



The Environment and Public Procurement

Common Nordic Procurement Criteria?

The Environment and Public Procurement
Common Nordic Procurement Criteria?

TemaNord 2006:599
© Nordic Council of Ministers, Copenhagen 2007

ISBN 978-92-893-1445-9

This publication can be ordered on www.norden.org/order. Other Nordic publications are available at www.norden.org/publications

Printed in Denmark

Nordic Council of Ministers

Store Strandstræde 18
DK-1255 Copenhagen K
Phone (+45) 3396 0200
Fax (+45) 3396 0202

Nordic Council

Store Strandstræde 18
DK-1255 Copenhagen K
Phone (+45) 3396 0400
Fax (+45) 3311 1870

www.norden.org

Nordic co-operation

Nordic cooperation is one of the world's most extensive forms of regional collaboration, involving Denmark, Finland, Iceland, Norway, Sweden, and three autonomous areas: the Faroe Islands, Greenland, and Åland.

Nordic cooperation has firm traditions in politics, the economy, and culture. It plays an important role in European and international collaboration, and aims at creating a strong Nordic community in a strong Europe.

Nordic cooperation seeks to safeguard Nordic and regional interests and principles in the global community. Common Nordic values help the region solidify its position as one of the world's most innovative and competitive.

Report 1:

Common Nordic Procurement Criteria?
– a pilot study

7

Report 2:

Proposal for a common Nordic format for environmental
criteria for public procurement
– a pilot project

77

Report 1:
Common Nordic Procurement
Criteria?
– a pilot study

Content

| | |
|---|----|
| Summary | 11 |
| 1. Background | 13 |
| 2. The goal of the pilot study | 15 |
| 3. The organisation of the pilot study | 17 |
| 4. Current set of criteria | 19 |
| 4.1 Green procurement criteria | 19 |
| 4.2 Available sets of criteria | 19 |
| 4.3 Similarities and differences between the criteria | 20 |
| 4.3.1 Textiles | 20 |
| 4.3.2 Cars | 22 |
| 4.3.3 Computers | 23 |
| 4.3.4 Goods transportation services | 25 |
| 4.4 Conclusion on sets of criteria | 26 |
| 4.5 Background material | 27 |
| 4.6 Visible differences in the background material | 27 |
| 4.6.1 Denmark | 27 |
| 4.6.2 Sweden | 27 |
| 4.6.3 Norway | 27 |
| 4.6.4 Finland | 28 |
| 4.6.5 Textiles | 28 |
| 4.6.6 Goods transportation services | 29 |
| 5. Organisation of the work | 31 |
| 5.1 Denmark | 31 |
| 5.2 Sweden | 35 |
| 5.3 Finland | 37 |
| 5.4 Norway | 39 |
| 5.5 Summary of the organisation | 41 |
| 6. Resource utilisation | 43 |
| 6.1 Denmark | 43 |
| 6.2 Sweden | 45 |
| 6.3 Finland | 45 |
| 6.4 Norway | 46 |
| 6.5 Iceland | 47 |
| 7. Common Nordic procurement criteria? | 49 |
| 7.1 Advantages and possibilities | 49 |
| 7.2 Various angles of approach and levels of ambition | 50 |
| 7.3 Proposal: Pilot project for a common format | 53 |
| 7.4 Cost estimates for common Nordic criteria | 55 |
| 7.5 Proposal for organisation | 55 |
| Appendix 1 The political basis of green procurement | 57 |
| Appendix 2 Available sets of criteria | 59 |
| Appendix 3 Background documents | 67 |
| Appendix 4 A scenario for level of ambition and costs | 71 |
| Appendix 5 Summary of the consultation comments | 73 |

Summary

During the past 15 years in the Nordic countries (excluding Iceland), in order to help the market face up to environmental considerations, a set of criteria was developed for a number of product groups, both under national auspices, and under the auspices of the Nordic environmental labelling scheme. The work performed under national auspices has primarily been directed at public procurement. All of the countries involved have experienced that this is a job requiring considerable resources. The goal of this pilot study was to investigate the opportunities for closer collaboration.

The national sets of criteria were compiled by many different people with divergent points of view. The result is therefore that the forms of the sets of criteria are quite different, but, to a large extent, it is a question of presentation and points of view and the level of detail/breadth of the questions. This was made apparent by analysing four different sets of criteria common to three of the countries.

The background material developed, which forms the basis of the criteria, also varies greatly from country to country.

This pilot study also describes the process behind the criteria in each country, and what resources were used.

The pilot study concluded that the potential for establishing common procurement criteria, as well as opportunities for achieving them, do exist. As a result of the consultations conducted in the autumn of 2004, four different approaches and levels of ambition were identified. Theme Group 9's assessment is that we should start on a small scale by developing a common format for criteria, and in future we should attempt closer collaboration with the Nordic organisations responsible for environmental labelling.

In the light of the pilot study, Theme Group 9 recommends the establishment of a pilot project with the following objectives:

1. To develop a common Nordic criteria format that also covers problems related to weighting.
2. To decide on the level of ambition for the further collaboration within the scope of "Starting on a small scale" and "The Swan". This implies developing a cost-effective model that gives good access to criteria in the Nordic languages, and also analyses the need for revisions.
3. To provide an economically based framework for making decisions about whether common procurement guidelines should be developed or not.

1. Background

Environmentally friendly public procurement has been on the political agenda for several years. One instrument has been the development of green procurement criteria. All of the Nordic countries (except Iceland) have worked towards creating such criteria in the past 10 years.

Everybody has learnt that this is a task that requires a great deal of resources. When access to resources is reduced, the need for new thinking arises. In the light of a proposal from the Norwegian Ministry of the Environment, EK-M decided, at a meeting in November 2003, that a report on the opportunities for collaboration should be prepared in the form of a pilot study.

Extract from the minutes of meeting EK-M 27/11/2003: EK-M decided to request that NMRIPP start a pilot study to analyse what has already been achieved in the field (of green procurement criteria) from a Nordic perspective and whether there is a need for further measures.

Theme Group 9 (Green public procurement) under NMRIPP was given the task of conducting the pilot study.

The group comprised the following members:

- Bente Næss, Ministry of the Environment, Norway
- Tomas Chicote, EPA, Sweden
- Ari Nissinen, Miljösentralen, Finland
- Søren Mørch Andersen, EPA, Denmark
- Øystein Sætrang, GRIP, Norway, was the administrator of the project.

Appendix 1 provides a short account of the political basis of the project.

2. The goal of the pilot study

The project description states that: “A pilot study will be conducted which, from a Nordic perspective, will survey and summarize what has been achieved by the different Nordic countries in relation to green procurement criteria, and provide answers to whether there is a need for further measures, including the possibility of common Nordic green procurement criteria or collaboration involving the interchange of other information.”

Against this background, the following tasks were defined by Theme Group 9:

1. Survey the availability of background material for the compilation of green procurement criteria and accentuate any significant differences in the background material (based on a sample of central criteria from the different countries). Also survey which criteria have been developed within different product groups.
2. Describe how this work is/was organised. Consideration should be given to the current/planned organisation of work with public green procurement/procurement criteria in the different countries.
3. Survey how individual countries make use of resources in the area today, and which resources are likely to be available in future.
4. Survey/analyse the similarities and differences between the existing criteria (based on a sample of central criteria from the different countries).
5. Assess the need and possibilities for common green procurement criteria, including the identification of advantages/disadvantages, opportunities for developing a common format and estimate the costs involved in the development of common criteria
 - a. in the short term (5 years)
 - b. in the long term (the criteria will be revised after a given time)
6. Draw up proposals for organising potential collaboration for development and structuring of common procurement criteria or cooperation on other information interchanges
7. Send the proposal for consultation to key players (the business sector, representatives of Nordic business organisations and the Swan, among others).
8. Process the comments from the consultation and transmit recommendations from Theme Group 9 to NMRIPP

9. The report from the pilot project must be translated into English for potential dissemination outside the Nordic countries

3. The organisation of the pilot study

The GRIP centre was the project administrator and the compiler of the report. The Swedish Environmental Management Council, Casa in Denmark and Efektia Ltd in Finland contributed background information. Theme Group 9 was the steering committee, and the pilot study judgments and recommendations were the result of a process between all of the above-mentioned bodies, in addition to the consultations.

4. Current set of criteria

4.1 Green procurement criteria

Green procurement criteria are criteria for use by professional procurement officers. As a rule, they are compiled by public or semi-public bodies wishing to promote environmentally adaptive procurement.

The criteria are formulated as a set of requirement or questions. They can be addressed to the supplier as such (qualification criteria), to actual products/solutions in the form of absolute requirements (specifications) and “should” requirements (award criteria) and to the execution of the contract (contract conditions). Requirements for documentation of the demands (means of proof) can also be specified.

The aim of green procurement criteria is to reduce the environmental load associated with purchasing. Accordingly, the requirements usually centre on raw material utilisation, energy use, water consumption, chemical content, emissions, recycling possibilities, etc. The intention is to purchase products that meet the requirements while producing the lowest possible environmental load. Since there is often a connection between consumption and the environment, environmentally adaptive products will in many cases have low lifecycle costs too.

Environmental labels are based on sets of criteria. Products meeting these requirements can be environmental labelled. Such labelling will therefore be a guarantee that the products meet a specific environmental standard. The official environmental labels in the Nordic countries are the Swan label and the European Flower.

4.2 Available sets of criteria

The overview in appendix 2 lists the criteria that the central authorities in the Nordic countries have contributed to developing criteria and which are publicly available today.

There are also criteria produced by others which are available on various Internet sites, but a natural delimitation of this pilot study is to the sets of criteria funded by central authorities.

All the countries involved have placed their sets of criteria on the Internet:

- Danish guidelines: www.miljoevejledninger.dk
- Norwegian guidelines: www.grip.no/innkjop/
- Swedish guidelines: www.eku.nu/
- Finnish guidelines: www.hymonet.com/

4.3 Similarities and differences between the criteria

There are no product groups common to all the countries. However, the product groups chosen are common to three countries, namely:

- Textiles (Sweden, Denmark, Finland)
- Cars (Norway, Sweden, Denmark)
- Computers (Sweden, Denmark, Finland)
- Goods transportation services (Norway, Sweden, Denmark)

4.3.1 Textiles

| Textiles | Denmark | Sweden | Norway | Finland |
|---|--|---|-----------------------|---|
| Name of the set of criteria: | Light work clothes | Textiles and shoes | Uses Swedish criteria | Textiles |
| What does the set of criteria cover? | Only light work clothes (other sets of criteria for other textile products were made). | The set of criteria covers the following product groups: Clothes, shoes, hand towels, bathroom textiles, furniture and interior decoration textiles, materials for wood-work, hobbies, etc. | | Work clothes, other clothes, fabrics, furnishing fabrics, curtains and carpets. |
| Total number questions/criteria including subsidiary questions | 20 | 10 + 4. The last 4 questions relate to verification and documentation. | | 11 |
| No. of energy questions | 1 | 0 | | 0 |
| No. of chemical questions | 10 | 10 | | 2 |
| No. of raw material questions | 1 | 0 | | 2 |
| No. of waste questions | 1 | 0 | | 7 |
| Is there a focus on the entire lifecycle? | Questions directed at the product (14), supplier (4) and laundry (2). Several of the questions listed under "Product" relates to the production process. | The 10 first questions relate to the characteristics of the finished product itself. | | The criteria focus on finished products. |
| Are environmental labelling systems used (the Swan and EU Flower)? | 4 questions refer to both or one of these. | The last 4 questions concerning ØkoTex 100, the Swan, EU Flower, Bra Miljöval and environmental product declarations, but only as a basis of verification and documentation. | | In the criteria, ecolabels are not mentioned because there are very few eco-labelled products available in Finland. In background materials, ecolabels are mentioned. |
| Are requirements formulated as threshold values or more open questions? | Questions ask whether the requirements for environmental labelling and | The first 10 questions all relate to threshold values (both zero limits and allowable quanti- | | All of the questions are yes/no questions. |

| Textiles | Denmark | Sweden | Norway | Finland |
|--|---|---|--------|--|
| | ØkoTex 100 are met. Except for the last question, only short answers, are required, usually Yes/No. | ties). Apart from two zero limits, all are threshold values based on EU directives, Finnish statutory regulations and ØkoTex 100 limits. One asks for YES/NO answers. | | |
| Are the criteria tailored to public tenders and distributed between specification, award criteria, contract conditions and means of proof? | No | Yes – questions are divided into specifications, award criteria and means of proof. | | No |
| Are the criteria objectively* formulated? | Yes – apart from the last one, which asks for unspecified documentation. | Yes | | Yes |
| Are environmental management systems used? | Yes – 3 questions: Laundry has questions about “environmental management systems”, while producer has questions about EMAS and ØkoTex 1000. | No | | No |
| Do the questions posed cover issues other than the environment? | Yes – 2 questions. For the product, VAREFAKTA labelling is demanded and for the producer, place of work assessment | No | | No |
| Is evaluation guidance provided? | The questions are listed in prioritised order | All technical specifications will be complied with. For award criteria, a points system is recommended. | | Every question must be answered. Every question is 1/11 part of the maximum points (if the purchaser doesn't want to change it). |
| Electronic format | PDF | Word | | HTML |

* "Objectively" means that the question is formulated so that the answer is given in the form of Yes/No or in accordance with a standardised unit of measurement, e.g. kWh, litres per km, decibels.

As the table above shows, there are quite significant differences between the sets of criteria. The most significant of these are:

- What the set of criteria covers
- The scope of the criteria from a lifecycle perspective
- The use of environmental labels
- The use of environmental management systems
- The use of EU directives
- Guidance in relation to public tenders

4.3.2 Cars

| Cars | Denmark | Sweden | Norway | Finland |
|---|--|--|--|--------------------------|
| Name of the set of criteria: | Environmental guidance – Cars | Cars driven by petrol/diesel | Cars | No established criteria. |
| What does the set of criteria cover? | Cars | Cars and buses under 3500 kg with places for the driver and up to eight passengers | Cars | |
| Total number questions/criteria including subsidiary questions | 14 | 6 | 28 | |
| No. of energy questions | 2 – consumption and rolling friction | 3 | 2 | |
| No. of chemical questions | 3 | 1 – relating to tyres | 5 | |
| No. of raw material questions | 2 – regummed tyres and use of recycled plastic | 0 | 1 | |
| No. of emissions questions | 1 – exhaust | 1 | 2 – exhaust and noise | |
| No. of waste questions | 2 | 0 | 2 | |
| Is there a focus on the whole lifecycle? | The set of criteria focuses on production, finished products and repair shop services. | The set of criteria focuses on finished products. | The set of criteria focuses on finished product. Separate set of criteria for supplier relations. | |
| Are environmental labelling systems used (The Swan and EU Flower)? | No | No | No. Environmental product declaration is required. | |
| Are requirements formulated as threshold values or more open questions? | No absolute threshold values. Suppliers are requested to declare the actual figures. | Absolute requirements on maximum fuel consumption. | No absolute threshold values. Suppliers are requested to declare the actual figures. | |
| Are the criteria tailored to public tenders and distributed between specifications, award criteria, contract conditions and means of proof? | No | Yes | Not systematically, but the system with “should” requirements and points makes allocation to, respectively, technical specification and award criteria simple. | |
| Are the criteria objectively* formulated? | Yes and no. Questions relating to design for recycling, crash tests, workshops and the use of recycled plastic are less objective. | Yes | Yes, except for questions relating to design for recycling. | |
| Are environmental management systems used? | Yes, both for production and workshop services (though the latter are somewhat more loosely formulated) | No | No | |
| Do the questions posed cover issues other than the environment? | Yes. Questions relating to safety and maintenance are posed. | Yes. Questions relating to safety are posed. | Yes. Questions relating to safety, working life, depreciation, possibilities for | |

| Cars | Denmark | Sweden | Norway | Finland |
|----------------------------------|--|--|--|---------|
| | | | repair, service, training, instruction manuals, as well as interior climate and allergies. | |
| Is evaluation guidance provided? | Yes, colour-coded questions ¹ . | All technical specifications will be complied with. For award criteria a points system is recommended. | Yes. A system with "should" requirements, points and calculation of LCC is recommended. | |
| Electronic format | PDF | Word | Word, Excel | |

As the table above shows, there are quite significant differences in the sets of criteria. The most important are:

- The number of questions, both the level of detail and the breadth of the subject
- Swedish and Norwegian criteria concentrate only on the product, while Danish criteria also refer to production conditions and the choice of workshop services. (Norway has workshop services as a separate set of set of criteria.)
- Guidance in relation to public tenders

4.3.3 Computers

| Computers | Denmark | Sweden | Norway | Finland |
|--|---|--|------------------------------|---|
| Name of the set of criteria: | Environmental guidelines – Computers | Specifications of environmental requirements for PCs | There is no set of criteria. | Personal Computers |
| What does the set of criteria cover? | Computers | CRT, LCD screen, system unit, laptop PC. | | Desktop computers (computer equipment, system units, displays and keyboards) and laptop computers |
| Total number questions/criteria including subsidiary questions | 16 | 8 | | 7 |
| No. of energy questions | 5 | 1 – "Energy Star" | | 2 |
| No. of chemical questions | 2 | 4 | | 0 |
| No. of raw material questions | 0 | 2 – possibilities for upgrades | | 0 |
| No. of emissions questions | 0 | 0 | | 0 |
| No. of waste questions | 3 – return system, easy to take apart, separate pieces labelled | 1 – packaging | | 5 |

¹ As described in 5.1 later in this report, the Danish Environmental guides are being revised. In connection with this revision (which primarily is of layout-related character), one is considering the development of a new tool that will help the procurement officer with evaluating and weighting between the products' environmental quality. Thus, it is the intention that this tool should be able to provide a clear weighting between different environmental effects e.g. weighting between bromide flame retardants and electric power consumption when buying IT equipment.

| Computers | Denmark | Sweden | Norway | Finland |
|---|---|---|--------|---|
| Is there a focus on the whole lifecycle? | The requirements are primarily to the finished product, but through environmental label questions and environmental management systems questions, the production phase is also covered. | The set of criteria focuses on the finished product. | | Criteria are focused on the finished products. |
| Are environmental labelling systems used (The Swan and EU Flower)? | Yes | Only as an alternative for documentation. | | Yes. |
| Are requirements formulated as threshold values or more open questions? | Most of the questions are Yes/No requirements – but questions are also posed about energy use and noise level. | Only zero limits. Only Yes/No requirements. | | All of the questions are yes/no questions. |
| Are the criteria tailored to public tenders and distributed between specification, award criteria, contract clauses and means of proof? | No | Yes | | No. |
| Are the criteria objectively* formulated? | Almost all are objective, but wording like “easy to separate” and “low radiation screen” are also used without defining this more precisely. | Yes | | Yes. |
| Are environmental management systems used? | Yes | No | | No. |
| Do the questions posed cover issues other than the environment? | Yes – to the working environment both for the users of the computers and for the manufacturers' employees. | No | | No. |
| Is evaluation guidance provided? | Yes, colour-coded questions. | All technical specifications will be complied with. For award criteria, a points system is recommended. | | Every question must be answered. Every question is 1/7 part of the maximum points (if the purchaser doesn't want to change it). |
| Electronic format | PDF | Word | | HTML |

As the table above shows, there are quite significant differences between the sets of criteria. The most important are:

- The number of questions/level of detail
- Use of environmental labels and environmental management systems
- Guidance in relation to public tenders

4.3.4 Goods transportation services

| Goods transportation services | Denmark | Sweden | Norway | Finland |
|---|--|---|--|------------------------------|
| Name of the set of criteria: | Transportation services | Specification of the environmental requirements for goods transportation | Road goods transportation services | There is no set of criteria. |
| What does the set of criteria cover? | Person or transportation of goods performed by bicycle, car, van, bus or truck. | Purchase of goods transportation when the buyer is responsible for planning of logistics and when transportation is purchased separate from the goods. A subset of the requirements can be used when transportation is included as a service. | Primarily transportation with heavier vehicles | |
| Total number questions/criteria including subsidiary questions | 16 | 6 | 28 | |
| No. of energy questions | 8 | 2 | 6 | |
| No. of chemical questions | 0 | 0 | 0 | |
| No. of raw material questions | 3 | 0 | 1 | |
| No. of emissions questions | 8 | 3 | 8 | |
| No. of waste questions | 0 | 0 | 0 | |
| Is there a focus on the whole lifecycle? | There is a focus only on the production of the transportation service itself. | There is a focus only on the production of the transportation service itself. | There is a focus on the production of the transportation service itself, as well as the production components for this. | |
| Are environmental labelling systems used (The Swan and EU Flower)? | No | No | Yes – relating to production components tyres, lubricating oil and car care products | |
| Are requirements formulated as threshold values or more open questions? | In relation to type of diesel and noise limits, clearly defined requirements are used which one will fulfil. | The 3 first questions relate to whether individual standards are complied with, while the three last ones apply to the suppliers' routines. | Most of the requirements are clearly defined, and a number of them are formulated as open questions. Almost all of the questions are objectively formulated. | |
| Are the criteria tailored to public tenders and distributed between Specifications, award criteria, contract clauses and means of proof | No | Yes | Not systematically, but the system with "should" requirements and points is an aid when allocating on respectively qualification requirements, technical specification and award | |

| Goods transportation services | Denmark | Sweden | Norway | Finland |
|---|--|--|--|---------|
| Are the criteria objectively* formulated? | Around half of the questions in the set of criteria open for discretion both for whoever is answering the questions and whoever is evaluating the replies. | The three first questions are objective, while the questions relating to the suppliers' routines are open to the discretion of both parties to a certain extent. | criteria. Almost all of the questions are objective, but a few questions relating to the suppliers' routines are open to the discretion of both parties to a certain extent | |
| Are environmental management systems used? | Yes | Yes | Yes | |
| Do the questions posed cover issues other than the environment? | Yes – questions about evaluation of the work environment | No | Yes – questions relating to quality management, Norwegian HES legislation, and transportation of dangerous goods. | |
| Is evaluation guidance provided? | Yes – colour codes | Yes | Yes | |
| Electronic format | PDF | Word | Word, Excel | |

The questions in these sets of criteria were more difficult to classify. There is some duplication because the questions relating to energy also lead to favourable results for emissions.

