



# Green Procurement - a step towards an eco-efficient economy

THE SWEDISH  
ENVIRONMENTAL  
MANAGEMENT  
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## GREEN PUBLIC PROCUREMENT - A STEP TOWARDS AN ECO-EFFECTIVE ECONOMY

Environmental adaptation of public procurement is a good way to reduce environmental and climate impact from the purchased goods and services. It is also an effective way of reducing public costs and stimulating technical development. Green public procurement can thus boost the economy also through increased competitiveness since environment-friendly products and production methods can be exported.



Public procurement in Sweden amounts to approx. 50 billion Euros. In Europe the sum is about approx. 15,000 billion SEK, or closer to 16% of EU's common BNP. Big sums and big volumes, which means that environmental requirements as conditions in public procurement have a great potential in contributing to reaching objectives within climate and environment.

The Swedish Environmental Objectives Secretariat has confirmed that it will be difficult to reach 15 of 16 established environment goals. It has also pointed out environmental requirements in public procurement as one of the most important pieces of the puzzle in order to succeed in reaching several of the environment objectives.

### ENVIRONMENT AND ECONOMY GO HAND IN HAND

The Swedish Environmental Management Council, SEMCo, develops environmental criterion that can be used at public procurement. Also, SEMCo offer tools for making so-called life cycle cost calculations (LCC) in connection with procurement. By not only looking at purchase price, but to the product's total cost during its expected lifetime, it is often shown that environmentally adapted products are better from a perspective of total economy. By using LCC-calculations, use of new technology and energy-effective solutions is stimulated, which is important to reaching the climate commitments set by Sweden and the EU.

Green procurement can significantly reduce public costs, and thus becomes an economically advantageous venture that contributes to solutions of environmental problems. According to a report from PriceWaterhouseCoopers commissioned by

the EU Commission, the cost of public authorities in Sweden have been reduced by 1.24%, which corresponds to approx. 0,6 billion Euros thanks to environmental requirements at procurement. That should mean a far greater potential if environmental requirements were always used in all public procurement. In a European perspective the potential is even greater since Sweden already today is on the forefront with regards to green procurement.



### ENVIRONMENTAL REQUIREMENTS AND THE BUSINESS SECTOR

Environmental requirements in procurement are also appreciated by suppliers and are considered to be strong driving forces to new investments that enable technical development. A survey among Swedish suppliers to the public sector performed by the SEMCo shows that 9 of 10 suppliers want to see more environmental requirements from the public sector, as long as the requirements are well-formulated and relevant. The suppliers also consider that the private sector still is better at making environmental demands at procurement. A public sector dictating far-reaching and relevant environmental requirements is also in demand by enterprise and industry. These environmental requirements should thus also contribute to stimulate development of new environmentally adapted and energy-effective solutions that can be exported to give products with better environment performance in other parts of the world as well.

### THE SWEDISH ENVIRONMENTAL MANAGEMENT COUNCIL

SEMCo offers assistance in setting forth relevant and driving environmental criterion that can be used in procurement. We also offer guidance for procurement officers and purchasers who want to make demands of energy-effectiveness and reduced climate impact. Similar tools are found in several places in Europe. Together with the collective effort from the EU Commission, green procurement may become one of the most important building blocks in an eco-effective economy that favours new technology, green jobs, competitiveness, and a strong economy.