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	PROJECT PROPOSAL	USING THE GRI CONCEPT ON SUSTAINABILITY REPORTING GUIDELINES			

USING THE GRI CONCEPT ON SUSTAINABILITY REPORTING GUIDELINES AS A BASE FOR DEVELOPING EFFECTIVE AND WELL-RECOGNISED SOCIAL AND ETHICAL CRITERIA FOR GREEN PUBLIC PROCUREMENT (GPP)

BACKGROUND

The European Commission has requested all Member States to develop so-called National Action Plans for Green Public Procurement (GPP) according to its announcement related to Integrated Product Policy (IPP). Sweden became one of the first countries in Europe to launch an official three-year National Action Plan for GPP. The Swedish Environmental Management Council (MSR) has been appointed to act as the key organisation to administrate and lead the activities related to the Swedish National Action Plan.

Public authorities are major consumers in Europe, spending some 16% of the EU's gross domestic product, GDP. By using their purchasing power to opt for goods and services that also respect the environment, they can make an important contribution towards sustainable development. GPP is also about setting an example and influencing the market place. By promoting green procurement, public authorities can provide industry with real incentives for developing green technologies.

Considering also life cycle costs of a contract, GPP provides the means of saving money and protect the environment at the same time. By purchasing wisely, it is possible to save materials and energy, reduce waste and pollution and encourage sustainable patterns of behaviour.

On the potential use of the GRI concept for Sustainability Reporting Guidelines as a base for developing effective and well-recognised social and ethical criteria for Green Public Procurement (GPP)

Currently a number of initiatives are taken to incorporate social and ethical aspects in GPP. Many of them are in the form of different types of labelling systems focusing on specific issues being in the centre of the public debate. These systems are successful in attracting attention and interest among public purchasers.

Specific rules apply for the process to follow for GPP according to the EU Procurement Directive and all Member States have enacted national laws in accordance with the EU Directives. These rules are strict with regard to technical specifications and tenders due to respect to being proportional, non-discriminatory, equal, transparent/predictable and linked to the subject matter of the contract. These mandatory prerequisites usually result in obstacles to freely make use of existing labelling systems or equivalent approaches without special caution.

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The business sector and large multinational organisations are generally far ahead of the public sector in considering and practising the use of social and ethical criteria in their procurement procedures. There are many examples of organisations acting on a global market having their own staff and in-house competence specifically devoted to effectively manage and assure that reasonable social and ethical aspects are considered in their supply chains. Many of these organisations make use of and follow the GRI concept for their Sustainability Reporting procedures.

So far no one seems to systematically have used the GRI concept for Sustainability Reporting Guidelines as an input to setting social and ethical criteria for GPP.

MSR is taking a new approach in the development of environmental criteria for GPP to become effective in stimulating environmental innovation and expand the market share for environmentally-adapted products by suggesting different levels to be used in the tendering process and, hence, by public purchaser having different ambitions in their purchasing process. Additional to these prospects, MSR will start working on the inclusion of social and ethical criteria adapted to comply with the EU Procurement Directives and find the concept of GRI's concept for Sustainability Reporting an interesting basis to use as a platform for developing and testing suitable ways of formulating such criteria.

The GRI concept of Sustainability Reporting Guidelines have a number of credentials – one of them being a well-structured and international recognised approach for setting criteria to be used in the follow-up and reporting of their sustainability activities. Of special interest is the “*Application of level criteria*” which aligns well with MSR's work with setting criteria at different levels of ambition for purchasers.

PROJECT OBJECTIVES

The main objectives of the project are to:

- highlight and show the potential of the GRI concept for Sustainability Reporting Guidelines to be used as a base for developing effective and well-recognised social and ethical criteria for GPP,
- clarify the need and form of external verification to show compliance with pre-set GPP requirements,
- disseminate information about the GRI Sustainability Reporting Guidelines in the different GPP networks both within the EU Commission and on a global platform via the International Green Purchasing Network, IGPN,
- strengthen the international GPP activities by MSR to gain more acceptance of its work by different stakeholders and interested parties,
- place GRI and MSR in the forefront of organisations practising the incorporation of social and ethical indicators into daily GPP activities, and to
- suggest that information about the use of GRI Sustainability Reporting Guidelines in GPP will become an issue and high-lighted at suitable event(s) during the Swedish EU Presidency during the latter half of 2009.