Again, there are quite significant differences between the sets of criteria. The most important are:

- The number of questions, both scope and level of detail. The Norwegian criteria in particular cover many aspects.
- Varying use of references to emission standards
- Guidance in relation to public tenders

4.4 Conclusion on sets of criteria

The sets of criteria are different, but it is mainly a question of presentation, points of view and the level of detail/scope of the questions. In Norway, very complete sets of criteria have been prepared, with a request to cross out those you do not want to use. In Sweden, on the other hand, the existence of few requirements has been emphasised. Sweden also focused a good deal on adaptation to the regulations for public procurement. There are also differences in the recommendations of how the replies should be evaluated. Danish sets of criteria suggest what is most important by presenting the criteria in a prioritised sequence. Sweden operates with “should” requirements as well as recommendations regarding which requirements should be included in a points system. Norway operates with “should” requirements, point questions and suggestions regarding which replies should form the basis of calculation of the prod-

uct's lifecycle costs. When it comes to which environmental aspects are emphasised, the differences do not seem to be so significant. In Finland, Hymonet contains yes/no questions in order to define the most economically advantageous tender. Every yes answer awards one point. Purchasers can change the weighting if they want and/or if they only use some of the questions and not all of them. For some products and services, there are also obligatory requirements.

It is not the task of this pilot study' to draw conclusions about what is good and what is bad. When the common format must be formulated (see chapter 7), the challenge will be to pick the best from each country.

4.5 Background material

How were these sets of criteria developed? Several sources of knowledge were used, building on people's own surveys, others' surveys, expert assistance and reference groups.

Appendix 3 comprises an overview of the background documents compiled with the aim of developing one or more of the sets of criteria listed in appendix 2.

4.6 Visible differences in the background material

4.6.1 Denmark

In Denmark, communication of background information was strongly emphasised. Separate pamphlets were printed and distributed in language that was suitable to the target group. The background information is systematic and scientifically structured. In addition to printed versions, the background information is also available on the network as PDF files together with the sets of criteria.

4.6.2 Sweden

In Sweden, the background information exists in HTML/PDF format together with the criteria document. The information is targeted at public procurement officers. While in Denmark the emphasis was on making complete background documents, in Sweden links to more detailed information were more widely used.

4.6.3 Norway

In Norway, the background information is included in the guidance material itself. For the sets of criteria from the 1990s, the background informa-

tion is available in both printed and PDF format on the Net. The different environmental aspects are systematically examined, but not with the same level of detail as in Denmark.

4.6.4 Finland

In Finland, the background material is in HTML format. Besides Hy-monet's own material, there are many links to materials produced by other organisations (in HTML, Word, Excel or PDF format). There is background material on around 70 products.

Environmental aspects are described systematically. The level of precision is about the same as in the Norwegian material. The information is useful not only for purchasers, but also for those who want to read environmental facts about different products and product groups (for example, teachers who teach environmental courses).

Below is a comparison of the background material for textiles and goods transportation services

4.6.5 Textiles

| Textiles | Denmark | Sweden | Norway | Finland |
|---|--|--|---|--|
| Name of the background document: | Light and heavy work clothes | Textiles and shoes | Uses the Swedish criteria, but has its own presentation and background document | Textiles |
| What does the background material cover? | For light work clothes: T-shirts, jogging clothes, sweatshirts and shirts as well as light jackets, vests, trousers, dresses and underwear | Environmental and social aspects relating to textiles, including work clothes, materials for woodworking and hobbies, bathroom textiles, protective gloves and shoes, furniture fabrics/textiles, etc. | Environmental and social aspects relating to textiles. | Environmental aspects for work clothes, other clothes, fabrics, furnishing fabrics, curtains and carpets. |
| Total number of words | Approx. 9,500 | Approx. 5,300 | Approx. 3,000 | Approx. 2,700 |
| Is there a focus on the entire value chain? | Yes- as opposed to Sweden and Norway, there is comparatively a lot of attention paid to the usage phase (washing and wear and tear). | No- the focus is on production up to finished product – not on use and disposal. | No- the focus is on production up to finished product – not on use and disposal. | Yes – there are background materials on the environmental impact throughout the product's entire lifecycle (raw materials, production, packing, use and recycling). |
| Which environmental aspects are specified? | Resource use, environmental load and health effects are specified, among these: Material and energy use, chemical consumption, water consumption, global, regional and | The different types of fibres and the use of various chemicals is accurately described. In addition, there is a review of various labelling systems. There is also a focus on | The different types of fibres and the use of various chemicals is described. In addition, there is a review of various labelling systems. There is also a focus on social | There are background materials about raw materials (cotton, etc./synthetic fibres), production, chemicals, eco-labels, information for washing, detergents for textiles, |

| Textiles | Denmark | Sweden | Norway | Finland |
|--|--|--|---|---|
| | local environmental load | social aspects. | aspects. | packing and recycling. |
| How scientific/detailed is the presentation? | The presentation is very systematic and thorough. A large number of facts are presented. | Within the areas mentioned, the description is thorough. | Within the mentioned areas, the description is relatively thorough. | The environmental aspects are described systematically. |
| Electronic format | PDF | HTML | PDF/HTML | HTML |

4.6.6 Goods transportation services

| Goods transportation services | Denmark | Sweden | Norway | Finland |
|--|--|---|--|------------------------------|
| Name of the background document: | Transportation services | Specification of environmental requirements for the transportation of goods | Road goods transportation services | There is no set of criteria. |
| What does the background material cover? | Any rented transportation of goods or people performed by car, van, bicycle, bus or truck. | Freight traffic by road. | The background material is to a large extent the same as for vehicles. | |
| Total number of words | Approx. 6000 | Approx. 1000 – but there are a number of links to more information | Approx. 2000 | |
| Is there a focus on the entire value chain? | Yes | Yes | Yes | |
| Which environmental aspects are specified? | The environmental load consists of: material consumption energy use environmental effects: global, regional and local health effects | The engine's fuel and emissions, type of air conditioner, environmental management system | Raw materials, energy, manufacturing process, health-endangering and environmentally hazardous chemicals, durability/working life, emissions, noise, safety, reliability, possibilities for repair and service, recycling system | |
| How scientific/detailed is the presentation? | The description is detailed with a lot of facts. | The main document gives a short introduction to the subjects mentioned. | The description is not very detailed. The most important aspects are mentioned. | |
| Electronic format | PDF | PDF | PDF | |

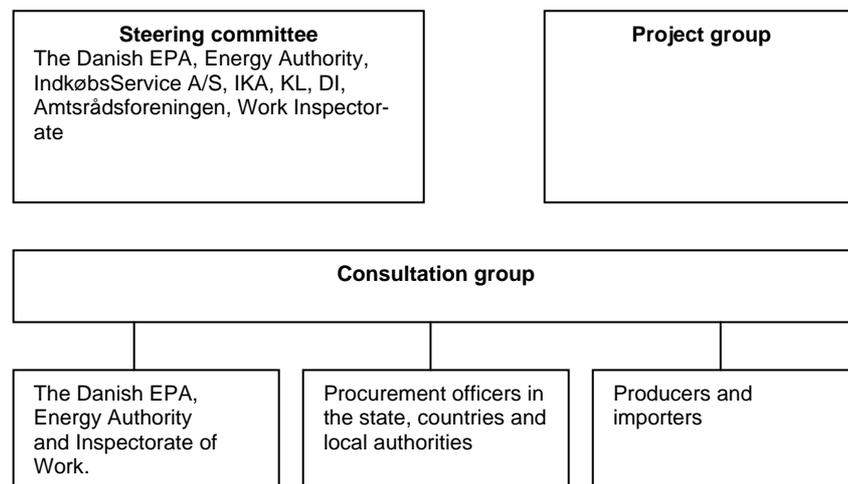
5. Organisation of the work

5.1 Denmark

In Denmark, the political focus on green procurement began in earnest in early 1990. In 1991, a requirement that all public procurement officers have a duty to take environmental issues into consideration when purchasing was inscribed into the Danish Environmental protection law. Since then, the Danish EPA has developed 50 environmental guidelines for public procurement officers.

The purpose of the manuals is to contribute to strengthening environmental considerations when purchasing. The manuals inform and give advice about environmental aspects of purchasing for a number of products and services as well as about cost-cutting topics relating to this. The working environment is included in the environmental guidelines when there is a reasonable connection between the relevant external environmental aspects and the working environmental aspects.

Project organisation



An objective for the environmental guidelines is that they can be applied at several levels – by both central and decentralised procurement officers. The central procurement officers have purchasing as their primary occupation, while the decentralised procurement officers only spend a few hours a week on procurement and typically have another primary occupation. In order to meet the needs of the various target groups, the informa-

tion in the guidelines is divided into several levels. There is “the easy way” to green purchasing, a description of the most important environmental considerations, and a checklist form with suggestions for environmental questions and more detailed background material for those who are especially interested.

The organisation behind the development of the environmental guidelines

In Denmark, the Danish EPA has the responsibility for developing “the environmental guidelines”. In practice, the preparation is performed by the Danish EPA, which tenders the job to consultants and experts within the current product areas. The best-qualified contractor gets the job, as long as the offer is within the predefined margins of expenditure.

The project group comprises the contractor/consultant to whom the project is allocated after the close of the tender, as well as subcontractors. The project group has the task of:

- compiling the technical content in the environmental guideline (including background documentation)
- safeguarding the journalistic preparation of documentation so that the language level matches the previously published environmental guidelines
- bringing about the production of an illustration as well as the layout of environmental guidelines (including background documentation)
- ensuring production of the environmental guidelines (including background documentation)
- providing secretarial services in the form of servicing the steering committee and the consultation group, summoning the consultations of relevant parties in relation to each product group (the consultation group), etc.
- compiling a process note.

For the compilation of new environmental guidelines, a steering committee and a consultation group are established.

The steering committee follows the development of the environmental guidelines and ensures that they are implemented with the necessary quality in accordance with the contract agreed between the consultant and the Danish EPA. The steering committee reports to the Danish EPA and consists of representatives of the Danish EPA (chair), the Energy Authority, National Procurement Ltd, IKA (the Public Procurement Officers’ Association), DILF (the Private Professional Procurement Officers’ Association), the Association of Local Authorities, the Association of County Councils, the Danish Working Environment Authority and Danish Industry.

The consultation group consists of the steering committee’s members as well as a number of other consultative partners. It is up to the product group to decide on the extent of the involvement of the relevant technical

colleagues from the directorates and the Danish Working Environment Authority, procurement officers in central government, counties and local authorities as well as importers, manufacturers and stakeholders from the current product group. The consultation group has a varying composition and is appointed in discussion with the Danish EPA and the steering committee. It typically comprises around 15–20 people in addition to the steering committee. The consultation group has material sent to it, with the possibility of making comments within a reasonable time limit.

Process for development of an environmental guideline

A typical process for the compilation of an environmental guideline is described below. There can be variations from one product group to the next, but in general, the process is the same:

Phase A: The project group develops a proposal for the content of the environmental guidelines and background documents. Before a draft of the environmental guideline is developed, 2-4 relevant businesses and stakeholders are contacted to provide input.

Phase B: The project group develops a market survey. The market survey surveys relevant sectors of the European market, including the countries from which the products are typically delivered to the public sector in Denmark. The market survey has the goal of sketching an overview of whether cleaner technologies and recycling referred to in the recommendations in the draft for the environmental guideline and background documentation from phase A, are known and implemented in several European countries. The market survey typically covers 5–7 EU countries (including DK) per product group, and reflects the extent to which the recommendations that the environmental guideline suggests that the procurement officers should take are able to be met by businesses in these countries.

The market survey can be based on the following sources, among others: questionnaires sent to selected businesses, enquiries to branch associations in Denmark and abroad, literature on the diffusion of cleaner technology abroad, etc....

The result of the market survey (expected to be a memorandum of 3–5 pages) are included in the process report (see phase H) for the individual product groups.

Phase C: The proposal is sent for consultation to the steering committees and consultation groups.

Phase D: Based on the results of the first consultation, the steering committee discusses how the guideline should be changed/adjusted.

Phase E: The project group develops a revised proposal, which is sent for a second consultation to the steering committee and to the consultation group. In addition, it is expected that there will be a need to hold meetings with selected consultation parties. Comments from the second consultation are worked into a revised proposal. The revised proposal is approved by the steering committee.

The project group has the final responsibility for ensuring the quality of the environmental guidelines, and for ensuring that there is concordance between quality and content in the current environmental guideline, the goal for the environmental guideline and the target group(s).

Phase F: The manuals are graphically designed on the basis of the standard layout.

Phase G: The project leader requests tenders from printers and organises printing and delivery of the environmental guidelines. The printer operates an environmental management system (certified according to ISO 14001 or EMAS registered) and the printed-paper is ecolabelled with the Swan or an equivalent environmental label for printed matter.

Phase H: The project group develops a process report about the experiences and decisions from the development of the environmental guideline. This includes the sources for the collection and updating of technical knowledge, the results of the market survey, the dialogues with the steering committee, consultation group and relevant businesses, a summary of the comments from the consultation, chronological perspective of the expected need for revisions and other experiences from the process.

Evaluation of the Environmental Guidelines

The Danish EPA had the environmental guidelines evaluated in 2001. The results are described in the project "Evaluation of environmental guidelines for public procurement officers" (can be found on the Danish EPA's Web site, www.mst.dk).

The evaluation shows that the users of the manuals are generally satisfied with them. However, it is primarily the central procurement officers who use them, while the decentralised procurement officers are not such heavy users. Generally, the information in the manuals is perceived as highly credible, while layout, clarity and readability get weaker "marks".

Future concept of the environmental guidelines

Based on the evaluation of the environmental guidelines, we wish to improve the concept of the manuals, so that

- the text provides answers to commonly sought questions in a straightforward and highly visible way
- the layout makes people want to read the guideline
- the layout is clear and supports split-level reading
- the text focuses on the essentials

The Danish EPA wants the background material to be published on the Internet only, since general distribution can give the impression that Green Procurement is very difficult. The background documentation will be professionally sound, but at the same time reasonably accessible to the target groups in terms of the language used.

The new concept will be described/documented, so that others will be able to make use of it later when developing new/revised environmental guidelines.

At the moment, a larger project is being implemented, which is the updating of all of the environmental guidelines according to a new concept which complies with the above requirements. Details of this project can be found on www.miljovejledninger.dk.

Consultants from the Institute for Production and Leadership are implementing the revision and the communication of all of the existing environmental guidelines as well as developing two new environmental guidelines for paint and varnish. The project is expected to be completed by the end of 2004.

The changes are primarily a question of layout and textual modification of the concept for the environmental guidelines. The organisation and consultation process behind the development of the environmental guidelines will not be changed in the new concept.

5.2 Sweden

The ECU tool was initially developed by the state, local authorities and counties, with a certain amount of participation from the business community, in the Delegation for Ecologically Sustainable Procurement, the ECU delegation. The work was the result of a government decision at the beginning of January 1998. The delegation's mandate, among other things, was to initiate and develop concrete guidelines and methods for how environmental criteria, quality requirements and other requirements for ecological sustainability can be developed for public procurement in diverse product areas. The basis of the ECU tool was established by the environmental criteria system from the Association of Local Authorities

in Västernorrlands county (the Västernorrlands file) and the Counties' procurement group (LfU) supplemented by material from the delegation's working groups and material from other sources in Sweden or internationally.

The delegation delivered its final report in September 2001. An important result of the EKU delegation's work was a common Internet-based tool, the so-called EKU tool, conceived as a voluntary guideline which can be used as a tool for public organisations for taking environmental issues into account when buying goods, services and construction services. In the period September 2001 to December 2002, the Ministry's work with the EKU tool was temporarily delegated to the Swedish EPA and later the Stockholm county council procurement unit.

The operational phase of the EKU tool was transferred in early 2003 to the Swedish Environmental Management Council AB – a company jointly owned by the state, the association of local authorities and businesses. The company's work plan includes the management and further development of the EKU tool in collaboration with the public sector and business in order to promote its adoption as a more general tool for professional procurement. The work aims to make the EKU tool easily accessible in the market for procurement officers and purchasers, so as to support their work in implementing environmental requirements in procurement which are suited to their final objectives of procuring much more sustainable products.

The goal of the further development of the EKU tool is to gradually support procurement officers in imposing requirements, so that the time and resources used provide the best possible environmental effect, as well as leading to a good economic deal. The work should also focus as much as possible on helping suppliers develop and supply the requested information and, when necessary, be able to verify this information.

Organisation

The Swedish Environmental Management Council's work with the EKU tool is organised in such a way that the development and revision of environmental criteria is conducted with great integrity, environmental relevance and a high level of quality and legal requirements. This will occur in the context of a collaboration that satisfies all of the owners' interests and wishes.

The work with the EKU tool takes place at various levels within the following organisational structure:

The *criteria groups* do the basic work with the development and revision of proposals for environmental criteria, other guidelines and the facts of the product group. The criteria groups have competence in relation to the technical, environmental and quality aspects relating to the specific product and service area as well as the procurement experience. A scien-

tific review of the environmental basis and an audit of the scientific relevance of the proposed criteria occurs after a certain procedure.

The criteria work should make use of other experience in the field, such as environmental labelling and other product-related environmental communication. A consultation of proposals for criteria should be conducted.

The executive committee conducts the final review and approves the environmental criteria. The work mainly consists of checking that all of the basic conditions were followed in relation to quality assurance, statutory requirements and procurement technicalities. The committee also ensures that incoming comments from the consultations were taken into account.

Activities in the executive committee are planned and led by a chairperson appointed by the board in close collaboration with the EKU supervisor in the Swedish Environmental Management Council.

The work at *the secretariat of the Swedish Environmental Management Council* comprises administrating, collating and documenting the work performed in the criteria groups and the executive committee, as well as watching over the criteria from a statutory and procurement perspective. The work includes consultations for proposals for environmental criteria developed by the criteria groups and preparing these for the executive committee for processing and approval.

The secretariat publishes the developed environmental criteria on the EKU tool Web site as well as giving guidance on how these criteria can be used. The secretariat also follows the development within the various product areas and, when required, initiates developments and revisions of environmental criteria.

The secretariat has an overall role of monitoring the procurement technicalities and statutory aspects of environmentally adaptive procurement and ensuring that the environmental criteria promote sustainable development in line with the defined national and EU-wide environmental goals and the EU's common environmental policy.

The board of Swedish Environmental Management Council has overall responsibility for working with the EKU tool. The board handles questions concerning the EKU tool's principal construction and potential needs for changes, as well as general market availability and how the use of the tool can be promoted. The board also takes a standpoint regarding the need for including social and ethical issues, as well as questions relating to the working environment and health into the EKU work.

