First Experencies with Green Procurement

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Why this audit?

• Netherlands Court of Audit Strategy 2004-2009: focus on Sustainable Development

• Public authorities in The Netherlands (central government, provinces, municipalities...) purchase each year for more than € 50 billion of goods and services

• Central government green procurement target: 100% in 2010
Audit Objective and Method

- Quick scan: limited in scope and resources

- Method:
  - Desk research
  - Interviews
  - Case studies: 3 departments, 3 product groups (catering, hardware, printed matter) = 9 tenders

- Objective: to monitor progress towards 2010, to identify bottlenecks, to make suggestions for improvements
Green Procurement Policy

- Legal framework for government procurement in the European Union
  - Directive 2004/18/EC

- Development of sustainable selection criteria (bidders) and award criteria for goods and services (catering, hardware etc)
Example of applying award criteria

- Most economically advantageous tender (as opposed to the lowest price)

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Findings (I) : the target

• “100% Green Procurement in 2010”: SMART and ambitious. BUT...

• “Sustainability will be a criterion of key importance”... Not so SMART...

• Procurement officers and budget officials have to fight it out together
Findings (II): sustainability criteria

- Overall impression: cautious, not ambitious

- No social criteria (minimum wage levels, child labour, union membership and so on)

- No arrangements for keeping the criteria up-to-date
Findings (III): effectiveness

• Limited insight in effects of Green Procurement
  • Monitoring focused on the %

• Many criteria require certification
  • For instance implementation of ISO 14001 (Environmental Management Systems) is used as a selection criterion
  • But little attention is paid to assurance
  • A paper tiger?
Recommendations

- Comply or explain!
- Implement procedures for decision-making by procurement officers and budget officials
- Make sure that criteria are kept up-to-date
- Focus on goods and services with the biggest environmental impact (e.g. transport, buildings, elektricity)
- Monitor effects as well
- Seek assurance, if necessary on-site
Impact of the audit

- Reception was positive
  - Most recommendations were embraced
  - But half a year later (February 2010) Government stepped down

- Since then, green procurement has become common practice in The Netherlands

- However, sustainability criteria have come under increasing pressure