Green Public Procurement for a low-carbon materials sector

Olga Chiappinelli

COP23 Bonn, 7th November 2017, Policy Design for a Climate Friendly Materials Sector
GPP has a large potential

- Public purchasers are important buyers of buildings and infrastructure (15% of total investment in OECD)
- Potential of GPP for:
  - reducing environmental impact of public purchasers
  - creating markets for climate friendly options
  - aggregating demand to allow for economies of scale
  - spurring innovation with no or limited need of new spending
  - supporting the public awareness for climate friendly materials
- In EU regulatory framework exists for GPP including environmental externalities through life-cycle costing (LCC)
A best-practice example from the Netherlands (Rijkswaterstaat approach)

Example of a greener proposal with a higher purchase cost winning a tender

- MEAT award criterion (both price and quality)
- Environmental impact of design on LCC basis (material and energy use) → ECI value
- Higher ECI lower discount
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Bidding prices

Environ. Impact of production

Dirtier design

Cleaner design
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Corrected Bidding prices

- Dirtier design
- Cleaner design

Bidding prices

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Barriers to broader implementation

- GPP underused and potential unexploited
- Lowest-price criterion dominant
  - Lack of political support
  - Administrative capacity for GPP
- Needed:
  - Clear governance structure
  - Training of officials
  - Funding arrangement at local level
  - More coordination and communication between authorities
Thank you for your attention.