5.3 Finland

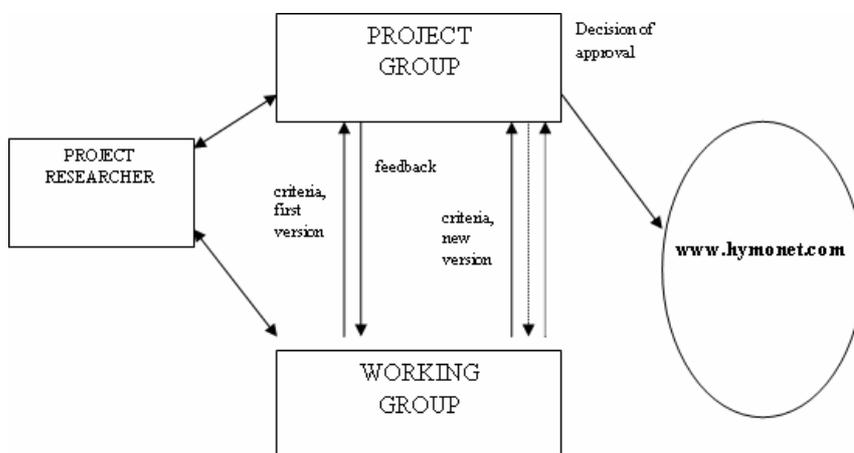
In Finland, some municipalities started planning and working in the area of green purchasing in of the early 1990s. In 1998, Efektia Ltd (a consult-

ing and research company owned by the Association of Finnish Local and Regional Authorities) received an increasing amount of feedback that municipalities would be interested in green purchasing and the tools this requires. Efektia started the project in spring 1999. The goal of the project was to create a database for purchasers, which helps them make greener decisions. The database is called Hymonet, the Finnish database of products and the environment.

The Ministry of the Environment, Motiva (an impartial service organisation promoting a market for renewable energy sources and efficient energy use), SFS Ecolabelling, the Association of Finnish Local and Regional Authorities, several municipalities and certain companies participated in the project. The project was led by a project group that had one member from each participating organisation.

Efektia developed the material together with the project participants and other experts. The information about green purchasing and ecolabels already created in other countries and in Finland was used. In Hymonet, there is information on legislation, plastics, metal, packages, etc. The majority of the work involved developing the background pages and the criteria for the products. Five different working groups were organised to create information about the following product groups: electrical appliances, building materials, food, hospital products and cleaning products.

The project researchers, together with the product group-specific working groups, prepared the first drafts of the background papers and a proposal for the purchase criteria for each product. The project group discussed the material and criteria and provided feedback to the working groups, which then further developed the material and criteria. Later, the project group discussed new versions of the background material and criteria and, if satisfied, accepted them. In a few cases of disagreement in the working groups, the project group also discussed different criteria proposals and decided between them.



The project lasted two years. In the spring of 2001, several municipalities, certain companies and other organisations started to use Hymonet. During 2002 and 2003, more criteria for different products and services were linked to Hymonet. These criteria had been created and tested by the city of Jyväskylä. After this addendum, there was information about one hundred products and services in Hymonet.

5.4 Norway

How the work is/was organised: In Norway, the GRIP centre – the foundation for sustainable production and consumption – has had the responsibility for promoting environmentally effective procurement. GRIP was established by the Ministry of the Environment in 1995. Its statutes state that: “the foundation will contribute to fulfilling the objectives for sustainable production and consumption, as stated in chapter 4 of Agenda 21. By combining environmental and market knowledge and organisational measures, the foundation will contribute to the sustainable development of Norwegian private and public enterprises. The foundation will ensure the development and dissemination of methods that combine the creation of added value with reduced use of resources and environmental load. ...”

GRIP began its work with environmentally effective procurement in 1996. The “GRIP procurement” manual came first. GRIP procurement is GRIP’s main handbook for environmentally effective procurement. GRIP procurement mirrors the “ideology” behind GRIP’s procurement activities, and focuses especially on the specification of needs, lifecycle costs and performance-based specifications to achieve both effective procurement – in the conventional sense of the word – and environmentally effective procurement. GRIP procurement claims that environmentally effective procurement can, to a large extent, be combined with better satisfaction of needs and lower overall costs. GRIP procurement also contains general suggestions for questions/criteria to be used with suppliers and products.

During the years following the advent of GRIP procurement, some sets of criteria for specific product groups were developed, especially within transportation: see Appendix 2.

The work with a set of criteria usually followed the following procedure:

- Choice of product group (occurred as a result of external proposals or proposals from within GRIP)
- Invite branch association, leading suppliers and leading procurement officers to a reference group
- Assemble information, develop the set of criteria

- Prepare a proposal – send this for consultation
- Incorporate comments – and publish (paper copy/Internet version)

In 1999, as a response to criticism that the material was too sophisticated, “14 pieces of advice on procurement” were issued (3 pages of technical matter), as well as a poster that summarised the procurement process. Internet versions were published in Word or Excel, so that users could easily cut and paste the parts they wanted to use.

Current/planned organisation of the work: As of 2004, GRIP has two employees with professional procurement competence. At present, they spend around one man-year jointly on procurement. This time is used for holding presentations and courses, maintaining networks, participating in various forums and processes, as well as conducting paid consultancy assignments for public and private contractors. There is no specific work on the development of criteria, but nevertheless, in February 2004, the “Textile Procurement” guidelines were completed under the auspices of the Norwegian “Textile Panel” for which GRIP is the secretariat. In “Textile Procurement”, we did not develop our own environmental criteria for textiles, but rather referred to the Swedish criteria. In these criteria, social considerations are emphasised as much as the environment. The trend seems to be going towards a more holistic approach, where the environment and ethical trade are treated similarly under the shared term “social responsibility”. This change is typical for today in relation to several of GRIP’s activities. GRIP has no plans to reduce its commitment to procurement or change the way it is organised, but its future activities will increasingly reflect what external contractors want to pay for (see below).

Other activities in Norway: In addition to GRIP, an initiative for developing material on the topic of procurement and the environment has also been taken under the auspices of the counties in Eastern Norway. Østfold county council has had the main responsibility. Criteria and other material were collected on www.miljoinkjop.no. The source for the criteria on [Miljoinkjop.no](http://www.miljoinkjop.no) is “The manual for environmentally adaptive procurement” which was developed by the Association of Local Authorities in Västernorrland, Sweden.

5.5 Summary of the organisation

| | Denmark | Sweden | Finland | Norway |
|--|--|---|---|---|
| Start-up | 1990 | A government decision in 1998 was the basis of starting the work with EKU tool tools. | Local initiatives at the beginning of 1990s. In 1999, the centralized work got underway. | 1995 |
| Who makes environmental guidelines? | The Danish EPA was organised and funded. Through a widely composed steering committee, environmental guidelines were composed by experts and consultants | The EKU delegation developed a number of environmental guidelines in the period 1998 to 2001 – starting from local initiatives. Today, the work is performed by the Swedish Environmental Management Council (see below) | Efektia Ltd – a consultancy and research company owned by Association of Finnish Local and Regional Authorities, conducted the work. The steering committee was broadly composed. | The work was executed by GRIP – the foundation for sustainable production and consumption. GRIP was established by the Ministry of the Environment. |
| Legal basis | 1991 – in the environmental protection law | | | 2001 – in the law on public procurement |
| Status/future plans | Evaluation of the environmental guidelines was conducted in 2001 – and forms the basis of improved layout etc. | In 2003, the operation of The EKU tool tools was transferred to AB The Swedish Environmental Management Council. Under the auspices of The Swedish Environmental Management Council, existing guidelines are maintained and new ones are draw up. | The project lasted for 2 years. Today only maintenance is taking place. | High activity until 1999. After that, development work was stopped because of few resources. |

6. Resource utilisation

6.1 Denmark

The Danish EPA estimates that, in the years 1995 to 2002, approx 1 to 1.5 man-years were spent on green procurement. The contribution covers both the work involved in developing environmental guidelines and the other contributions towards green procurement. It is estimated that around 1 to 3 man-months were spent directly on developing the environmental guidelines.

From 2002 onwards, the Danish EPA spent approx. 0.5 man-years in work on public green procurement. To this it must be added that, in 2003, a panel for environmentally conscious professional procurement was established which, among other things, will work to promote public green procurement. The panel is funded by the programme for cleaner products and has a budget of 2.85 million kroner until the end of 2005. A number of stakeholders in this area participate in the panel and the programme has given grants to cover the salary of the secretary of the panel.

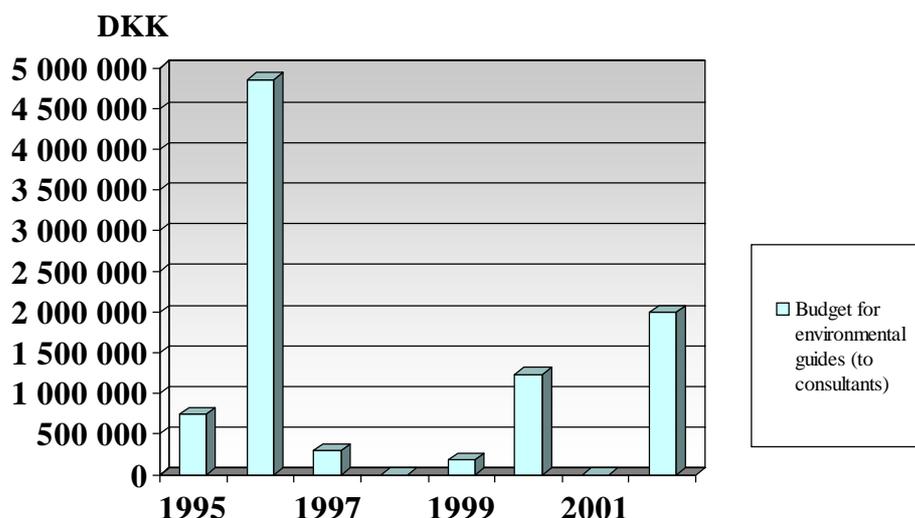
Work on the development and revision of the environmental guidelines has taken place with the help of consultants and was funded by the Programme for Cleaner Technology and its successor, the Programme for Cleaner Products. This programme was discontinued in 2003.

As described earlier, an updating of a number of the most used environmental guidelines is currently being conducted, and two new environmental guidelines for paint and varnish are being developed – a project initiated with the remaining funds from the Programme for Cleaner Products. There are no plans for the development of environmental guidelines beyond this.

The table below shows the resources used for the development of environmental guidelines in the years 1995–2002. The figures are given on a per-project basis.

| Year | Amount (DKK) | Project | Projects involving the development of environmental guidelines |
|------|--------------|---|--|
| 1995 | 750,000 | Development of the concept underlying the environmental guidelines | |
| 1996 | 3,750,000 | Development of 21 environmental guidelines | ✓ |
| 1996 | 400,000 | Environmental guideline for devices for handicapped people | ✓ |
| 1996 | 705,500 | Printing of environmental guidelines | |
| 1997 | 300,310 | Development of an environmental guideline for office equipment | ✓ |
| 1999 | 186,350 | Revision of the environmental guideline for copying machines | |
| 2000 | 158,625 | Translation of 43 environmental guidelines | |
| 2000 | 349,752 | Development of an environmental guideline for lighting | ✓ |
| 2000 | 350,000 | Evaluation of the environmental guidelines | |
| 2000 | 375,000 | Development of an environmental guideline for cables | ✓ |
| 2002 | 850,000 | Development of an environmental guideline on tropical timber | ✓ |
| 2002 | 1,999,600 | New concept; updating of environmental guidelines as well as two new ones | (✓) |
| 2003 | 2,850,000 | Panel for professional environmentally aware procurement | |

The same figures on an annual basis:



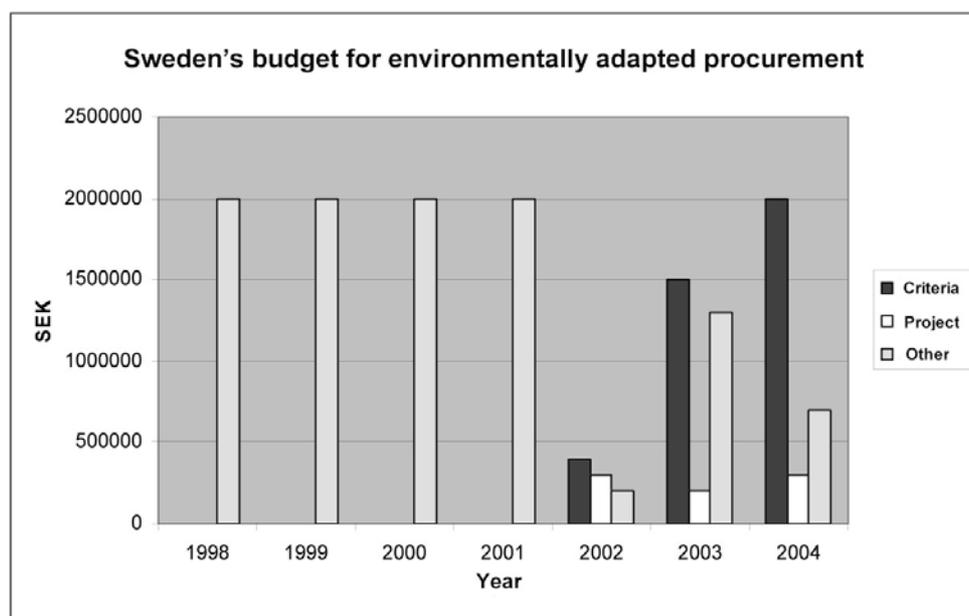
Based on the above, we have calculated, for this report, an average price per environmental guideline. Only the expenses where the right column is ticked were included, as the “unticked” expenses do not relate to the development of environmental guidelines, but to translation, updates and

evaluation of the environmental guidelines. The project funds for the development of environmental guidelines have led to 49 environmental guidelines. This results in an average price of around 120,000 DKK per environmental guideline. This figure should be treated with a certain reservation, since there are great variations in the costs of the various environmental guidelines.

6.2 Sweden

In the period 1998–2001, the EKU delegation had three full-time employees as well as help from various consultants. During the interim period 2002, one person worked full time. The Swedish Environmental Management Council (MSR) currently has around three full-time employees working with the EKU tool.

The EKU delegation was funded by the state from 1998 to 2001 (2001–08–31) to the tune of 8 million SEK. During 2002, EKU was funded with the help of royalties paid by the users of the EKU tool, as well as a state subsidy of 300,000 SEK. In 2003, the MSR was awarded a grant of 3 Million SEK by the Swedish state for EKU work and the same amount in 2004. The expectation for 2005 is that at least the same amount will be allocated for EKU work.



6.3 Finland

During the planning year 1998 and at the beginning of 1999, Efektia Ltd undertook around two months' work in planning the Hymonet project.

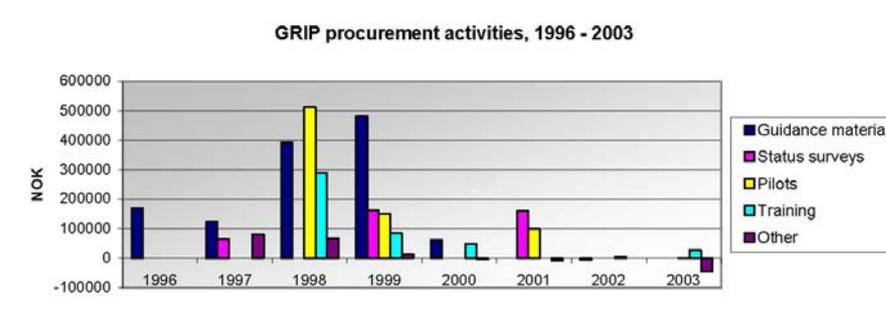
The first stage of the project was conducted in May 1999 – October 1999. In Efektia, there was generally one person working full time in planning the project, searching for information of green procurement and acquiring the resources for the second stage. The budget of the first stage was 65,000 euros.

The second stage of the project was conducted in October 1999 to May 2001. In Efektia, there were four people working full or part time on the project, and they did approximately 31 months’ work. Besides this, people from expert organisations devoted around 19 months’ work to the project. The budget of this stage was 191,000 euros.

After May 2001, Efektia performed 1–2 months’ work per year for Hymonet. The municipalities pay a fee for using Hymonet. The budget is around 25,000 euros/year. In 2002 and 2003, the city of Jyväskylä’s criteria for different products and services was linked to Hymonet. In the city of Jyväskylä, many years of work were performed to create and maintain the criteria.

6.4 Norway

In the period 1996 to 2003, GRIP used under one man-year on its procurement activities. Until 2000, there was one person managing all the procurement activities. After 2000, this man-year was split between two people. In the period when most of the procurement criteria were determined (1996 to 1999), GRIP was fully funded by the Ministry of the Environment, and had the required economic resources to arrange meetings, conduct pilot projects, conduct status investigations, hold presentations, as well as print and disseminate handbooks, etc. GRIP’s economic resources in this period were utilised as follows:



In figures:

| | Guidance material | Status investigations | Pilots | Training | Other | Sum |
|-------|-------------------|-----------------------|---------|----------|---------|-----------|
| 1996 | 170,000 | 0 | 0 | 0 | 0 | 170,000 |
| 1997 | 125,212 | 67,000 | 0 | 0 | 82,073 | 274,285 |
| 1998 | 393,047 | 0 | 514,602 | 290,496 | 68,465 | 1,266,610 |
| 1999 | 483,414 | 164,000 | 151,757 | 85,349 | 13,228 | 897,748 |
| 2000 | 62,739 | 0 | 0 | 50,000 | -2,261 | 110,478 |
| 2001 | 253 | 160,580 | 100,812 | 0 | -6,007 | 255,638 |
| 2002 | -3,323 | 0 | 0 | 5,167 | 0 | 1,844 |
| 2003 | 0 | 0 | 857 | 29,498 | -44,425 | -14,070 |
| Total | 1,231,342 | 391,580 | 768,028 | 460,510 | 111,073 | 2,962,533 |

In recent years, GRIP has been receiving gradually smaller grants from the Ministry of the Environment. Today, GRIP focuses to a greater extent on paid assignments from both authorities and public/private enterprises.

Resources available in future

Resources for any development of criteria in future will be dependent on external project financing from Norwegian authorities. Funding from Norwegian authorities will have to be applied for on a year-to-year basis. Under the auspices of GRIP, the environmental authorities plan to increase the contribution to procurement in the years ahead.

6.5 Iceland

At the end of the 1990s, the Icelandic Ministry of the Environment issued a brochure on the topic of environmentally effective procurement. Other than this, there were few resources devoted to this subject.

7. Common Nordic procurement criteria?

7.1 Advantages and possibilities

Advantages and possibilities of common procurement criteria. The most important reasons are:

1. Public procurement officers in the Nordic countries have a need for good sets of criteria. The environment is neither their core competence nor their most important focus area. If environmental considerations are to be safeguarded on a large scale in public procurement, there is a need for many and good sets of criteria which procurement officers can simply select from.
2. It will be useful for the supplier market if the same criteria can be used in all of the Nordic countries. This increases the motivation to satisfy demands and implies less work when offers are written. Many suppliers look upon the Nordic countries as a single market, and common Nordic criteria for these suppliers will give an appearance of greater credibility and seriousness.
3. Development and maintenance of sets of criteria is resource-intensive. A common approach can have potential for giving all of the countries more sets of criteria with less use of resources, depending on how it is organised.
4. In the EU's IPP strategy, environmentally friendly public procurement is one of several tools for stimulating continuous environmental improvement. A criteria database based on collaboration between several countries with common Nordic criteria would be one of the largest and broadest criteria databases in Europe – and an English version would make it available both to Europe and the rest of the world. A Nordic database would be an important contribution to a common European platform for green procurement. If it functions in the Nordic countries, it will also be able to function in Europe and, from a longer-term perspective, it would be an important contribution to the EU database.
5. Common criteria would collectively be able to produce more criteria at the national level. More criteria and increased use of them would contribute to a better environment.

The core of every purchase is the criteria used. A common Nordic contribution to criteria will be useful, but there are several possibilities with regard to the level of ambition and angle of approach.

7.2 Various angles of approach and levels of ambition

Working with common criteria can take place under different auspices and with different levels of ambition. Based on the comments from the consultations, the following four possibilities seem to be the most relevant:

1. *“Starting on a small scale”*: this alternative implies taking existing sets of criteria as starting point, converting selected sets of criteria into a common format, and making the criteria readily available to the rest of the Nordic countries (on the Internet and in the Nordic languages – either nationally or in a common database). A continuation would be to maintain existing criteria, as well as developing more criteria. Development of more criteria can occur nationally without Nordic coordination, but this depends on each country and the available resources at the national level, the only condition being that a common format is used. This alternative implies little coordination and can be conducted within the existing organisation. This alternative allows for the adoption of a higher level of ambition later.
2. *“The Swan”*: The Swan is an official Nordic organisation whose core activity is to develop criteria – primarily targeted at the consumer market. One alternative is to leave most new development of criteria to Swan. We could aim to commission Swan to develop sets of criteria that, to a greater degree, cover the needs of professional procurement officers. It will probably not be natural/possible for Swan to develop criteria for all product areas where public procurement officers have a need for criteria. In such cases, criteria can be developed at the national level or through Nordic collaboration and be converted into a common Nordic format. Swan has made some datasheets, but they are not directed especially at professional procurement officers. The preparation of such datasheets should be evaluated. This model presupposes coordination with Swan – a coordination that also includes the same stakeholders interested in procurement criteria.
3. *“Formal organisation”*: This alternative implies both a common format and Nordic adoption of the criteria through a transparent and involving process with consultations. Thereafter, the criteria must be kept updated and new ones must be developed. This requires a specific organisation, a higher level of ambition and more resources.

