative criteria and/or tender specifications for the priority product groups. These criteria will be made available by 1 January 2008. The Panel for Green Public Procurement, with GRIP as secretariat, will be given a major role in developing these indicative criteria, and this work will be coordinated with criteria development in Scandinavian and other EU countries.

The Government emphasises that the criteria must emerge as a result of a process in which relevant stakeholders and experts take part. The indicative criteria must be formulated so as to help procurers minimise environmental impacts, while keeping the total lifecycle costs of the purchases as low as possible. The recommended criteria should, where compatible with these conditions, underpin as far as possible official eco-labels such as the Nordic Swan and the EU Flower. The criteria are intended to guide government institutions and help them to fulfil the Government's environmental policy for government procurement, see Chapter 3.1.1.

3.3.2 Updating and developing other tools and guides

During autumn 2006, the Panel for Green Public Procurement reviewed the most important tools and guides that are available in Norway and in other countries, and assessed their usefulness and user friendliness. Against this background, the Panel has offered advice on which tools should be continued and, if necessary, updated or developed, ref. the Panel's Recommendation No. 4/2006 of 8 November 2006 "*Good tools for green procurement – a condition for success*". To help finance this work, funds will be allocated to GRIP in 2007 by the Ministry of the Environment. The Ministry of Agriculture and Food will also pave the way for capacity-building assistance relating to organic food.

3.3.3 Integration of environmental considerations into procurement training

The Panel for Green Public Procurement has called attention to the need for better integration of environmental aspects in procurement training programmes (colleges, courses, continuing education, etc.). In the course of 2007 the Panel will continue this work and propose measures to meet this need. The Government will assess any measures against this background.

3.3.4 Knowledge relating to ethical responsibility

The lack of criteria and knowledge relating to ethical and social considerations is probably even greater than it is for environmental considerations. The Ministry of Children and Equality will prepare a guide for public procurers on how to deal with ethical and social requirements, and it will set up a training and consultancy service for public sector purchasers.

3.3.5 Measures to make knowledge accessible at central and regional levels

The Panel for Green Public Procurement has pointed out that there is a need to review the organisation of capacity-building assistance for

public procurers, including measures to make the knowledge more accessible at regional level. Reference is made for example to the Panel's Recommendation No. 6/2006 of 15 December 2006 "*Green capacity-building in public procurement – how to ensure optimum capacity-building in local*

government procurement". The Government will look into this more closely and consider how environmental and social responsibility can be integrated into other capacity-building measures under the direction of the Ministry of Government Administration and Reform.

3.4 Measures with special focus on innovation

MEASURES

- ▶ Propose measures to stimulate innovation and sustainable commercial development, such as utilisation of research and development contracts under Innovation Norway, in order to encourage cooperation between private and public customers on environmental technology.
- ▶ Through projects supported by the Nordic Council of Ministers, evaluate international and national experience of technology drivers in public procurement and consider proposals for further initiatives to promote innovation of environmental technology through public procurement, including Nordic cooperation in this field.

Green public procurement can help to increase the demand for environmental technology and contribute to innovation and new opportunities for the business sector. Measures with special focus on environmental technology drivers require an overall high level of know-how, clear goals and planning, and good communication between the procurer and the supplier. The European Commission has recently issued a guide on innovative solutions in public procurement¹.

NOK 245 million has been granted by the Government in 2007 for research and development contracts. These funds will be channelled through Innovation Norway. One of the objects of the grant is to stimulate research and development partnerships between Norwegian supplier companies and their public sector customers.

¹ The Guide is accessible at: http://ec.europa.eu/information_society/research/pre_commercial_procurement/index_en.htm



3.5 Reporting and data

MEASURES

- ▶ “The StatRes Environment project” will in 2007 investigate whether it is possible to develop statistics relating to energy consumption and waste in central government.
- ▶ A guide will be developed concerning other indicators for internal use in individual organisations, for example as a management tool and to make results known to the general public.
- ▶ In 2007 GRIP will carry out surveys relating to the priority product groups.
- ▶ In the course of 2009-2010 a more comprehensive survey will be carried out relating to environmental and social responsibility in public procurement, including compliance with the environment policy for central government procurement. Importance will be attached to coordinating this with similar EU surveys.

Introduction

There is a need for statistics and data relating to environmental and social responsibility in public procurement at institution level and at national level. At institution level there is a need for some indicators and internal reporting routines that give leaders the necessary management tools. At national level, it is advisable in the longer term to develop a few robust indicators which can show whether we are moving in the right direction. Robust indicators are indicators which illustrate the impact of government procurement and operations on environment and natural resources over time, e.g. developments in energy use, emissions of greenhouse gases and hazardous chemicals, and waste volumes. There will also be a need for surveys to determine whether the objectives and intentions of the action plan have been achieved. In developing possible new indicators and reporting routines, importance will be attached to

limiting the organisation’s administrative costs as far as possible.