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The project is planned to be carried out in 2 Phases, where **Phase 1** should survey and deliver the necessary theoretical background information and feed-back from case studies to clarify the way forward on how to include GRI social and ethical indicators into daily GPP activities.

Phase 2 should focus more on dissemination of results, understanding by larger international organisations of the practical need of the GRI concept into GPP, as well as the execution of an Action Plan to incorporate GRI social and ethical indicators into practical and global GPP activities.

PROJECT ACTIVITIES IN PHASE 1

The project activities encompass a stepwise approach to cover the various elements embedded in the project objectives including:

- the establishment of a group of persons identified as the leadership of the project (see suggestion below),
- the appointment of members of a small reference group with representatives from different sectors of society having an interest in GRI and GPP activities,
- a desktop survey on the GRI social and ethical indicators vs the principles of the EU Procurement Directives including aspects related to the need and form of suitable means of external verification,
- the carrying-out of selected case studies related to daily GPP activities making practical use of selected GRI social and ethical indicators,
- the regular reporting back to GRI about its findings and the project experiences gained,
- informing and discussing/exchanging views with EU and its relevant Directorates and units handling GPP about the project and the initial project results,
- the arrangement of an international Workshop to inform about the project results to a broad stakeholder group, and
- start discussing with international and EU networks for GPP (primarily IGPN and the EU Expert Group on GPP) about the possibility to form a Joint Action Plan to routinely make use of the GRI concept for Sustainability Reporting Guidelines as a base for developing effective and well-recognised social and ethical criteria for GPP.

STAKEHOLDERS AND TARGET GROUPS

The anticipated stakeholders and target groups being the principle audience of the project and the results gained are primarily:

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- Representatives and associated networks to GRI
- Representatives from ministries (e.g. trade, environment, industry) and public authorities handling issues related to GPP
- Various environmental organisations/NGO's
- Environmental labelling organisations
- Decision-makers connected to purchasing departments in both public and private organisations
- Purchasers in both public and private organisations
- Organisations of different types and sizes acting together in supply chains

PROJECT ADMINISTRATION

PROJECT LEADERSHIP

GRI: *Nelmara Arbex*, Learning Services Director and *Teresa Fogelberg*, Deputy Chief Executive

MSR: *Sven-Olof Ryding*, Managing Director and *Charlotta Frenander*, Lawyer/Legal Advisor

Expert consultant: *Magnus Enell*, Adjunct Professor at the International Institute for Industrial Environmental Economics (IIIEE), Senior Manager at Öhrlings PricewaterhouseCoopers and Executive Director at WWF for the Trade Center for Sustainable Energy Solutions

DURATION AND TIMETABLE – PHASE 1

The duration of Phase 1 of the project is scheduled for 10 months starting in February 2008 and finalisation in November 2008 with the following overall mile-stones:

- Desktop survey: February – March 2008
- Case studies: April – September 2008
- Meetings with GRI/GPP networks such as IGPN / EU Expert Group on GPP: time dependent on these network agendas
- Workshop - presentation of final results: October 2008
- Drafting of final report: November 2008

2-3 project leadership meetings will be arranged either in Amsterdam or Stockholm at suitable occasions, preferably concurrent with GRI or MSR activities related to the project theme.

Phase 2 is anticipated to last between October 2008 and November 2009.

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PROJECT EVALUATION AND FOLLOW-UP

A small reference group is suggested to be formed to serve the function of supervising the project activities, check the deliverables and to suggest practical means to make best practical use of the project results. Furthermore, the reference group will help the project leadership to inform key decision-makers on a global basis about the merits of the project and to seek understanding for political commitment to facilitate and make possible the handling of GRI social and ethical indicators in GPP.

DOCUMENTATION AND DISSEMINATION OF RESULTS

Anticipating that the timing of the project and the expected deliverables will coincide with some national, regional and international events with bearing on GRI and GPP during the course of the project, the ambition of the project could preferably be to align with some of such events with broad representation for regular information about the progress and results obtained in the project. It is also anticipated that the project itself will arrange an international workshop for making possible the exchange of views of project results on a more detailed nature.

The project could, if found relevant and accepted, operate a special website linked to the GRI/ SEMCo websites where the project will be described about participating parties, the objectives and the results gained. Links will be given to all participating parties and organisations involved in the project as well as to important international conferences/events addressing GRI/GPP issues.