4. *“Adoption of the EU database”*: The EU Commission today maintains a product database providing general environmental information about various products. One possibility is to “adopt” this database, and contribute to inserting criteria into the database for use in the invitation to tender. This possibility implies good organisation, a high level of ambition and high resource utilisation for many years. “Start on a small scale” and “The Swan” can be the beginning of a process heading towards making the EU database easily usable by public procurement officers. This is a project that can be developed in future. At the present time, Theme Group 9’s assessment is that it is too ambitious to address the EU database directly in relation to the Nordic collaboration as it stands today, but that this may be a possibility for future consideration. It will require clear agreements with the Commission in relation to how a Nordic contribution to the database could be implemented in the EU database.

Notwithstanding which of these alternatives is chosen, establishing a common Nordic format for criteria will be useful.

One must point out that there is a clear distinction between procurement criteria and environmental label criteria. Procurement criteria are made for the professional procurement officer, who will understand them, use them directly or adjust them and finally evaluate the answers given by the supplier. With this point of reference, such criteria cannot be very extensive.

Criteria for environmental labelling are extensive – often extending to dozens of pages – and are written in technical jargon. It is not generally recommended that the procurement officers use these criteria themselves. Procurement officers can, however, have general knowledge regarding what the criteria contain, regarding the desire for datasheets, and then, for instance in the award criteria, request that the criteria for environmental labelling for the product group be complied with. As a means of proof, the licence certificate or other third-party verification can then be required.

If the procurement criteria are among the requirements included in the criteria for environmental labelling, the licence certificate for environmental labelling can then be used as means of proof for these as well. In this way, procurement criteria can contribute to promoting environmental labelling practices.

Working with procurement criteria can also reap advantages from the work being put into environmental product declarations.

Theme Group 9’s assessment is that

- It would be useful to have a common Nordic format for the formulation of criteria, but it is not advisable to establish a new official Nordic organisation

- This format can be used for the selected existing sets of criteria for public procurement
- These sets of criteria can be made available to Nordic procurement officers in their own language
- The criteria should be updated when needed – but by whom and how often must be clarified
- The Swan should use the common format when this is suitable (e.g. when today's set of criteria contain “illegal” components according to regulations)
- Future national development of criteria should occur in accordance with the common format and should be made available in the Nordic language, as well as English. Allocation of responsibility for development of criteria between the countries must be clarified later.
- When Swan criteria exist, they should be used as the basis of the criteria. A potential development of criteria under Nordic auspices beyond the Swan should occur in areas in which the Swan is not interested in developing criteria.
- The Swan's criteria should to a greater extent be made available for professional procurement officers (e.g. through datasheets which present the various criteria).

The conclusion is therefore that a combination of “Start on a small scale” and “Swan” is a viable track providing advantages to all parties. This combination will result in a closer collaboration between the Swan and the professional environments that were established to promote professional environmentally effective procurement. First and foremost, the work will have to concentrate on producing a common Nordic criteria format.

In Denmark, a project has been proposed to equip the Danish procurement manuals with weighting of environmental and resource parameters. Weighting of criteria is a big challenge. Diverse environmental parameters must be weighted against each other, which can be a difficult task. Theme Group 9's assessment is that when working with a common Nordic format for criteria, we should also address problems related to weighting, i.e. which weighting should be allocated to the various parameters. A coupling to the Danish project is therefore advisable, so that experience from the work with the common Nordic criteria format and collaboration with the Swan is passed on to the weighting study and vice versa. Thus, the weighting study will also be able to work by selecting the most significant criteria from the environmental labelling criteria, quantifying them and presenting guidelines for public procurement officers about how the criteria for environmental labelling should be used in public procurement.

Based on the pilot study, Theme Group 9 recommends that a pilot project be established with the following objectives:

1. Develop a common Nordic criteria format that also covers problems related to weighting.
2. Determine the level of ambition for further collaboration within the frame of “Start on a small scale” and “The Swan”. This implies developing a cost-effective model providing good access to criteria in the Nordic languages, as well as an analysis of the need for revisions (and how frequently)
3. Provide an economically oriented basis of decision-making regarding whether common procurement criteria should be developed or not.

As in case 5, product groups which all have guidelines in at least three of the Nordic countries will be chosen: cars, transportation, textiles, cleaning materials and computers. The criteria for environmental labelling have already been developed for the last three of these.

The Swan will be invited to participate in this work.

7.3 Proposal: Pilot project for a common format

The review in chapter 4 showed that the format of the different countries' sets of criteria is quite different. Development of a common format is therefore a challenge. There is no reason to make a secret of the fact that this work will demand that all countries be prepared to demonstrate both flexibility and willingness to compromise, but it should be perfectly feasible if this willingness is present.

Some important keywords for a common format are:

- The level of the criteria – should there, for instance, be one set of criteria for all textiles, or should criteria be established for more specific textile products
- Should we primarily attempt to lay down technical specifications with threshold values, or should we primarily draw up award criteria, or should we have a mixture?
- How large a part of the market should be included?
- What kind of means of proof should be used for the different criteria?
- Should proposals also be made for qualification criteria and contract clauses?
- What kind of evaluation system should be recommended for the award criteria? Should we focus on LCC or only a simple points system?
- What emphasis should be placed on developing criteria that stimulate innovation? The EU is, among other things, preoccupied with using public procurement to promote environmental technology.
- To what extent should we attempt to use performance-based criteria?

The process of moving towards a common format requires a separate project. The project should be run by a consultant who can make proposals for good formats, as well as running an open and inclusive process. The following process should give the desired results.

| Task | Timing | Cost | Timetable | Comments |
|---|---|----------------|--------------------|---|
| Establish the project with a lead consultant in one of the Nordic countries, together with supporting consultants from the other countries | | | March 2005 | The timetable presupposes a grant by February 2005 at the latest |
| The consultant identifies the most important format questions and makes a first proposal for a common format, exemplified through the following sets of criteria: Textiles, cars, Computers, goods transportation services and cleaning services. This creates the basis of a workshop. | 60 hours @ NOK 900 + NOK 3000 in travel expenses | 54,000 | March 2005 | This phase includes discussions at a meeting under the auspices of Theme Group 9. This meeting can take place at the beginning of May 2005. |
| One or two days' workshop with representatives from the various countries is conducted (4 consultants + 4 from the authorities + The Swan + as necessary other resource people one wishes to invite.) The workshop should result in agreement about the format. | Lead consultant: 12 hours for preparation and 12 hours for completion @ NOK 900. Supporting consultants: 15 hours preparation and 36 hours for completion, plus travel and per diem for 3 people @ NOK 5000. | 82,500 | June 2005 | Whether the need exists for a one-day or two-day' workshop was settled at the meeting in May. |
| The consultant makes a final proposal. | 15 hours @ NOK 900 | 13,500 | August 2005 | |
| The proposal goes to internal consultation by Theme Group 9, supporting consultants and The Swan. | 15 hours @ NOK 900 (for 3 consultants) | 13,500 | September 2005 | |
| New 1 day workshop is conducted if required. | 40 hours @ NOK 900 + 3 day trips @ NOK 3000. | 45,000 | September 2005 | Treatment in Theme Group 9 can also be sufficient. |
| The consultant includes the comments. | 10 hours @ NOK 900 | 9,000 | October 2005 | |
| The proposal goes to external consultation. The consultant includes comments and finalises. | 15 hours @ NOK 900 | 13,500 | November 2005 | |
| If the work with the common format leads to a positive result (be to clarified during the first workshop), the pilot project will also involve: | | | | |
| Frame and adopt a proposal regarding the level of ambition for Nordic collaboration onwards. | 20 hours @ NOK 900 including meeting with Theme Group 9 + NOK 3000 for travel expenses | 21,000 | September 2005 | |
| Translation into English | | 15,000 | | |
| Miscellaneous expenses | | 8,000 | | |
| Total: | | 275,000 | | |

The project presupposes that representatives for the Swan and other potential resource people cover their own expenses. The weighting-based

study and the Swan should be tightly attached to the pilot project, if it receives backing from NMR-IPP.

All prices are exclusive of VAT. VAT is probably not relevant, since consultant services will be considered to be an export.

If this work is not successful, the project will be stopped and no further costs will be incurred.

7.4 Cost estimates for common Nordic criteria

The consultation version of this pilot study contained a cost estimate for common Nordic criteria. This estimate was criticised in the consultative round, and also takes as given a future level of ambition. One has accordingly chosen to take the cost estimate out of the report. It is, however, included as an appendix for briefing (appendix 4). This appendix should be understood as a possible level of ambition and cost scenario.

7.5 Proposal for organisation

The aim of this pilot study was, among other things, to “Develop proposals for organising a potential collaboration in relation to the development and structuring of common procurement criteria or cooperation for other information interchanges”. Theme Group 9's assessment is accordingly that the further work should occur within the frameworks of the “Start on a small scale” and “Swan” scenarios. However, the further details should wait until the pilot project for common criteria format seems to have been successful. This is also supported by statements from the consultations.

Appendix 1

The political basis of green procurement

Environmentally friendly public procurement is a high-priority area in the international context.

The UN, OECD and ICLEI, among others, have developed policies and programmes for public green procurement. All of the Nordic countries and many countries outside the Nordic region have put green public procurement on the agenda.

Environmentally friendly public procurement is an activity area within various Nordic areas of collaboration. The Nordic strategy for sustainable development asserts that the Nordic countries will lead the way in developing and promoting a regional and global green market (chapter 10 “Industry and commerce”). The environmental action programme also aims to promote the market for cleaner products (item. 4.2 under product-oriented environmental strategy). In The Nordic Product-Oriented Environmental Strategy, procurement is a priority area, and the strategy used states that “purchase, procurement and decisions should also be included in environmental assessments”. Further, it is mentioned that “Nordic collaboration in development of guidelines and tools contributes to reduced use of resources and promotes the mobility of goods and services”. In the EU’s IP strategy, environmentally friendly public procurement is one of several tools for achieving continuous environment improvement. When processing the IPP strategy, the Council decided, on 27 October 2003, that it should concentrate especially on green public procurement to market greener products and cleaner technologies, as well as on influencing local and national authorities to take environmental issues into consideration in public procurement

The procurement regulations (the EU’s procurement directives) are the same in all of the Nordic countries, and many of the challenges with regard to green procurement are also identical. Procurement officers constantly ask for simple and effective tools to assist them in specifying environmental requirements. Common challenges for all countries are to communicate the legal possibilities for taking environmental issues into consideration, that focus on procurement and the environment, will probably yield financial savings and, last but not least, how environmental considerations can be incorporated in practice into daily procurement activities. The compilation and maintenance of green procurement criteria for diverse product groups is very demanding in terms of both costs and

resources. There is therefore much to gain from cooperating at the Nordic level on green procurement criteria. A Nordic collaboration will allow the number of environmental criteria for various product groups to be increased, the content and format will become the same for all procurement officers, and quality will also probably improve when the advantage of greater experience can be exploited. A coordination of green procurement criteria will help to ensure a consistent treatment of the subject of the environment in public procurement in all Nordic countries, something that will also facilitate the situation for suppliers, many of whom view the Nordic countries as a single market. In addition, it will result in increased marketing power when very many suppliers have the same requirements.

Appendix 2

Available sets of criteria

Below is an overview of the sets of criteria available today, including criteria for environmental labelling:

| Product area | Norway | Sweden | Finland | Denmark | Label criterion | Type |
|--------------|--------------------------------|------------------------|-------------------------------|----------------|--|--------|
| Batteries | | Batteries | Batteries | | Disposable batteries | Swan |
| Batteries | | | | | Rechargeable batteries | Swan |
| Lighting | | | Light sources (general, exit) | Lighting | | |
| Lighting | | Street lighting | | | | |
| Lighting | | Traffic signals | Traffic signs | | | |
| Lighting | | | | | Fluorescent tubes and light bulbs | Swan |
| Lighting | | | | | Electrical light sources | Flower |
| Cars | Passenger car | Passenger car | | Passenger cars | | |
| Cars | | Light vehicles | | | | |
| Cars | Truck chassis | Heavy vehicles | | | | |
| Cars | Bus chassis | | | | | |
| Cars | | Lubricating oils | Lubricating oils | | Lubricating oils | Swan |
| Cars | | | Fuel oil | | | |
| Cars | Truck extensions | | | | | |
| Cars | Workshop services for vehicles | Service | | | | |
| Cars | | Contracted Services | | | | |
| Cars | | Tyres | Vehicle Tyres | Tyres | Car tyres | Swan |
| Cars | | | Car care products | | Car care products | Swan |
| Buildings | | | | | Carwash halls | Swan |
| Buildings | | Construction materials | | | | |
| Buildings | | | | | Sustainable/durable timber | Swan |
| Buildings | | Electric materials | | | | |
| Buildings | | Floor materials | Floor coverings | | Floor | Swan |
| Buildings | | | | | Hard floor coverings | Flower |
| Buildings | | Ironmonger wares | | | | |
| Buildings | | Tree materials | Timber | | | |
| Buildings | | | | | Sheet materials for buildings, interior decoration and the furniture industry. | Swan |
| Buildings | | Pipes for plumb- | | | | |

| Product area | Norway | Sweden | Finland | Denmark | Label criterion | Type |
|------------------------|--------|--------------------------|---------------------------|-------------------------------|---|--------|
| | | ing and air-conditioning | | | | |
| Buildings | | | Insulating materials | | | |
| Buildings | | | Impregnated wood | | | |
| Buildings | | | Glues | | | |
| Buildings | | | Boards (chip-boards etc.) | | | |
| Buildings | | | Wallpapers | | | |
| Buildings | | | Windows | | Windows | Swan |
| Buildings | | | | Wall and attic paint | Interior paint and varnish | Flower |
| Buildings | | | | Floor paint and floor varnish | | |
| Groceries | | | | | Cosmetics | Swan |
| Groceries | | | | | Grocer stores | Swan |
| Groceries | | | | | Soft paper | Swan |
| Groceries | | | | | Soft paper (tissue paper products) | Flower |
| Groceries | | | | | Coffee filters (Additional module) | Swan |
| Groceries | | | | | Food and baking paper (Additional module) | Swan |
| Miscellaneous | | | | | Compressor | Swan |
| Miscellaneous | | | | | Printed wiring boards | Swan |
| Miscellaneous | | | | | Ice prevention agents | Swan |
| Miscellaneous | | | | | Chemical list | Swan |
| Miscellaneous services | | | Hand towel roll services | | | |
| Miscellaneous services | | | Travel services | | | |
| Miscellaneous services | | | Printing services | | | |
| Miscellaneous services | | | | | Printed matter | Swan |
| Miscellaneous services | | | | | Hotel | Swan |
| Miscellaneous services | | | | | Accommodation (hotels, pubs, hostels, etc.) | Flower |
| Miscellaneous services | | | | | Photo development | Swan |
| Miscellaneous goods | | | Concrete products | | | |
| Miscellaneous goods | | | Water chemicals | | | |
| Miscellaneous goods | | | | Pipes for remote heating | | |
| Miscellaneous goods | | | | Road marking | | |
| Miscellaneous goods | | | | Cables and wires | | |
| Fuel | | Fuel | | | | |
| Electric motors | | | Electric motors | | | |
| Electric motors | | | Electric drills | | | |

| Product area | Norway | Sweden | Finland | Denmark | Label criterion | Type |
|---------------------------------|---------------|---------------------------------|-------------------|---|--|--------|
| Disposable gloves | | | Disposable gloves | | | |
| Financial services | Bank services | | | | | |
| Technical aids for the disabled | | Common | | | | |
| Technical aids for the disabled | | | | Electrical wheelchairs and mobile lifts | | |
| Technical aids for the disabled | | Wheelchairs | | Manual wheelchairs and prams | | |
| Technical aids for the disabled | | Orthopaedic technical equipment | | | | |
| Technical aids for the disabled | | | | Beds and mattresses | | |
| Technical aids for the disabled | | Hearing aids | | | | |
| Technical aids for the disabled | | | | Toilet extensions | | |
| House, garden, cottage | | | | | Furniture and fittings | Swan |
| House, garden, cottage | | | | | Mattresses | Flower |
| House, garden, cottage | | | | | TVs | Flower |
| House, garden, cottage | | | | | Stoves | Swan |
| House, garden, cottage | | | | | Heat pumps | Swan |
| House, garden, cottage | | | | | Boilers for solid biofuel | Swan |
| House, garden, cottage | | | | | Oil-burning / electric boiler combination | Swan |
| House, garden, cottage | | | | | Lawnmowers | Swan |
| House, garden, cottage | | | | | Garden furniture and play-ground apparatus | Swan |
| House, garden, cottage | | | | | Compost containers | Swan |
| House, garden, cottage | | | | | Garden and park machinery | Swan |
| House, garden, cottage | | | | | Fertilisers | Flower |
| House, garden, cottage | | | | | Non-effluent toilet systems | Swan |
| House, garden, | | | | | Boat engines | Swan |

| Product area | Norway | Sweden | Finland | Denmark | Label criterion | Type |
|-------------------|--------|-------------------|---|---|---------------------------------|--------------|
| cottage | | | | | | |
| White goods | | Dish washers | Electric cookers for institutional kitchens | | Dishwashers | Flower |
| White goods | | Washing machines | Washing machines | | | |
| White goods | | | Drying drums | | | |
| White goods | | | | Cooling, refrigerating and freezing boxes | Refrigerators and freezers | Swan |
| White goods | | | | | Cooling furniture | Flower |
| White goods | | | | | Vacuum cleaners | Flower |
| White goods | | | | | Washing machines | Swan, Flower |
| White goods | | | | | Kitchen equipment and apparatus | Swan |
| White goods | | Domestic Utensils | | | | |
| White goods | | | | Cookers | | |
| White goods | | | | Chest freezer | | |
| Office operations | | | | | Towels for public use | Swan |
| Office operations | | | | | Glue | Swan |
| Office operations | | | | | Packing paper | Swan |
| Office operations | | | Calendars | | | |
| Office operations | | | | Letter and copying paper | Copying and printing paper | Swan |
| Office operations | | | | | Copying paper and drawing paper | Flower |
| Office operations | | | | | Writing equipment | Swan |
| Office operations | | | Books | | | |
| Office operations | | | Papers and envelope | Envelopes | Envelopes (Extra module) | Swan |
| Office operations | | AV equipment | Audiovisual equipment | | Audiovisual equipment | Swan |
| Office operations | | | | Office articles | | |
| Office operations | | Toner cartridges | | | Toner cartridges | Swan |
| Office operations | | Terminal glasses | | | | |
| Office operations | | | Battery chargers | | | |
| Office operations | | | Copying machines | Copying machines | | |
| Office operations | | PC | Computers | Computers | Personal computers | Swan, Flower |
| Office operations | | | Printers | Printers | | |
| Office operations | | | Fax machines | Fax machines | | |
| Office operations | | | Laptop computers | | Laptop computers | Flower |
| Office operations | | | Multifunction devices | Other office electronics | | |

| Product area | Norway | Sweden | Finland | Denmark | Label criterion | Type |
|----------------------------|------------------|-------------------------|---|----------------------------|---|------|
| Office operations | | | | | Copy machines, printers, fax machines and multifunction devices | Swan |
| Toys | | Toy material | Toys | | | |
| Toy equipment | | Packaging | | | | |
| Food | | Food | Food (8 different areas: milk products, meat products etc.) | | | |
| Medical technical products | | ECG | | | | |
| Medical technical products | | Physiotherapy equipment | | | | |
| Medical technical products | | Lab equipment | | | | |
| Medical technical products | | X-ray equipment | | | | |
| Medical technical products | | | Devices used in health care | | | |
| Medical technical products | | | Thermometers | | | |
| Furniture | Office furniture | Office furniture | | Tables | | |
| Furniture | | | | Shelves | | |
| Furniture | | | | Filing cabinets | | |
| Furniture | | | | Stuffed furniture | | |
| Furniture | | | | Office chairs | | |
| Furniture | | | | School chairs | | |
| Personal care | | | | | Hygiene products | Swan |
| Personal care | | | Sanitary products | Nappies | | |
| Personal care | | Soft tissues | Soft tissues | Kitchen and toilet paper | | |
| Personal care | | | | Bedclothes | | |
| Personal care | | | | Hand soap and hair shampoo | | |
| Personal care | | | | | Shampoo and soap | Swan |
| Plastic | | Plastic articles | | | | |
| Lawn mowers | | | Lawnmowers | | | |
| Cleaning/washing | | | | | Laundries | Swan |
| Cleaning/washing | | | | | Cleaning services | Swan |
| Cleaning/washing | | | | | Dishwasher detergents for professional use | Swan |
| Cleaning/washing | | | | | Industrial cleaning and scouring agents | Swan |
| Cleaning/washing | | | | | Floor maintenance agents | Swan |
| Clean- | | | | | Microfibre rags | Swan |

| Product area | Norway | Sweden | Finland | Denmark | Label criterion | Type |
|-----------------------|-------------------------|--|---|---|--|--------|
| ing/washing | | | | | and mops | |
| Clean- ing/washing | | | | | Detergents and stain removers for textiles | Swan |
| Cleaning/ washing | | | | | Detergents for textiles | Flower |
| Cleaning/ washing | | | | | Cleaning agents | Swan |
| Cleaning/ washing | | | | | Sanitary clean- ing agents | Swan |
| Cleaning/ washing | | | | | Universal and sanitary clean- ing agents | Flower |
| Cleaning/ washing | | | | | Dish washer detergents | Swan |
| Cleaning/ washing | | | | | Detergents for dishwashers | Flower |
| Cleaning/ washing | | | | | Detergents for washing up | Swan |
| Cleaning/ washing | | | | | Detergents for washing up | Flower |
| Cleaning/ washing | | | | Cleaning services | | |
| Cleaning/ washing | | Chemical technology products for professional use | Cleaning prod- ucts (9 different ones: all pur- pose cleaner, sanitary clean- ing products, etc.) | | | |
| Cleaning/ washing | Textile deter- gents | | | | | |
| Cleaning/ washing | | | | Universal cleaning agents | | |
| Cleaning/ washing | | | | Floor clean- ing agents | | |
| Cleaning/ washing | | | | Special cleaning agents | | |
| Cleaning/ washing | | | | Floor clean- ing machines | | |
| Cleaning/ washing | | | | Laundry service | | |
| Cleaning/ washing | | Laundry ser- vices | Laundry ser- vices | | | |
| X-ray | | X-ray film | X-ray film | | | |
| X-ray | | X-ray chemicals | X-ray chemicals | | | |
| Hospital materials | | 14 miscellane- ous criteria documents | Instruments and equipments used in health care | | | |
| Textiles | | Shoes | | | Shoes | Flower |
| Textiles | Textiles | Textiles | Textiles | | | |
| Textiles | | | | Work over- alls | | |
| Textiles | | | | Light work clothes | | |
| Textiles | | | | Heavy work clothes | | |
| Textiles | | | | Working gloves | | |
| Textiles | | | | Clothing with protective character- istics | | |
| Textiles | | | | Curtains | | |

| Product area | Norway | Sweden | Finland | Denmark | Label criterion | Type |
|--------------------|-----------------------------------|--------------------------|---------|-------------------------|-----------------------------|--------|
| Textiles | | | | | Textiles, skins and leather | Swan |
| Textiles | | | | | Textile products | Flower |
| Telephone service | | Mobile tele-phones | | | | |
| Telephone services | | Telephones | | | | |
| Transportation | Transportation services for goods | Transportation services | | Transportation services | | |
| Transportation | | | | Goods transportation | | |
| Transportation | | Public transportation | | | | |
| Transportation | | Passenger transportation | | | | |
| Tropical timber | | | | Tropical timber | | |
| Printed matter | | | | Offset printing | | |
| Printer matter | | | | Copying services | | |