There is a general lack in Norway of statistics relating to public procurement. Current government accounting systems are not designed to collect data for the assignment of, say, operating costs in the government sector to different product categories or the environmental impact of government operations and purchases. Government accounts are drawn up with the same structure as the National Budget and this means that environmentally sound government purchases are not specified unless budgeted for separately.

The KOSTRA (Municipalities-State-Reporting) system provides information about municipal services and the use of resources in different service areas. This information is registered and correlated

for use by decision-makers at national and local levels. The information is intended to give a better basis for analysis, planning and management, and for evaluating national goal achievement. The data on municipal procurement is included in municipal accounts. These accounts do not provide separate figures for environmentally sound purchases.

3.5.1 Better statistics and reporting through StatRes

The Ministry of Government Administration and Reform initiated the StatRes project in 2007. This project, which aims to improve knowledge of government resource use, activities and results, is being carried out by Statistics Norway. Environment (StatRes Environment) has been selected as one of four pilot areas. The aim of StatRes Environment is, in the course of 2007, to submit proposals for statistics and indicators for waste management and energy consumption for heating in central government.

3.5.2 Guidance on indicators and reporting for internal use in government institutions

Relatively little national guidance on indicators or reporting routines for environmental and social responsibility has been developed for internal use in individual institutions. The Ministry of the Environment's Guide to Green Government proposed four indicators for procurement, energy use, transport and waste. It is now necessary to take a closer look at whether these indicators are fulfilling their purpose. This work should be seen in association with the European Commission's work on indicators for green public procurement and the United Nations voluntary reporting system, Global Report Initiative (GRI). The GRI is a framework for voluntary reporting on economic, environmental and social performance. It is an important mechanism for implementing the goal of corporate social responsibility and the reporting rules have already been tested in a number of the world's largest companies. Separate guidelines have been drawn up for public enterprises.

The Government is particularly interested in assessing and testing indicators relating to government institutions' contributions to emissions of green-

house gases and use of hazardous chemicals. GRIP (the Norwegian Foundation for Sustainable Consumption and Production) is working on the development of models and tools for GHG emission accounting, and this work will also be used to assess indicators for internal use in public organisations.

Guidance relating to internal indicators for individual organisations will be coordinated with the work of the StatRes Environment project, for example on energy and waste. The Panel for Green Public Procurement can also act in an advisory capacity in the work on indicators. Consideration will be given to whether in the longer term reporting on certain indicators should be made mandatory for central government.



Example of organic and Fair Trade labelled products.



Example of a laptop with the swan eco-label.



3.6 Legislation – the Public Procurement Act

MEASURES

- ▶ Contribute to greater knowledge about statutory requirements regarding environmental and life cycle costs and about how specific environmental requirements can be specified in pursuance of the regulations. This will also be integrated into other statutory training, e.g. training organised by the Ministry of Government Administration and Reform.
- ▶ The Ministry of Children and Equality, with the assistance of the Ministry of Government Administration and Reform, will investigate how much scope of action public procurers have under current legislation to stipulate ethical and social requirements.

The Public Procurement Act provides an important basis for work on environmental and social responsibility in public procurement. The Act requires public procurers, when planning purchases, to take into account the life cycle costs and environmental impact of each purchase (Section 6 in the Act). This provision was included in 2001. It has been clarified through national and EU processes that there is ample opportunity to stipulate different kinds of environmental requirements in both regulations and in practice. The appropriate legislation should therefore be in place regarding environmental aspects.

In 2004, the Ministry of Trade and Industry prepared a Guide for Environment and Public Procurement and the same year the European Commission published “Buying Green”, a handbook on environmental public procurement. In 2006, the Ministry of Government Administration and Reform issued a guide to the new rules for public procurement, in which ethical and social requirements are discussed.

The Ministry of Children and Equality, with the assistance of the Ministry of Government Admini-

stration and Reform, will investigate the possibilities and limitations public procurers have under current legislation to stipulate ethical and social requirements.



Buying Green - Handbook on green public procurement.

3.7 International cooperation

Green public procurement is a priority area at international level and new policies are under development in a number of countries. The United Nations, OECD, EU and the Nordic Council of Ministers have placed green public procurement on their agendas.

A task force on sustainable public procurement has been established as part of the UN Marrakech Process on Sustainable Consumption and Production. The task force, which is led by Switzerland, is looking at the possibilities of developing an international capacity-building scheme (a toolkit) for nations and organisations with a view to strengthening sustainable public procurement. Norway is represented in this task force.

The European Commission has called on member states to draw up national action plans in order to increase the prevalence of green procurement in the public sector.

The Nordic Council of Ministers has put green public procurement at the top of its agenda. Among other things, the Scandinavian countries will improve their cooperation on the development of indicative product criteria and they will also contribute to the work of the European Commission on such criteria.



Example of Fair Trade labelled products.

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