Appendix 3

Background documents

Below follows an overview over the background documents that were compiled with the intention of developing one or more of the sets of criteria listed in appendix 2.

| Product area | Norway | Sweden | Finland | Denmark |
|----------------------|-------------------|--------|--|---|
| Textiles | Own Internet site | Yes | Textiles | Work overalls |
| | | | | Light work clothes |
| | | | | Heavy work clothes |
| | | | | Working gloves |
| | | | | Clothing with protective features |
| | | | | Curtains |
| Batteries | | Yes | Batteries | |
| Lighting | | Yes | Light sources (general, indoor, outdoor, exit) | Lighting |
| Buildings | | Partly | Insulating materials | |
| | | | Impregnated wood | |
| | | | Floor coverings | |
| | | | Glues | |
| | | | Paints and varnishes | |
| | | | Boards (chipboards, etc.) | |
| | | | Wallpapers | |
| | | | Windows | |
| | | | Timber | |
| Remote heating pipes | | | | Remote heating pipes |
| Fuel | | Yes | | |
| Road markings | | | | Road markings |
| Cables and wiring | | | | Cables and wiring |
| Disabled aids | | No | | Common background documentation for electric wheelchairs and mobile lifts, manual wheelchairs and prams, beds and mattresses and toilet extensions. |
| Canteen equipment | | No | | Cookers |
| | | | | Cooling, refrigerating and freezing boxes |
| | | | | Chest freezers |
| Office operations | | Partly | Chargers of accumulator | Writing and copying paper |

| Product area | Norway | Sweden | Finland | Denmark |
|-----------------------------|------------------|----------|--|--|
| | | | Audiovisual equipment | |
| | | | Copying machines | |
| | | | Computers | |
| | | | Laptop computers | |
| | | | Fax machines | |
| | | | Printers | |
| | | | Multifunction devices | |
| | | | | Envelopes |
| | | | | Office sundries |
| | | | | Common background documentation for copy machines, computers, printers, fax machines, other office electronics |
| Food | | Yes | Food (8 different areas: milk products, meat products, etc.) | |
| Toys | | Yes | | |
| Medical technical equipment | | Yes | Thermometers | |
| | | | Devices used in health care | |
| Furniture | Office furniture | Yes | | Tables |
| | | | | Shelves |
| | | | | Filing cabinets |
| | | | | Stuffed furniture |
| | | | | Office chairs |
| | | | | School chairs |
| Personal care | | | Sanitary products | Nappies |
| | | | | Kitchen and toilet paper |
| | | | | Bedclothes |
| | | | | Hand soap and hair shampoo |
| Cleaning | | Yes | Cleaning products (9 different areas: all purpose cleaner, sanitary cleaning products, etc.) | Cleaning services |
| | | | | Textile detergents |
| | | | | Universal and floor cleaning agents |
| | | | | Floor cleaning agents |
| | | | | Special cleaning agents |
| | | | | Floor cleaning machines |
| | | | | Laundry services |
| X-ray | | No | X-ray film | |
| | | | X-ray chemicals | |
| Nursing materials | | Yes | Instruments and equipments used in health care | |
| Transportation | Cars | Yes, all | | Cars |
| | Truck chassis | | | |
| | Bus chassis | | | |

| Product area | Norway | Sweden | Finland | Denmark |
|--------------------|--------------------------------|--------|---|-------------------------|
| | Truck bodies | | | |
| | | | | Tyres |
| | | | Car care products | |
| | Workshop services for vehicles | | | |
| | Goods transportation services | | | Transportation services |
| | | | | Goods transportation |
| Financial services | Bank services | | | |
| Telephone services | | Yes | Mobile (cell) phones | |
| Tropical timber | | | | Tropical timber |
| Printed matter | | | | Offset printing |
| | | | | Copying services |
| Laundry services | | Yes | Laundry services | |
| White goods | | Yes | Dishwashers | |
| | | | Electric cookers | |
| | | | Refrigerators and freezers | |
| | | | Electric cookers for institutional kitchens | |
| | | | Dishwashers for institutional kitchens | |
| | | | Washing machines | |
| | | | Drying drums | |
| Lifts | | | Elevators | |
| Electric motors | | | Electric motors | |
| | | | Electric drills | |
| Disposable gloves | | | Disposable gloves | |

Appendix 4

A scenario for level of ambition and costs

The presentation below was part of the report before it went to consultation in the autumn of 2004. The presentation was criticised in the consultative round, and Theme Group 9 has chosen to take it out of the report. The presentation below must be considered as a possible level of ambition and cost scenario. The text in the version was as follows:

If the above pilot project succeeds, the following must be done:

- Convert the existing criteria to the new format
- Make the criteria available in the individual countries' languages + English.
- Develop new criteria
- Maintain the existing criteria
- Market the criteria and get procurement officers to use them
- Monitor the use and procurement officers' attitudes and opinions

The latter two points should perhaps be national responsibilities.

Below is a cost estimate of the above points (excluding the two last points):

| Task | Estimated cost | Comments |
|---|--|---|
| Convert the existing criteria (approx. 120) into the new format and approve the result: 'Nordic criteria'. One must probably establish a body that has the authority for approving newly converted and completely new criteria (point 5). | 15 hours per set of criteria @ NOK 450 gives a price of NOK 810.000. | 15 hours should be considered as an average figure. One assumes that the format that is easy to get on with and that for many sets of criteria a conversion to the new format will only be an issue of form. |
| Summarise background documents in a common format and approve them | 15 hours per set of criteria @ NOK 450 gives a price of NOK 810.000. | Not all sets of criteria have separate background documents. 15 hours is therefore to be considered as an average figure. |
| Translate to all of the languages (Finnish, Danish, Swedish, Norwegian, Icelandic + English (=5 translations) | NOK 10.000 per set of criteria gives a price of NOK 1.200.000 | The actual sets of criteria are not many words. The cost is thereby dependent on how much additional material is translated. NOK 10.000 suffices for ca. 1000 words/around 2 A4 pages with text in 5 languages. There is therefore room for abbreviated background information. |
| Establish a common, user friendly criteria database | One can probably build further on an existing database: NOK 150.000 | |
| Develop and approve new criteria | NOK 200.000 per set of criteria | 4 sets of criteria per year should be realistic. One must establish a body that |

| Task | Estimated cost | Comments |
|---|--------------------------------|---|
| | | has the authority to approve new criteria. |
| Maintain the existing criteria | NOK 30.000 per set of criteria | The criteria should be revised every 3–4 years. |
| Annual administration/operation of the database | NOK 150.000 | |

It is assumed that help is hired for point 3. Elsewhere, permanent staff are used at NOK 450 per hour, a sum that covers all fixed costs for a full-time employee. Using permanent staff is cheaper than using consultants.

The advantage of using permanent staff is more than just reduced costs. Use of permanent staff reduces the replacement rate of personnel. In a collaboration project of this kind, it is important that the staff integrate and develop a common culture and confidence in each other.

The development of the cost over time will approximately be as follows (inflation is not taken into consideration):

| Task | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|-----------|-----------|-----------|-----------|-----------|
| Convert existing criteria (around 120) into the new the format | 810,000 | | | | |
| Summarise background documents in a common format | 810,000 | | | | |
| Translate to all languages + English (5 translations) | 1,200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Establish a common, user friendly criteria database | 150,000 | | | | |
| Develop and approve new criteria | 0 | 800,000 | 800,000 | 800,000 | 800,000 |
| Maintain existing criteria | 0 | 900,000 | 940,000 | 975,000 | 1,015,000 |
| Annual administration/operation of the database | 250,000* | 150,000 | 150,000 | 150,000 | 150,000 |
| TOTAL | 3,220,000 | 2,050,000 | 2,090,000 | 2,125,000 | 2,165,000 |

* The first year will probably require additional resources to establish the necessary procedures and clarify various aspects of the collaboration.

Alternative model: A variant of the setup above involves converting the criteria into a common format when the criteria are going to be revised. The overall costs will be approximately the same, but the expenses in the first year will be reduced. In addition, such a variant would give greater room for gradual adaptation.

Appendix 5

Summary of the consultation comments

SFS Ecolabelling

Positive:

Generally positive.

Proposals for improvements:

- The advantages and disadvantages of a common Nordic system should be surveyed.
- Alternative possibilities for stimulating green public procurement should be reported in more detail.
- Whether a common European system would be better than a solely Nordic one should be evaluated.
- Just wondering: to what extent is there a harmonisation of procurement requirements in Finland (Hymonet – Hansel) – if such harmonisation does not exist today – why does it not exist? (Interesting to know before starting with Nordic harmonisation).
- Good criteria for all of the Nordic countries requires a good overview and good processes. This is expensive. Will the benefit of a new Nordic system exceed the costs?
- Disadvantageous to establish a parallel system to Nordic environmental labelling – especially parallel criteria.
- We should report on why the interest for using environmental criteria is decreasing before we starts something new. Consider the Efektia report – maybe this is not due to a lack of finished criteria, but rather due to lack of personal guidance, clarity of regulations and political will?
- Proposal: A readily available database with relevant environmental requirements for various products, including motivation for environmental requirements. This could be created in a European perspective. The criteria should be based on existing environmental requirements in various environmental- and energy labelling criteria. Then a large decision-making process or administration would not be required.
- Nordic Environmental Labelling wishes to enter into dialogue.

The Finnish Ministry of the Environment

Positive.

- The pilot study report is a good basis of taking decisions to increase the volume of green procurement, and gives a good overview of the status in the Nordic countries.
- Different alternatives for common Nordic criteria work is interesting, but one must avoid double work, find cost-effective working methods and have an extensive and open consensus process

Proposal for improvements:

- A large proportion of criteria development should be based on environmental labelling.
- Development of possible new criteria should invite points of view from all countries – an open and inclusive process.
- Can support a pilot project with the objective of developing a database for the whole of the EU – that is to say to prepare the commission's database (guidelines for more information, specifications and award criteria, examples from actual procurements).

Østfold county, Norway

Proposal for improvements:

- The report should mention the local Norwegian initiative: miljoinnkjop.no
- Have little belief in a top-down common project between 4–5 countries with English as working language.
- The proposed project is expensive and bureaucratic

Finnur Sveinsson:

- Iceland does not have the resources to establish its own criteria and it welcomes a common Nordic initiative.

Nordic Ecolabelling and the Foundation Ecolabelling in Norway

Proposal for improvements:

- The report does not mention that many Norwegian procurement officers use the criteria for environmental labelling and the checklist on www.miljoinnkjop.no
- Common Nordic procurement criteria should not be developed before:
 - Surveying procurement officers' most important needs in relation to procurement and the environment

- Determining what type of tools work best – and how well do they function
- Surveying the strengths and weaknesses of existing tools
- Determining the extent to which we want to collaborate with different players
- Common Nordic procurement criteria should be based to the greatest possible extent on existing criteria for environmental labelling
- The budget figures in the report are unrealistically low

The Swedish Environmental Management Council

Positive:

The pilot study provides a good description

Proposal for improvements:

- They provide textual proposals and arguments for a simpler collaboration model

The Norwegian EPA (SFT)

Positive:

SFT is positive pm the development of common Nordic procurement criteria, if this can be achieved in a simple way within the existing Nordic forums.

Proposals for improvements:

- There are other guidance systems in the Nordic countries besides those mentioned in the report – knowledge and experience from these systems should also be included in potential common Nordic work.
- Simplified versions of the criteria for environmental labelling should be used.
- The condition for success is that the users of existing systems view the new common Nordic criteria as advantageous for them.

The Confederation of Norwegian Business and Industry

Comments:

- Environmental requirements in public procurement will have a significant influence on the market
- The submitted report shows the differences between the Nordic countries
- The report demonstrates the need for coordination
- There is a need for common criteria
- Procurement criteria will be able to promote the use of environmental requirements and contribute to increase environmental understanding

- Common criteria will be able to promote predictability and provide equal competition conditions in the Nordic market
- Common criteria provide possibilities for resource savings
- The pilot project mentioned in chapter 7.2 should be conducted
- The process for creating criteria templates must be effective and well-founded
- The templates for procurement criteria should:
 - Match the requirements in the regulations for public procurement and existing guidelines on the topic
 - The criteria should match the various sets of criteria that exist today
 - The criteria must be user-friendly for procurement officers – and also for non-professional purchasers
 - The criteria must be framed so that different suppliers interpret them in the same way
- Further work (item. 7.3) should await the results of the pilot project
- Further work must not be too formalised – recommend a decentralised model – refer to the consultation comments from Swedish Business (Comment: Swedish Business has not sent in comments to the consultations)

The Norwegian Association of Local Authorities

- We are missing information that other competence centres than GRIP have worked with this topic in Norway
- “Even though there can be subtle differences between the Nordic countries as far as the results of the connection between procurement and the environment are concerned, it is difficult to find strategies for following these up and significant results. It would seem therefore to be most expedient for each country to continue to look for methods which are useful in practice.”
- We lack a discussion of the basic principles and philosophy relating to common Nordic criteria
- “Procurement has traditionally been given low priority and procurement officers struggle with limited resources and demanding regulations. It seems unreasonable to also impose on them the responsibility for suppliers' product development and environmental profile. KS has therefore chosen to look at alternative strategies.”
- The last part of the letter describes the alternative strategy, which is based on the suppliers presenting their products' environmental profile in the general product declarations.

Report 2:
Proposal for a common Nordic
format for environmental criteria
for public procurement
– a pilot project

Content

| | |
|--|------------|
| Summary | 81 |
| Background to the project..... | 83 |
| PART 1 Common format..... | 85 |
| 1. Identifying the most important format issues | 87 |
| 1.1 Target group for prospective Nordic criteria..... | 88 |
| 1.2 What is green procurement? | 88 |
| 1.3 Aggregation level of the criteria | 90 |
| 1.4 Exclusion of the market..... | 92 |
| 1.5 Technical specifications or award criteria?..... | 93 |
| 1.6 Required documentation..... | 96 |
| 1.7 Selection criteria | 98 |
| 1.8 Contract Clauses | 98 |
| 1.9 Evaluation system..... | 99 |
| 1.10 Criteria that stimulate innovation..... | 102 |
| 1.11 Use of performance-based Criteria | 104 |
| 2. Other aspects | 105 |
| 2.1 Specific national requirements..... | 105 |
| 2.2 How extensive should the set of criteria be?..... | 105 |
| 2.3 Are there environmental challenges which can not be solved through public procurement? | 106 |
| 2.4 Conflict between the company's internal policy and the regulations?..... | 107 |
| 2.5 Product groups where Swan or Flower criteria exist | 109 |
| 2.6 Environmental product declarations | 111 |
| 2.7 Manufacturer's accountability schemes..... | 111 |
| 2.8 The order of priority of criteria..... | 112 |
| 2.9 Other aspects..... | 113 |
| 3. Suggested principles for a common format | 115 |
| PART 2 Future Nordic collaboration | 119 |
| 4. Suggestion for future Nordic collaboration | 121 |
| 4.1 Recommendations from the pre-study | 121 |
| 4.2 Nordic collaboration in several stages | 122 |
| 4.3 Nordic collaboration – recommendation..... | 124 |
| 7. Budget and financing of stages 1 to 3..... | 125 |
| Appendix 1 Political basis for green procurement..... | 127 |
| Appendix 2 Examples..... | 129 |
| Appendix 3 A common interactive website as an informal model to initiate Nordic GPP cooperation | 137 |
| Appendix 4 Summary of the pre-study | 141 |

Summary

In order to assist public procurement in facing up to environmental considerations, criteria have been developed in the Nordic countries over the last 15 years for a number of product groups both under national auspices (apart from Iceland), and under the auspices of the Nordic environmental labelling scheme. All the countries involved have experienced that this task requires considerable resources. The goal of this project is to identify a common Nordic format for environmental criteria as well as evaluating opportunities for future collaboration.

The work on a common format has embraced many aspects concerning criteria and criteria development. We have made every attempt to come up with practical solutions to cover all these aspects. The result of this work is a proposal for a common Nordic criteria format. The format is illustrated by five different product groups.

Four steps have been identified for further Nordic collaboration. These are:

1. Compiling common background information as a basis for the preparation of national criteria (criteria that are primarily based on a common format)
2. Using a common format for selected existing sets of criteria including product groups where there are environmental labelling criteria and making these available in Nordic languages as well as English.
3. Using a common format in each individual country when new national criteria are being prepared and making these available in the Nordic languages as well as English. This provides the opportunity of future sharing of criteria development between countries.
4. Compiling common background information and using it to prepare common Nordic criteria (based on a common format).

Topic group 9 recommends that in the first instance work be directed towards realising the first two steps. Step 1 can be established quite easily. Step 2 requires a dedicated project for the selection of the set of criteria, transfer to a new format, translation and establishment of a criteria database. In the first instance, it is recommended that step 2 be carried out with a total of 30 sets of criteria or depending on how many can be financed.

If experience with the first 30 sets of criteria is positive and the database is good and well-used, then increasing the number of criteria sets is recommended (expansion of step 2) and step 3 is phased in.

Topic group 9 recommend that step 4 is eventually realised in the future when positive experience with the first two steps has been gained.

The cost of the first three years is estimated at an average of DKK 280, 000 annually. It is recommended that approximately DKK. 250,000 of this is financed by NMR-IPP.

Background to the project

Environmentally-friendly public acquisitions have been on the political agenda for several years. One measure has been the preparation of green procurement criteria. All of the Nordic countries (apart from Iceland) have worked on developing these criteria in the last 10 years.

All of the countries involved have experienced that this task requires a great deal of resources. When access to resources is reduced, a new approach is required. In the context of a proposal from the Norwegian Environmental Protection Department, EK-M, at a meeting in November 2003, passed a resolution to appraise the collaboration opportunities in the form of a pre-study.

Excerpt from meeting of EK-M 27/11/2003: EK-M decided to appeal to NMRIPP to instigate a pre-study to analyse what has already been done in the area (green procurement criteria), in a Nordic perspective and if there is a need for further measures.

Topic group 9 (Green public procurement) under NMR-IPP was awarded the task of carrying out the pre-study. This was completed in the spring of 2005¹.

The pre-study includes the following important considerations:

- A common Nordic format for formulation of criteria would be useful, but a new formal Nordic organisation is not required
- The format can be applied to selected existing sets of criteria for public procurement
- The criteria can be made available to Nordic buyers in their own language
- The criteria should be updated as required – but by whom and how often are yet to be clarified
- The Swan should employ the common format wherever appropriate (e.g. in cases where the current criteria contain “illegal” elements according to the regulations)
- Future national development of criteria should occur in accordance with the common format and be made available in the Nordic languages and in English. Any division of responsibility between the countries for developing criteria must be worked out at a later stage.
- Where criteria are already in place for The Swan, these should be used as a basis for new criteria. Any eventual criteria development

¹ The report “Common Nordic procurement criteria? – a pre-study” is available at http://www.grip.no/Innkjop/offentlige_innkjop.htm, both in Norwegian and English.

under Nordic auspices apart from The Swan should occur in areas where it is possible for The Swan to prepare criteria.

- The Swan's criteria should to a large degree be made accessible for professional buyers (through a fact sheet presenting the different criteria, for example)

With regard to the level of ambition, the pre-study sketches four scenarios; "Start on a small-scale", "The Swan", "Formal organization " and "Adoption of the EU base". Topic group 9's conclusion is that a combination of "Start on a small-scale" and "Swan" is a way forward that has advantages for all the parties. This combination will provide a closer collaboration between the Swan and the professional environments established to further professional, environmentally –effective procurement. In the first instance, the work must concentrate on obtaining a common Nordic criteria format.

In the context of the pre-study, Topic group 9's recommends the establishment of a pilot project with the following goals:

1. Develop a common Nordic criteria format that also includes the weighting question.
2. Decide the ambition level for further collaboration within the framework "Start on a small-scale" and "Swan". This involves developing a cost-effective model that provides good access to the criteria in Norwegian, as well as an analysis of the need for updates
3. Provide an economically-founded decision-making basis for common procurement guidelines or not.

In this context, NMR-IPP adopted the following at its meeting of June 22, 2005: The NMRIPP-group decided to grant the "Pilot project for the development of the common Nordic format for environmental criteria for public procurement" DKK 285, 000 on the condition that the identification of future financial opportunities forms part of the project.

The group consists of the following members:

- Bente Næss, Environmental Protection department, (Miljøvern Departementet) Norway
- Isa Maria Bergmann, Swedish Environmental Protection Agency, Sweden (Naturvårdsverket)
- Ari Nissinen, Environmental department, (Miljø Centralen) Finland
- Søren Mørch Andersen, Environmental Management, (Miljøstyrelse) Denmark
- Øystein Sætrang, GRIP, Norway was project administrator.

Appendix 1 provides a short account of the political basis.

PART 1

Common format

1. Identifying the most important format issues

The Pre- Study report “Common Nordic Procurement Criteria?”² raised the following central questions with regards to common format:

1. The level for criteria. Will there, for example, be one set of criteria for all textiles, or will there be more specific criteria for specific textile products?
2. What fraction of the market should be excluded?
3. Should technical specifications be primarily fixed within limits, or should award criteria be primarily determined, or should a combination be used?
4. What requirements for documentation should be applied to the various criteria?
5. Should a proposal for qualification criteria and contractual clauses be made?
6. What system for evaluating award criteria should be recommended? Should the focus be on LCC or just simple point systems?
7. What weighting should be given to working out criteria that stimulate innovation? One of the things the EU is concerned with is using public procurements to promote environmental technology.
8. To what degree should performance-based criteria be used?

An assessment of the importance of these questions must be made on the basis of the objective of the common Nordic criteria format. The pre-study report concludes as follows:

1. Public buyers in the Nordic countries should have “good” criteria to work with. “Good” criteria imply that the criteria are adapted to the requirements of the procurement directives, that they are user-friendly – for non-professional buyers as well as professional ones – and that they are formulated so that different suppliers interpret them equally.
2. It should be possible to uphold environmental considerations on a large scale in public procurement.
3. It should be possible to extend the number of criteria sets while taking up fewer resources.

² The summary of the pre-study is reproduced in appendix 2

4. Create a good, large database of criteria as an important contribution to a common European platform for green procurement.

A discussion of the format issues in the order presented above follows. Firstly, it is important to clarify for whom the criteria are prepared.

1.1 Target group for prospective Nordic criteria

The target group for prospective Nordic criteria are public buyers with responsibility for procurement where tender documents are prepared, the tendering competition takes place and the bids are evaluated. These criteria can also be adopted by professional private buyers. However, private buyers are less restricted with regard to employing environmental management systems and environmental labels, for example.

This means that the Nordic criteria will not apply to procurement where the tendering process is not carried out, i.e. purchase orders and purchases that occur outside agreements. This usually involves purchases of less value and less volume.

1.2 What is green procurement?

In connection with the EU study in 2005 concerning the status of green public procurement in the EU, an effort was made to define green public procurement. This work was rather rushed and it was not the intention to produce an official definition, but a working definition for use in the study. Therefore there is currently no official definition on EU level.

The Norwegian procurement panel has worked on definitions. The panel was concerned that the definition should be solution-oriented, incorporate the whole value chain, be action-oriented and be simple enough for a buyer to say “Yes, I have done this”. The result was as follows:

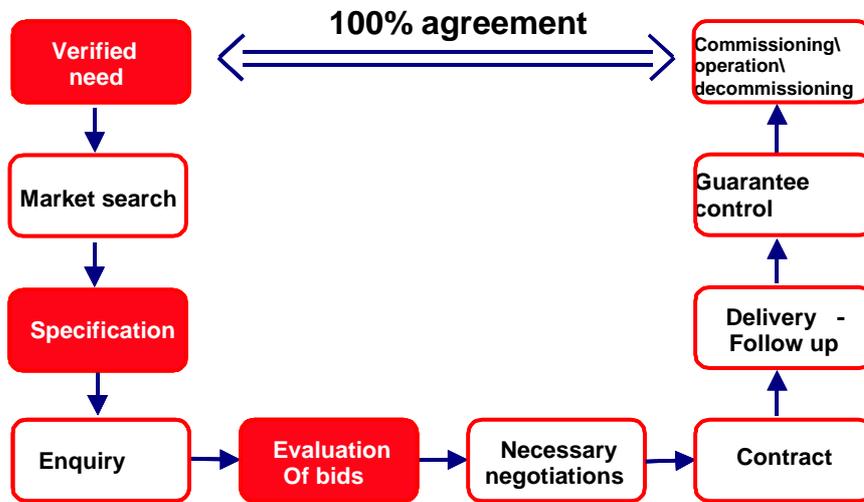
“Environmentally-aware public procurement is carried out when environmental considerations are integrated into the acquisition process, with the result that solutions with low negative impact on the environment are identified and selected.”

Explanations:

1. *Public*: Organisations that make acquisitions for public funds and are encompassed by the EU’s procurement directives.
2. *Environmental considerations*: This term should also be understood to include environmental requirements. Examples are:
 - Economising on use of resources, including energy and water
 - Optimal use of recycled materials and design for dismantling and recycling wherever relevant

- Restricted content of toxic chemicals and waste which as far as possible is not classified as dangerous waste.
 - Low environmental impact during the production phase and low emission levels during use
 - Such criteria are addressed by in the official environmental labelling criteria (The Swan and The Flower), and are focussed on in environmental management systems (EMAS, ISO 14001, etc.).
3. *The acquisition process:* The acquisition process consists of a total of 10 stages (verified need, market search, specification, inquiry, evaluation of bids, negotiations if any, contract, follow-up of delivery, guarantee control, commissioning/operation/decommissioning). The process is illustrated in Figure 1. In order to achieve green public procurement the most important phases are: Verified need, specifications and evaluation of bids.
 4. *Identification:* In verifying the need, it is important not to get weighed down by concrete goods or services, but to focus instead on which services are required. The result of need verification shall be expressed in tender documents in the form of concrete requirements and criteria.
 5. *Select:* The evaluation phase actually starts where technical specifications and award criteria end. This phase turns good intentions into practical action.
 6. *Solutions:* The focus is not on specific goods or services, but on which services are needed.
 7. *Low Impact:* “Low” is a subjective term, but is ambitious, pragmatic and probably operational. When one chooses solutions with low environmental impact one will examine their contribution to the development of environmental technology and the spread of green goods and services.

Environmentally aware acquisitions shall not exclude certain function areas, but attempt to find the products that best fulfil their function while having relatively good environmental properties.



Source: Interpro AS

Figure 1: Phases in the acquisition process. The red boxes are particularly important in achieving environmentally aware acquisitions. The best buy is where there is 100% agreement between verified need and commissioning/ operation/ decommissioning.

1.3 Aggregation level of the criteria

The level of the criteria – should one set of criteria be used for all textiles or should criteria for more specific textile products be created?

Examination of the Nordic countries' set of criteria show that different aggregation levels for criteria have been chosen. Denmark has chosen a relatively finely meshed approach, e.g. within textiles and furniture.

At what level are the tender documents? – some specific examples from 2005:

- 3 local authorities are going to buy heating oil no. 1 including transport and filling up
- The department are going to buy 150 computers
- A health service provider is going to buy medical consumables – literally thousands of products
- Local authority is going to buy toys and play apparati for schools and nursery schools – also a large number of different products
- Directorate is going to buy paper and printing services for printed material to be distributed generally to all of the population
- A health service provider is going to buy car administration services for several hospitals
- The University is going to buy five cars of different sizes

The examples above show that there are large differences in the tender documents – some focus on an individual product, some link individual

products to services and some encompass thousands of products at the same time. These pose different technical challenges for procurement. These are challenges that must be reflected in the green criteria.

If the criteria are set at an aggregation level that is too high, there is a risk that buyers interpret them as being too general and therefore not relevant to the acquisition in question.

In general, the aggregation level of the criteria should be set at the level at which it is natural for buyers to prepare the tender documents. Public buyers use CPV-codes³ to a large extent. These may therefore be a good starting point for finding the right level of aggregation for environmental criteria.

In general, it is also recommended that the same level of aggregation is chosen as that which the environmental labels have considered appropriate. This will lead to good consistency of the environmental labelling criteria. However, the most important thing is to adapt to the needs of the users (i.e. the level of the tender documents), rather than the level of the environmental labelling criteria. This will probably not pose a major problem.

If there are a large number goods in a product group it is beneficial to have overriding criteria – and possibly focus on particularly environmentally damaging products, focus on materials or the largest quantities.

If criteria are largely convergent within a “product group”, it would be wasteful use of resources to develop sets of criteria for the individual products in the product group.

Example:

The product group “furniture” would normally involve the same tender documents. Probably, one set of criteria for furniture would be sufficient, whether it is bookshelves, tables, chairs or similar. If different materials are used, this can be solved by formulations such as “Metal parts shall not contain substance x”.

Conclusion:

The aggregation level for a set of criteria should be at the same level as the tender documents for the relevant service or product group. CPV codes could be helpful in finding the correct aggregation level.

³ Common Procurement Vocabulary, CPV, lists over 8000 common product codes that are used for identifying products and services within public procurement.

1.4 Exclusion of the market

What portion of the market should be excluded?

This is a question of the intended level of ambition, but it is also a crucial question as regards the impact of the criteria with respect to the buyers. Generally speaking, buyers are sceptical towards anything that restricts the market.

The environmental labelling system aims towards about 30 % of the market being able to meet the requirements, but The Swan would normally label product groups with a large number of suppliers. There would normally be enough remaining suppliers.

There are also great regional differences – there are more potential suppliers in Copenhagen than in the Arctic areas of Scandinavia. For criteria that are set on a Nordic level where 30% of the Nordic market can meet the requirements, there is no guarantee that the local market can meet the requirements. Furthermore, economic trends will to some degree determine how many suppliers are interested in supplying a service or product at any given time. A market assessment at Nordic level is not a straightforward task.

However, the important issue is not a percentage rate, but that enough providers remain who *want to supply a service or product*, i.e. at least three providers. This requires that the individual buyer does a good job with the market search/processing of suppliers at an early stage of the acquisition process.

The problem of exclusion is only relevant when technical specifications within certain limits are employed. Use of award criteria either within threshold values or of the form shown in the car example in 3.5 solve this problem.

Conclusion:

Considering the need to ensure adequate competition regardless of geographical circumstances or economic trends, one should be cautious in using technical specifications that restrict the market. However, there will be great differences between product groups depending on the number of suppliers in the market. This makes it difficult to draw up general guidelines, other than that competition must be maintained in each case. By using award criteria this problem is solved, since award criteria are not excluding.

1.5 Technical specifications or award criteria?

Should we attempt to fix technical specifications within threshold values or should we draw up award criteria, or should a mixture of the two be used?

Technical specifications⁴ are minimum requirements that the product/service has to meet before the procurement party can/must consider the bid. By incorporating environmental requirements as threshold values for the technical specifications, the environmental quality of the delivered product or service is ensured. Furthermore, this requires less skills and resources from the procurement party, because the buyer does not need to consider weighting of criteria.

If the environmental criteria are designed as award criteria, it is left to the procurement party to decide how much the different environmental criteria should be weighted. This leads to greater uncertainty with respect to what environmental benefits are achieved. Assessment of such criteria also requires more professional qualifications in environmental matters and assessment methodology skills.

Technical specifications with threshold values may have a conservative effect on technology, because technical specifications with threshold values would not to the same degree incite suppliers to innovation or to offer their most innovative products. Encouraging such innovative products is beneficial, and these products may also lead to reduced costs for the buyers.

Example – purchase of small car for use by the local authority’s home care service:

- Technical specification: Fuel efficiency for mixed driving must be minimum 17 km per litre.
- Award criterion: State fuel consumption for mixed driving: _____ km/l

The technical specification allows x % of the market to meet the requirement – and thus gives the rest of the market an incentive to provide similar cars. The award criterion does not allow complacency – only the best will make it in the competition.

Preparing tender documents can often involve a great deal of work, and the buyer will be reluctant to include requirements that would put restrictions on the market. Threshold values of technical specifications will primarily ensure that the worst products are avoided. Alternatively, a good market analysis must be carried out to make sure there is a sufficiently large market even if the threshold values are made stricter. That

⁴ Technical specifications and requirement specifications carry the exact same meaning in this document.

can be done in actual procurement situations, but is more difficult to achieve for Nordic criteria in general, cf. the conclusion of 1.3.

The choice between technical specification and award criteria therefore depends on the market situation and the maturity of the market. This must be assessed for each product group separately – and over time. Since the buyer is reluctant to restrict the market, it is perfectly possible to advise that technical specifications can also be used as award criteria. That kind of advice may be important to ensure that the criteria are applied.

The technical specification is easy to evaluate – it requires a “yes” or “no” response. Award criteria demand a more balanced assessment methodology, either in the form of a point system or that the answer is entered into a calculation of net present value (see section 1.7).

EKU criteria for personal cars today combine both of these methods of setting requirements – the technical specifications produce maximum fuel consumption and the award criteria give points based on *how much less* consumption is in relation to the threshold values. This variation ensures a minimum level while the best get an additional score.

The threshold value will require more from those who prepare the criteria documents. Use of the threshold values mean that the criteria document must be regularly updated taking technical development into account. Since the threshold values in the technical specifications must not limit the competition to any great extent (this is to ensure a good enough competition), threshold values require in-depth knowledge both of technical developments and the market.

On their own, buyers will rarely have the necessary competence to set threshold values. Summary of the advantages and disadvantages:

Advantages of using threshold values in technical specifications:

- A minimum level is secured
- Easier for buyers – requires less competence and resources
- Supplier knows whether the requirement is fulfilled or not

Advantages of award criteria:

- Does not limit the market
- Gives the procurement unit the best solutions /lowest total costs
- Award criteria that are not stated as threshold values will encourage innovation to a larger degree.
- Makes the criteria less prone to ageing and reduces the amount of work required for updating than when the award criteria are formulated as threshold values⁵

⁵ Note: If award criteria are given as threshold values, there will be the same need for updating. EKU has many award criteria that are threshold values.

Disadvantages of threshold values of technical specifications:

- Restricts the market
- Does not encourage technological development/innovation to the same degree
- Can usually not be determined by the buyer in isolation
- Demands good knowledge of the market by those who set the criteria to avoid excluding a large part of the market, and requires more resources for updating of the criteria.

Disadvantages of award criteria:

- Requires more competence and resources from the buyer at the evaluation stage
- Entails more discretion in the processing
- Deciding on the weighting can be a challenge

The EU directives that apply from 2006 presume that the award criteria should be weighted and publicised in advance, but not that the use of award criteria in general is to increase. This means that an improvement of evaluation methodology skills is required. Communications from individual buyers as of January 2006 indicate that this is happening

Green procurements depend on educated buyers who know their trade. It follows that those working with green procurements contribute to helping the buyers master the various methods and techniques. The evaluation stage is a critical stage which should be given more focus in the future.

Conclusion:

Provided the buyer has enough knowledge and is skilled in methods of evaluation, award criteria are preferable. Otherwise technical specifications within a range of threshold values are preferable. It must be made clear that the recommended technical specifications within threshold values, meet the objective of not restricting the market too much, but they must ensure that the worst products are excluded. Those buyers that are more skilled and ambitious can take advantage of award criteria that reward the best products. Because the EU directives presume better weighting of award criteria, it would be a natural consequence that the same applies to future Nordic environmental criteria. In the Nordic countries one should contribute to spreading good evaluation methodology.

1.6 Required documentation

What required documentation is appropriate for the various criteria?

Submitted documentation should be in a format that is practicable for the buyer – enormous test reports are not the type of documentation required. To maintain the principle of objectivity, transparency and equal treatment laid down in the procurement rules, the documentation that suppliers are required to submit should be standardised and verified by an unbiased third party. The alternatives for documentation are:

Documentation of the suppliers' technical capacity environmentally:

- Environmental certification in accordance with ISO 14001, EMAS, other relevant environmental management system with third party verification.
- Other documentation submitted by the supplier as evidence of the technical capacity⁶
- Participation in recycling schemes, e.g. membership cards.

Documentation of the product's or service's technical specifications/-award criteria:

- Environmental label (type I Environmental declaration cf. ISO 14024)
- Certified Environmental Product Declaration⁷ (type III Environmental declaration cf. ISO 14025)
- Statement from third party's accredited laboratory
- Statement from internal, preferably accredited, laboratory
- Environmental declarations (type II Environmental declaration cf. ISO 14021) – self assessment
- Certificates Internal to the business, provided these are signed by an accountable person, valid for the relevant procurement and traceable to the actual products.
- Various forms of self-assessment

It is desirable to prioritise between different types of documentation. This issue has been raised with the Danish Competition Authority and the response was definite – all documentation that is acceptable shall be given equal treatment.⁸

One solution is that the common Nordic Criteria give guidelines on what documentation can be requested, and describe the advantages and

⁶ "Buying Green!" states on page 31: "They (the contracting authorities) should also accept all other means of evidence provided by the company that can prove this technical capacity."

⁷ *Miljøvaredeklarasjon* is equivalent to EPD (Environmental Product Declaration)

⁸ Marianne K. Larsen of the Danish Competition Authority. Larsen gives the reason that the directives declare "...that other form of appropriate documentation should be accepted as well, such as technical documentation from the producer or a test report from a recognised agency/medium."

disadvantages of these, e.g. that if the required documentation has to be in accordance with an ISO standard certified by a third party this will contribute to increased cost and reduce the number of bids from SME (small to medium enterprises).

In general, self-assessment should be avoided as far as possible – past experience has shown that these are not always trustworthy.

There are, however, differences between self-assessments:

- There are examples of self-assessment forms designed by the industry itself (e.g. within ICT). If such systems are transparent and linked to internal industry regulation, there is reason to believe that the self-assessment is of reasonably good quality.
- EU mandatory energy labelling systems count as a self-assessment, but random checks are carried out for this.
- A statement from a company's laboratory, preferably an accredited one, would be more trustworthy than a mere self-assessment, because the documentation can be tested.

Accounts information, control carried out by the authorities or other more or less official schemes, are to a lesser degree thought to be relevant documentation for environmental requirements. Although for certain product groups there may be systems in place that satisfy the documentation requirements. As far as these schemes only operate on a national level they are of limited use.

If the procurement communities are going to be independent with respect to documentation, only third party verified schemes will suffice. But third party verification is expensive and to only request these would certainly pose a competitive disadvantage to small to medium enterprises.

The Swedish Environmental Management Council is currently participating in a study which includes documentation of procurements. The report will contain advice for buyers and is planned for publication during spring 2006.

Conclusion:

Certificates/declaration from third-party verified schemes are preferable. Next, transparent schemes can be used, including statements from companies' laboratories. Mere self-assessments that are not linked to trustworthy documentation/transparency should be avoided. The market situation has also to be evaluated in this area. Furthermore, necessity and proportionality have to be considered. The Swedish report in progress may contribute to clarifying this topic further. In any case the documentation requirements must be in accordance with the directives.

1.7 Selection criteria

Should selection criteria be suggested?

The objective of selection criteria is to ensure that the supplier is able to deliver the product/service. The criteria are based on the purpose of the procurement.

Selection criteria with environmental focus will not be divided as much between the product groups as between contracts for products or services. Good selection criteria for both these groups should be sought. Such selection criteria can also be used for product groups where technical environmental criteria have not been created.

In the case of services, using selection criteria would be particularly pertinent for services that implicate activities or products that have negative environmental impact. Of items on the list in article 1.3 this would include delivery of heating oil and car administration. However, we are steadily moving towards a more service-oriented society. The environmental impact of a consultancy firm or financial institution is not negligible.

Conclusion

Good selection criteria for both products and services should be sought. Particularly in the case of services that entail potentially negative environmental impact, there should be focus on selection criteria.

1.8 Contract Clauses

Should proposals for contract clauses be made?

Contract clauses will be closely associated with the type of product or service that is supplied. When procurement criteria are prepared, contract clauses should also be prepared in those cases where they can address important environmental issues.

Contract clauses are a particular alternative to selection criteria. One example of this is manufacturers' accountability schemes.

If one is unsure of the market and award criteria it may be a good option to incorporate the criteria in the contract as a condition to be fulfilled during the contract period.

Example:

Cleaning service will be procured and few providers carry the Swan label. It would then be an option to include as a contract clause that the supplier must meet the requirements for the Swan label and verify this during the contract period.

One criticism that can be made of contract clauses is that it works well in theory, but can be difficult to carry out in practice, since they require extra efforts to follow up. This should be advised.

Conclusion

Contract clauses should be prepared when this is appropriate and useful. Fulfilment of a manufacturers' accountability scheme is an example of a relevant contract clause.

1.9 Evaluation system

What type of evaluation system for the award criteria should be recommended? Should the focus be on Life Cycle Cost (LCC) or just simple point systems?

Norwegian procurement law emphasises life cycle costs. This is also the trend internationally. The best way to manage costs in a life cycle perspective in business economy management is to use net present value.

The method of net present value is purely a method used in corporate finance. The business' *future* income and costs linked to an investment or purchase are discounted to the current value (net present value). Because several environmental parameters such as energy consumption, life cycle, use of intermediate goods and disposal can be expressed in terms of money, the method of using net present value is very relevant in an environmental perspective.

The problem is a lack of skills in using the method of net present value. The solution is better training. Complete spreadsheets are available both from GRIP and others, and as long as one does not have to enter the formulae, it is not very difficult to learn the method.

More people being capable of using the method of net present value would probably be of great benefit, especially as regards construction and project contracts. The focus would be automatically shifted from acquisition costs to all the significant costs incurred during the life cycle⁹.

For typical disposable products the net present value method will not be applicable, as long as the consumption is the same whatever the product. However, also within disposable products there are differences in quality that affect consumption. In some cases the alternative to a disposable product is a reusable product. In those cases the net present value method is a good tool.

⁹ Within the construction industry the following report is published: "Building, Living and Property Management for the Future. System selection and procurement with a life cycle perspective", SNV 5277. This gives suggestions for an LCC method for construction projects.

The technological life cycle will often be shorter than the technical life cycle. Even if this largely applies to various kinds of consumer goods, it will to some degree apply to public procurement as well.

As far as possible, “timeless” design should be in focus. But it is probably not possible to draw up specific criteria for this.

For products that are expected to be disposed of through sale after a few years, both technical and technological products, both technical and technological life cycle affect the realisation value. The realisation value is included in the net present value.

For parameters that are not easily expressed in monetary terms, it is recommended that a point system is used. This may be linked to chemical contents, emission parameters, portion of recycled materials, raw materials, suitability for upgrading, etc. Setting the correct value in points is a challenge. In the foreseeable future it is probably not possible to make further progress beyond emphasising these parameters in the assessment, but this is in itself a great leap forward.

The result is that three groups of summarised answers remain:

1. Whether all the SKAL criteria are met (technical specification),
2. Financially measurable parameters expressed as net present value and
3. Wanted properties that are not easily expressed in monetary terms are expressed as a point value.

The net present value must finally be weighted against the point value, and a ranking between the different bids is obtained. This is just mathematics and methods for this purpose exist.

| | | |
|-----------------|-----|--|
| Oppgi vekt NNV: | 0,7 | |
| Vekt poeng: | 0,3 | |

| | Alle SKAL-krav oppfylt (JA/NEI) | Nåverdi (neg. tall) | Poeng | Høyeste tall er best | | | Tilbuds-rangering |
|-----------|---------------------------------|---------------------|-------|----------------------|--------------|---------------|-------------------|
| | | | | Nåverdi-indeks | Poeng-indeks | Vektet indeks | |
| Tilbud A: | JA | -50 | 60 | 80 | 40 | 68 | 2 |
| Tilbud B: | JA | -80 | 50 | 50 | 33 | 45 | 4 |
| Tilbud C: | JA | -40 | 100 | 100 | 67 | 90 | 1 |
| Tilbud D: | JA | -90 | 150 | 44 | 100 | 61 | 3 |

| | | |
|----------------------|-----|-----|
| Beste nåverdi/poeng: | -40 | 150 |
|----------------------|-----|-----|

Beste nåverdi/poeng settes lik indeks 100 (benyttes ved indeksering av nåverdi/poeng).

Figure 3. The table shows an example of a multiattribute model. 4 bids have been received. All of them meet the SKAL criteria (technical specifications), but the different solutions achieve different net present values and different point scores (award criteria). The buyer has to decide on the weighting between net present value (NNV) and point scores. When this is done, the rest is mathematics and the model selects Bid C as the best. The example is presented in the GRIP procurement guide which is available at www.grip.no/innkjop.

A systematic error that is particularly prevalent in the Civil Service is the division between investment budget and operational budget. This becomes even more difficult when the operational budget is in a completely

different organisation, such as in the health service budget. A focus on LCC would at least contribute to making the problem more visible within the company. Britain places a lot of emphasis on this problem in their work on green public procurement.

Note: In principle there is no difference in the evaluation method for green criteria and other criteria – the methods employed are the same. Experience has shown that the ability to evaluate answers is inadequate. Improving skills in this area should be prioritised higher.

Evaluation methodology is not an integrated part of the format of the criteria; it is more like an additional extra. How the different award criteria should be weighted within one set of criteria should be indicated, but the actual weighting must be left to the buyer. Within the concept of potential future common Nordic criteria it must be considered how good evaluation methodology can be communicated, and buyers with a certain level of ambition should be challenged to use good evaluation models.

Conclusion

How the different award criteria should be weighted within one set of criteria should be indicated. In general, there is a need for both a point system and net present value estimation – and a method for weighting of these. Good multiattribute models are needed (they already exist, are generic and may be used to evaluate all types of criteria). The challenge is that there is not enough expertise among buyers as regards using the available methods. The solution to this is training. Such training should primarily take place in educational institutions and courses, but those involved in working with green procurement should also contribute.

1.10 Criteria that stimulate innovation

What emphasis should be placed upon the preparation of criteria that stimulate innovation? The EU is concerned with the use of public procurement to promote environmental technology.

The Procurement area is relatively new. However, one approach is to distinguish between five methods of specification:

1. *Detail specification* – the product is specified in the smallest detail. For example, to construct the actual car...
2. *Supplier specification* – the product is known. It is to be a delivery van and it should be produced by Mercedes-Benz, for example.
3. *Standard specification* – the product is specified by existing market standards, e.g. DOS-compatible, VHS, ISO standard. This often works, but one might miss out on potential new developments. One is also solely responsible for choice of standard. Choosing a redundant standard can become very expensive.

4. *Function specification* – the function is known, e.g. a delivery van, everything else is open.
5. *Performance-based specification* – the requirement is specified, transport from A to B is required – whether it should happen by car, pipes or wheelbarrow is not established – we are awaiting the market solution – the lowest price and the best environmental profile.

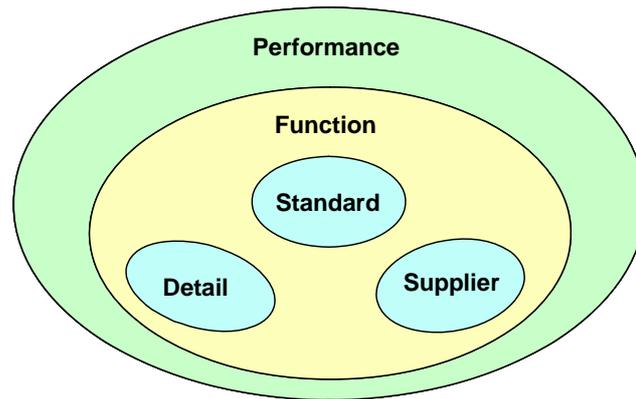


Figure 4: The various specification methods. Source: © INTERPRO a.s.

Generally, the offer of innovative solutions from suppliers depends on the purchase being subject to performance-based specification. Otherwise, the *inquiry* may indicate that the buyer accepts the submission of an alternative bid from the supplier (directive 2004/18/EC, art. 24). Use of this alternative could involve that the supplier invents completely new concepts/technology.

A performance-based specification describes the employer's requirements, but provides few indications on how these requirements should be met. The employer could also request a solution that is environmentally sound in the requirement description. Since innovative solutions tend to focus on cost-saving (and therefore energy and other resources), such solutions tend to also be good for the environment. Performance-based specification is most appropriate when there are many ways to meet the requirements, or when one has very little knowledge about the purchase.

For example – physical communication between mainland and island:

- In Canada there was a need for physical communication (transport of goods and people) between the mainland and island, but the tender documents did not specify how this communication should be achieved. Suppliers could therefore offer transport by ferry, bridge, tunnel or other ways of transporting goods and people.

Such a performance-based specification with focus only on subjective requirements is outside the concept of Nordic criteria for *various product groups*.

Within the concept of criteria for various product groups, the innovative aspect is mainly found in award criteria that reward the most or the least providers/products, or an obtained threshold value, concerning fuel consumption, chemical contents, life cycle, suitability for recycling, etc. It is preferable to design the criteria to be technically neutral, so as not to risk conserving technologies or favouring certain technologies. Within the environmental arena there are many opportunities for technological neutrality.

For example – product properties:

- Delivery of new premises: “Bids are sought for premises with a constant room temperature of 18°C all year round.”

Threshold values in technical specifications, where only one part of the market meets the requirements (such as the Swan criteria) would also provide an incentive for innovation, though not to the same extent as well-formulated award criteria.

There is clearly a parallel to performance-based specification except for the performance does not apply to the whole solution, only selected properties of it. One could also focus on important contributions of the present solution, and try to improve these.

Conclusion

With regard to the above discussion about technical specifications vs. award criteria, it is desirable to have award criteria which promote innovation as long as the buyer has the necessary evaluation method skills.

1.11 Use of performance-based Criteria

To what extent should one try to use performance based criteria?

This point is considered to be covered by the discussion in items 1.5 and 1.9.

2. Other aspects

This chapter deals with aspects which need to be assessed in connection with a common Nordic format for environmental criteria, which were not directly addressed in the pre-study.

2.1 Specific national requirements

Occasionally, one or more countries require that one particular area is prioritised. Denmark focuses especially on energy and has developed guidelines for this, for example. It is uncertain whether this would pose a problem for the preparation of common Nordic criteria. The importance of focusing on energy is hardly controversial. To the extent that this will be a challenge, it should be dealt with on a case-by-case basis.

2.2 How extensive should the set of criteria be?

How extensive should the set of criteria be? Generally, one should seek to decide on a few, central criteria that are practicable. But should sets of criteria be prepared on more than one level as buyers have different levels of ambition and pre-requisites? There are advantages and disadvantages to both approaches:

Advantages to using one level:

- Easier to maintain
- Easier to set up (less potential for confusion)
- Does not suggest that some things can be omitted
- Can provide general advice on leaving out unwanted elements

Disadvantages to using one level:

- Possibly does not reach as many procurers (depending on how advanced the set of criteria appears to be)

Advantages to using more than one level:

- Would potentially reach more procurers

Disadvantages to using more than one levels:

- More difficult to maintain
- More complicated to set up
- Suggests that some things can be omitted

Also refer to item 1.5 which also discusses this approach.

Conclusion

One should decide on a few, essential criteria that are practicable. Keeping the number of criteria small reduces the need for a set of criteria on several levels. However, a set of criteria on two levels can still be a sensible solution. This is largely a question of what is practicable and a market and resource-related issue.

2.3 Are there environmental challenges which can not be solved through public procurement?

Are there environmental challenges which can not be solved through public procurement? Generally, green public procurement addresses those buyers who wish to avoid the worst products and it addresses the innovators, i.e. those buyers who are prepared to take the development further and make use of the newest solutions and technologies.

The limitations lie in the buyer's ability to identify, use and evaluate the requirements.

One area which stands out is the chemical content of products. While many environmental topics are part of people's common knowledge and day-to-day experience, chemistry is an unknown quantity for most people. Government regulations are probably the best measure. The procurer's task could be confined to requesting documentation to prove that government regulations are met, and requesting chemical-free solutions (for example mopping systems and non-toxic alternatives to pressure treatment of wood).

In this context, it is important to emphasise an inter-disciplinary approach. In many cases the buyer will need assistance both with selecting requirements and criteria, and with weighting the criteria. Even if simple environmental requirements are desirable, the need for an inter-disciplinary approach will often apply.

The RPS-model can be used to assess to what extent a product area lends itself to common Nordic environmental criteria.

Relevance (R) is assessed on the basis of environmental problems linked to the product group and the magnitude and type of these problems. Is there an environmental problem, and how big is it?

Potential (P) is assessed on the basis of the potential for environmental benefits that exist within the present product group. For example, the

difference between existing products and expected innovations. In other words: Can something be done about the environmental problems?

Steering potential (S) is an assessment of the extent to which Nordic environmental criteria can address or contribute to solving the problem.

Conclusion

Green procurement has limitations and can not solve all environmental challenges. When preparing criteria, one must not challenge the buyer's knowledge too much, but make up criteria that are easy to comprehend and can be used and assessed without specialist knowledge. The RPS-model can be an aid in identifying relevant product areas where common Nordic criteria can be applied.

2.4 Conflict between the company's internal policy and the regulations?

The purpose of each acquisition will influence the requirements made. The purpose is influenced by the company's overall policy document. In the case of public enterprises, the purpose is determined by national policy in the form of laws that may state that environmental considerations should be inherent in the procurement process. For a private company, the aim of such a policy statement would be to reduce the risk of bad will or to create a profile. For national politics, the aim is to ensure the desired societal development.

The point is that public enterprises, whether due to national legislation or their own policy resolutions, have an explicit need for goods and services with a green profile.

This addresses the link between the profile of a product and the public profile of a company. The thesis is "You *are* what you buy".

In a green context, the profile of a product is a function of its manufacturing method, what goes into it and the product's qualities in terms of use and disposal. There is also an association between manufacturing method and the product's "image". But when does the manufacturing method become a relevant property of the product that should be considered in public procurement? A few years ago it was a given that public procurement should only focus on the product and its qualities in relation to the job the product was intended to do. A great change has occurred in the last few years. Some examples are organic production (referred to in "Buying Green!"), renewable electricity (EU decision) and (tropical) timber produced in a sustainable manner. These examples illustrate the fact that aspects of the manufacturing process are considered to be properties of the finished product.

There is both a precedent and an opportunity for making requirements for both "visible and invisible properties" of a product, cf. the EU Com-

mission's interpretation document of July 4, 2001. It is assumed that the overall procurement principles are not violated (non-discriminatory, unbiased, predictable, etc)

But this is an area which is not fully developed. Three examples:

- Many companies advertise themselves through printed matter. In this case, printed matter produced in an environmentally-friendly manner could underpin their profile – but only if the printed matter carries an official environmental label. The environmental label becomes a necessary part of the product.
- Another example is the social working conditions in the manufacturing of a product. Child labour or other socially-unacceptable working conditions can easily reflect badly on the purchasing unit. It can therefore be argued that good working conditions during manufacturing are a quality of the product.
- Generally, it may be desirable that the product is manufactured in a regime where environmental considerations are made. A documentation requirement might be that an environmental management system is in place.

Ultimately, this is about respect for democracy and a belief in the public service's ability to solve environmental and societal challenges. Public services undermining socially-beneficial activities, which politicians and other parts of the public service seek to promote, are not perceived in a positive light. A public profile is important even to state monopoly companies. Reputation is a responsibility of leadership in all types of business.

In public procurement the environmental and social aspects are relevant qualities of both goods and services throughout the product's life cycle. To be able to address these aspects, requirements must be expressed in a proportional, unbiased and non-discriminatory way. This line of argument does not allow for goods and services being treated in different ways.

This interpretation would mean that there are no obstacles to demanding the proper environmental manufacture of a product – even if manufacture takes place in China – and to requesting that this is certified by a third-party-verified environmental management system. As of 2005, this is not acknowledged as a legitimate requirement. However, this has not been tested in a court of law. Experience from other cases indicates that the law courts would adopt a liberal standpoint, as long as the established principles regarding non-discrimination etc. are not violated.

Conclusion

Putting further effort into this problem is beyond this project's scope. This project does not challenge the prevailing interpretation of the regulations with regard to designing criteria.

2.5 Product groups where Swan or Flower criteria exist

The pre-study report concludes that the possibilities provided by the official eco-label schemes should be exploited in further work.

Generally, it would be sufficient to aim for the same environmental level as the official eco-label schemes.

For product groups where Swan or Flower criteria exist, at least 30 % of the market must fulfil the requirements, according to current Nordic environmental-labelling policy. The same applies to the EU's Flower.

Generally procurers should *not* be encouraged to deal with environmental labelling criteria directly. They are of a technical character and a scope that could cause even the most enthusiastic buyers to lose motivation.

Generally it is not possible to demand that a product carries an environmental label, but rather that the product fulfils the technical requirements of the environmental labelling criteria. When many environmentally-labelled products are available in the market, competition is ensured. It is recommended that the criteria for the environmental label are incorporated in the technical specifications. As long as the set of criteria does not contain elements that are in conflict with the regulations, i.e. references to environmental management systems for purchasing of goods, the following formulation could be used in the technical specifications:

Suggested formulation in technical specification: *“The Swan eco-label criteria for product groups yy should be fulfilled.”*

A specific set of criteria must be referred to. Otherwise, it will not be clear which requirements apply.

If one wishes to ascribe equal status to the criteria for the Flower and the Swan this can be done as illustrated in 4.1.

If the set of criteria contains elements that are in conflict with regulations, the following formulation can be adopted: *“The Swan eco-label criteria for product group yy must be fulfilled, except for the requirements in chapter xx.”*

If it is too uncertain whether there are enough products on the market that satisfy the Swan criteria to include this requirement in the technical specification, an equivalent statement can be used in the award criteria.

From 2006, it is probably sufficient to refer to where the Swan criteria may be found on the internet. This is done in Denmark.

The challenge when demanding implementation of the Swan criteria is the corresponding certification requirement. This should be formulated in the following way: *“Certification requirement: The Swan license or other third-party-verified documentation authorised by an ISO 17025 accredited test laboratory.”*

The problem is that the documentation requirement is so stringent that in practice only those holding the Swan licence would be able to fulfil the requirement within the deadline for tenders. Hence, in many instances a

situation will arise where there are too few providers to achieve the necessary competition. Environmental product declaration is only a partial solution to this, as they do not specify whether the given levels (which are requested in the environmental-labelling criteria) are fulfilled. It will often be possible to assess a product's environmental properties by its environmental product declaration. But interpreting the information and comparing it with the environmental-labelling requirements demands a great deal of knowledge. As previously mentioned, simple self-assessments should be avoided. Allowing suppliers to provide their own documentation to demonstrate that the Swan criteria are met would be of no interest to most procurers. This would result in an enormous report, which for most procurers would be impossible to process.

One solution is to allow the providers enough time to obtain verification from a third-party or obtain the Swan licence. This could possibly work if the suppliers considered the task to be large enough to be worth the effort involved. However, it is not known whether this has been attempted and found successful. Generally, to allow enough time to obtain verification by a third-party would solve the potential problem of the certification requirement being inherently discriminatory. The procurers would in this case have to allow more time for the acquisition process.

How long will it take to obtain third party verification from an accredited laboratory? The Norwegian Government's institute for consumer research (SIFO) in Oslo (ISO17025 accredited) needs a maximum of three weeks to test textile detergents and approximately four weeks to test dishwasher detergents. When the case papers are in order the Swan licence can be obtained in a couple of weeks, according to the Norwegian Foundation for Environmental Labelling. However, if there is a rush of suppliers at the same time in connection with a large invitation to tender, it could probably take longer.

The conclusion therefore is as follows: When the requirement is formulated as in the above example, this is, in practical terms, a legal way of requesting environmentally-labelled products. This has also been the intention in Denmark. This is therefore the most powerful way public procurers can support the environmental labelling schemes. Given the right market conditions, future common Nordic criteria should be able to adopt Denmark's approach.

The alternative to this type of formulation within technical specifications and award criteria is to employ formulations similar to those used in contract clauses. Market considerations would decide what is most appropriate.

Official labelling arrangements for organic production should be treated in the same way as the Swan and the Flower.

Conclusion

When the Swan, Flower, organic criteria or other recognised environmental-labelling criteria exist, these could be used either as technical specifications, award criteria or contract clauses.

2.6 Environmental product declarations

The principles and procedures for environmental product declarations, EPDs, are described in the upcoming ISO standard 14025 (Type III environmental declarations). One of the main objectives is “to assist purchasers and users to make informed comparisons between products”. EPDs is the only standardised and accepted tool on the market enabling comparisons to be made based on transparent and openly available product-oriented environmental information. The possibility to make comparisons rests on setting of so-called product category rules (PCR) for each product group based on the involvement of broad stakeholder participation.

An EPD is a factual-based description of the significant environmental aspect of a product based on life cycle assessments, LCA. EPDs are neutral, which enables communication on a wide scale. It is up to the user of the information to make their evaluation and assessment for their specific purposes. In making best use of EPDs in public procurement is important to set the criteria in the tender documents in accordance with the PCR in EPD systems, and then the EPD itself is the verification from the supplier that the criteria is met. EPDs are credible, due to the requirements on inspection, review, approval and follow-up by an independent third-party verifier.

EPDs can also be used as a source of information in making market analysis of the environmental performance of products available on the market, which is a clear advantage for purchasers and procurers to carry out as relevant input and good help in the final setting of types and levels of criteria in tender documents.

Conclusion

For product groups where there are existing EPDs, the EPD could be employed as a starting point to identify good criteria, as well as certification requirements.

2.7 Manufacturer’s accountability schemes

Manufacturer’s accountability schemes are largely stipulated by EU directives and implemented as voluntary schemes or imposed by law in the EEA countries.

When EU directives exist, such as for packaging, it should be possible to formulate the requirement as a qualification criterion as follows:

“It is required that the supplier fulfils the manufacturer’s accountability for packaging in accordance with EU directive 94/62 with amendments.

Certification requirements

- Norway: Bidder or bidder’s suppliers are members of Materialretur AS (Material Recycling Scheme) or can provide documentation on a private, yet functional scheme.
- Sweden: Bidder or the bidder’s suppliers are members of the REPA-register or can provide documentation on a private, yet functional scheme.

The alternative to qualification requirements is to formulate the requirements as contract clauses.

Other legal requirements can also be used as qualification requirements/contract clauses – this should be assessed in each case.

Conclusion

Manufacturer’s accountability schemes can be used as qualification requirements.

2.8 The order of priority of criteria

It is recommended that the order of priority of requirements in a set of criteria is sorted according to what requirement is considered to have the greatest environmental impact, even if for no other reason than pedagogical considerations.

One possibility is to illustrate in a simple diagram where the environmental impact of the product group arises. This will contribute to justify the selected environmental requirements. Example:

| Environmental impact car: | | | |
|---------------------------|------------|-----|----------|
| Raw material extraction | Production | Use | Disposal |
| | | | |

The colour codes green, yellow and red are self-explanatory.

2.9 Other aspects

In the introduction of the various sets of criteria, good examples of innovative solutions or a link to good examples should, if possible, be provided.

The background document for the set of criteria should be available along with the criteria. This would help the buyer to answer suppliers' queries.

3. Suggested principles for a common format

The discussion in the previous two chapters suggests the following for a common format, in summary:

- The aggregation level for a set of criteria should be on the same level as the tender documents for the actual service or product group. CPV-codes can be of help to identify the correct aggregation level.
- Exclusion of the market: Due to the need to ensure good competition regardless of geography or economic cycles, one must be cautious with technical specifications that restrict the market. There will, however, be large differences between product groups depending on the number of providers in the market. It is therefore difficult to make general stipulations; apart from that there must be competition in each individual case. Using award criteria would solve this problem, as award criteria do not exclude.
- Technical specifications or award criteria? If the procurer is competent and skilled in good evaluation methods, award criteria are preferable. Otherwise, technical specifications with threshold values are preferable. It must be emphasised that the recommended technical specifications with associated threshold values do not restrict the market too much, but ensure that the worst products are excluded. The more competent and ambitious buyers would benefit from using award criteria that reward the best products or services. Since the EU directives are preparing for better weighting of award criteria, it is appropriate that the same applies to future Nordic environmental criteria and that good assessment methods are publicised throughout the Nordic countries.
- Documentation requirements: Certification/declaration from third-party verification schemes are preferred. Other transparent schemes can also be used such as a statement from in-house company laboratories. Self-assessments not associated with credible documentation/transparency should be avoided. The market situation must be assessed also in this area. Necessity and proportionality must also be assessed. The Swedish report in progress may contribute to clarifying this topic further. In any case, the documentation requirement must be in accordance with the directives.
- Qualification requirements: Preparation of good qualification requirements for both service- and product procurement should be investigated. Especially for services which activities or products with

potential environmental impact, the focus should be on qualification requirements

- **Conclusion:** Contract clauses should be developed in cases where it is appropriate. Fulfilment of the manufacturer's accountability scheme is one example of a relevant contract clause.
- **Assessment system:** Within one set of criteria it should be indicated how the various award criteria should be weighted. Generally, there is a need for both a points system and net present value calculation – and a method for weighting these together. There is also a need for good multi- attribute models. The challenge is presented by the lack of skills among the procurers in using the available methods. The solution to this is education and training. Such education should primarily take place within educational institutions and through courses. But the people involved in green procurement should also be contributing actively.
- **Innovation:** It is desirable to have award criteria that encourage innovation, as long as the procurer is skilled in the use of the necessary evaluation method.
- **Scope of criteria:** A few essential criteria that are practicable should be identified. Having a small number of criteria would reduce the need to develop criteria on several levels, although having criteria on two levels may still prove useful. This is largely a practical question depending on the market and available resources.
- **Green procurement has its limitations and can not solve every environmental challenge.** The criteria must not challenge the procurer's knowledge too much. Criteria should be developed that are comprehensible and easily put into use and assessed without assuming specific knowledge. The RPS model can be an aid in identifying relevant product areas where common Nordic criteria can be useful.
- **This project does not challenge the current interpretation of the relevant body of regulations as regards criteria design.**
- **Where there are Swan, Flower or organic criteria or other recognised environmental labelling criteria already in place, these could be used either as technical specifications, award criteria or contract clauses.**
- **For those product groups where there are existing EPDs, the EPD could be used as a starting point for identifying good criteria, and as documentation requirements.**
- **Manufacturer's accountability schemes can be used as qualification requirements.**
- **The order of priority of requirements in a set of criteria should be sorted according to what requirement is believed to have the greatest environmental benefit.**

In the introduction to the different sets of criteria, good examples of innovative solutions or a link to good examples, should be provided if possible, and the importance of good verification of need should be emphasised.

PART 2

Future Nordic collaboration

4. Suggestion for future Nordic collaboration

4.1 Recommendations from the pre-study

Topic group 9's assessment in the report from the pre study was:

- A common Nordic format for design of criteria would be useful, but a new Nordic formal organisation is not wanted
- This format could be applied to selected existing criteria for public procurement
- The criteria could be made available to Nordic buyers in their own language
- The criteria should be updated as required – but by whom and how often is yet to be determined
- The Swan should use the common format in those cases when it is appropriate (e.g. when the current criteria contain “illegal” elements according to the body of regulations)
- Future national criteria should be developed in a common format and made available in all the Nordic languages, and in English. Any division of responsibility for development of criteria between the countries must be sorted out at a later stage.
- Where there are criteria in place for the Swan label these should be used as a basis for criteria. Any development of Nordic criteria separate from the Swan label should be done in those areas where it is not appropriate for the Swan to develop criteria.
- The Swan criteria should be made available to professional buyers to a greater extent (e.g. through fact sheets that present the various criteria)

The pre-study outlines four scenarios as regards the level of ambition; “Start small”, “Swan”, “Formal organisation” and “Adoption of EU criteria database”. Topic group 9's conclusion is that a combination of “Start small” and “Swan” is an avenue that benefits all parties. This combination would lead to closer collaboration between the Swan label and the professional communities established to promote professionally-effective procurement.

4.2 Nordic collaboration in several stages

Topic group 9 has identified four different stages for future Nordic collaboration:

1. Develop common background information as a basis for national criteria (criteria primarily based on a common format).
2. Use a common format for selected existing criteria, including product groups where environmental-labelling criteria exist, and make these available in the Nordic languages, and in English.
3. Use a common format in each country when new national criteria are prepared, and make these available in the Nordic languages, and English. This provides an opportunity for dividing the future development of criteria between the countries.
4. Develop common background information and then prepare common Nordic criteria (based on a common format).

A new Nordic organisation is not required for any of the first three stages. All the work involved in the criteria in those three stages takes place nationally.

Stage 1 can be done simply. The Swedish Environmental Management Council has submitted a proposal. This is reproduced in appendix 3. The Swedish Environmental Management Council has offered to set up the necessary Internet portal at their own expense. When this is set up it ought to also include stage 2 (criteria database in six languages).

Stage 2 requires that the selection of existing criteria, including the selected Swan label criteria/flower criteria, are transferred to a new common Nordic format. It is not assumed that the criteria are updated in this context. This alternative requires resources to make the selection of criteria that should be made to a common format, and for transferring them to that format. This work does not include updating of the criteria through a new consultation process. It would come naturally to use the most updated criteria from each country. Topic group 9 can make the selection of criteria for the database. The individual countries could make suggestions to topic group 9 for which of their national criteria they wish to enter into the Nordic database.

Although each country would be responsible for the professional content of the criteria, a simple quality assurance process would be advantageous. The primary purpose of such a process could be to ensure that the common Nordic format is used in more or less the same way by everyone, so that everything that is entered in the Nordic database is similarly structured. This could happen through a round of consultation and clarification by a consultant responsible for advising on the criteria format. The consultant should also have a mandate to advise on the contents of criteria in order to avoid elements that render the criteria unsuitable for a common Nordic database (such as referral to national standards/law).

There is also *a possibility of* subjecting new criteria to a consultation process with the national parties working on the development of criteria. This could be an option when advice is wanted on specific problems.

It must be emphasised that it is merely advised to hire a consultant and conduct a Nordic consultation process. Each country must take responsibility for the information entered on their behalf in the Nordic database. The Nordic database should therefore contain information on which country/organisation has developed the criteria.

It might be an idea to gather everyone who is involved in the design of Nordic criteria to a workshop where to practice using the format. The result of a workshop may form the core of the new database. Such a workshop should also be used for discussing a proposal from the Swedish Environmental Management Council about the design of the Nordic database, cf. stage 1.

When the criteria base has been in function for at least one year, one should undertake a survey among the users, both procurement officers and the participating national partners. Theme group 9 wish to do this relatively thoroughly, and use the results as a base for a recommendation for a prolongation of the project.

Stage 3 entails designing all future, new national criteria in a common Nordic format (if they are not already designed in this format). Stage 3 requires that stage 2 is completed. Stage 3 would not require a great deal of additional resources.

Stages 2 and 3 require a Nordic database available on the internet. Resources will be needed for translation of criteria into the different languages, and for development and operation of the database. Note that it is only the criteria that should be translated, not the background information. There would not be a major amount of text therefore (in the examples in appendix 2 the criteria are between 200 and 400 words).

The consultant (see stage 2) can also be charged with the task of having new criteria translated and published in the database.

Stage 4 requires procedures for development of common Nordic criteria, and a common Nordic committee to make the final decision on applicable criteria. The actual work on developing criteria can be done by the same organisations that are doing this today.

The decision-making committee should have two representatives from each country (8 persons in total), who are appointed by the authorities in the collaborating countries. These eight people should possess the necessary skills and reliability to make the decisions necessary to ensure that the Nordic criteria are accepted and adopted by the market.

This means that the Nordic authorities should collaborate on the appointment, to ensure that the overall group represents the relevant stakeholders and that individuals with proper professional competence and great personal integrity are appointed.

As regards procedures for development of common Nordic criteria, there is a possibility for closer consideration of the “open consultation” process that is used in the context of the new EPD platform.

The completion of this stage would entail a step up both in terms of Nordic collaboration/coordination, but would probably also produce the best end result.

4.3 Nordic collaboration – recommendation

Topic group 9 recommends that, in the first instance, the effort should be directed towards the first two stages. Stage 1 can be set up quite simply. Stage 2 requires a separate project for selection of criteria, transfer to new format, translation and setting up the criteria database. In the first instance it is recommended that stage 2 is done with a total of 30 sets of criteria or depending on how many can be financed.

When the database is set up, it is recommended that each country makes an effort to market and publicise the database and link it to relevant web sites.

If the experience from the first 30 sets of criteria is positive and the database gets used, it is further recommended that the number of sets of criteria is increased (Expansion of stage 2) and that stage 3 is phased in. Before moving forward it is recommended that a user survey is carried out. This could take the form of a few questions sent by email.

Topic group 9 recommends that stage 4 is realised in the future if and when the three first stages have produced positive experience and results.

The EU commission is generally active in the area of green public procurement. It is recommended that EU developments are monitored, and that the Nordic endeavour is adapted to those initiatives.

5. Budget and financing of stages 1 to 3

The table shows cost estimates and suggestions for financing:

| | Contents | Cost | | Financing | | Avg. cost per year over 3 years |
|------------------|---|--|---|--|---|--|
| | | Start up | Annual | Start up | Annual | |
| Stage 1 | Internet portal for exchange of info, and set up for criteria database in the Nordic languages + English | DKK 50,000 for setting up web site. | DKK 20,000 for technical maintenance of the data-base. | SEMCO ¹⁰ | SEMCO | DKK 37,000 |
| Stage 2 | Preliminary work, selection of 30 sets of criteria to be transferred to new format, arrange workshop + transfer criteria into new format, translate and publish on the net + evaluate the project | DKK 157,500 for preliminary work, selection and work-shop. DKK 472,500 for transferring into new format, translation and publishing. DKK 117,500 for evaluation. DKK 37,000 for various work and travelling (i.e. marketing) | . | 2006: DKK 300,000 from NMR-IPP. 2007: DKK 367.000 from NMR-IPP. 2008: DKK 117,500 from NMR-IPP | | DKK 261,500 |
| Expanded stage 2 | Select and publish more existing criteria + update whats all ready published | | DKK 15,000 per set of criteria (reformatting, translation, publication) | . | Shared cost between NMR-IPP and F, S, N and DK | (DKK 15,000 per set of criteria) |
| Stage 3 | Translate new sets of criteria that are developed nationally and publish these in the Nordic database. | | DKK 15,000 per set of criteria (reformatting, translation, publication) | | DKK 15,000 from NMR-IPP for translation of new criteria + DKK 20.000 for technical running of the base. | (DKK 15,000 per set of criteria) + DKK 20,000 for technical running of the base. |
| SUM | | DKK 784,500 | | | | |

¹⁰ The Swedish Environmental Management Council

What is the return on this investment? Some keywords:

- Easier access to more sets of criteria than each country would be able to produce on its own
- These sets of criteria can be used by all the Nordic buyers in their own language and by buyers anywhere in the world in English
- Effective utilisation of available skills and resources
- One obtains a tool that, when marketed, has the potential to become an important and much-used tool for Nordic buyers
- One obtains a tool that provide suppliers to the Nordic market with uniform requirements with which to comply
- It provides an opportunity for positive exposure for the Nordic countries internationally in an area increasingly in focus.

Appendix 1

Political basis for green procurement

Environmentally friendly green procurement is highly prioritised internationally.

The UN, OECD and ICLEI, among others, have developed a policy and an agenda for public green procurement. All the Nordic countries and many other countries have placed green public procurements on the political agenda.

Environmentally-friendly public procurement is an investment area for Nordic collaboration. The Nordic strategy for sustainable development states that the Nordic countries should lead the way by developing and promoting a regional and global green market (chap. 10 “Business life”). The environmental action programme also aims to encourage the market for cleaner products (pt. 4.2 under product-oriented environmental strategy). Procurement is a prioritised area in Nordic product-oriented environmental strategy. It is emphasised that “procurement, buying and decision making should also be subject to environmental considerations “. It is further noted that “Nordic cooperation in preparation of guidelines and tools contributes to reduced use of resources and promotes mobility of goods and services.” In EU’s IPP strategy, environmentally-friendly public procurement is one of many tools for continuous environmental improvement. When dealing with the IPP strategy October 27, 2003 the council decided that particular investments should be made in green procurement for marketing of greener products and cleaner technologies, and to influence local and national authorities to consider the environment in public procurement.

Directed by EU’s ETAP programme¹¹ (Environmental Technologies Action Plan) the focus is particularly on public procurement as a measure for increasing and securing the market for environmentally friendly technology.

The procurement regulations (EU’s procurement directives) are the same in all the Nordic countries and many of the challenges as regards green procurement are also the same. Buyers always ask for simple and effective tools for stating environmental requirements. All the countries are presented with the common challenges of communicating the legal possibilities for taking the environment into consideration. The challenge

¹¹ More information at <http://ec.europa.eu/environment/etap/>

is to communicate the message that focus on procurement and the environment will probably result in economic savings and how environmental considerations in practice can be incorporated in daily procurement. Preparation and upkeep of green procurement criteria for different product groups is costly in terms of both money and resources. A lot could be gained by Nordic collaboration on green procurement criteria. Through Nordic collaboration the number of environmental criteria for different product groups could be increased, contents and format will be equal for all buyers, and the quality would probably benefit as a result of shared experience and knowledge. A synchronisation of green procurement criteria will promote uniform treatment of the environmental topic in public procurement in all the Nordic countries, which would also make it easier for suppliers, many of which regard the Nordic countries as one market. It will also lead to greater influence on the market when a great number make the same demands.

Increased influence on the market requires that publication and marketing of the criteria are increased. This can be dealt with through national action plans, but a communal Nordic effort may also be necessary in the future.

Appendix 2

Examples

The product groups below are those that were selected for the product description for this project. It has been attempted to apply the conclusions from Chapter 3 to these product groups. Note that these are only illustrations of how the above format can be applied in practice.

In the following examples it is assumed that the decision on weighting of each award criterion must be made by the purchasing unit.

In general, the documentation requirements must be evaluated further when the new Swedish report is submitted, cf. 1.6. The suggestions below should therefore be regarded as temporary.

Example 1: Textiles

Qualifying requirement:

1. Producers' responsibility for packaging (cf. EU directive 94/62 with amendments) is fulfilled for the products offered when the provider or the provider's suppliers are associated with a national recycling scheme for packaging or a private, functioning scheme.

Documentation requirement:

- Agreement for a national return system for packaging or a description of a system that fulfils the requirements concerning the producer's responsibility.

2. The supplier shall comply with the applicable environmental and working environment legislation

Documentation requirement:

- Certification in accordance with ISO 14001, EMAS registration, other verification of an accredited third-party or other documentation the contractor can accept.
- Norway: HMS-egenerklæring (HSE self-assessment)

At the workshop held from January 12–13, there were different opinions as to whether it was correct to include qualifying requirement 2 or whether it should be formulated as a contract clause. There were differing opinions on the related documentation requirement.

Requirement specification:

1. It is a requirement that the following directives are adhered to:
76/769/EEC – Main directive – PCB, PCT, vinyl chloride, 94/27/EC – 12. Amendments nickel, 2002/61/EC – 19. Amendments – Azo dyes, 2003/03/EC – 12. Technical adjustments – azo dyes ad 2004/21/EC – 13. Technical adjustments azo dyes.

Documentation requirements:

- Licence documents for Flower or Swan labels, ISO 14001, EMAS or other verification that the buyer can accept. *Note: because there is a clear link between fulfilment of legal requirements and e.g. ISO 14001, the ISO certification is a relevant documentation requirement in this context. There is not particular control scheme for checking that the directive is met. Safety data sheets /HSE datasheets do not apply to textiles. There is very little market control/product control, in Norway anyway.*

Award criteria

1. Do the products offered fulfil the criteria 1–39 in supplement 1 of EU's environmental label The Flower, of May 15 2002 (2002/37/EF)? (The criteria for the EU flower are available at http://ec.europa.eu/environment/ecolabel/index_en.htm)

At the workshop January 12–13 2006 there were different opinions on whether it would be sufficient to refer to fulfilment of these and the relevant chapters of the environmental criteria, or if the requirements should be explicitly stated in the criteria document. There were also different opinions as to whether a website with criteria can be referred to. Denmark is currently using the form that is reproduced here both as technical specifications and award criteria.

Alternatively, it counts favourably if the products offered:

2. fulfil the requirements 1.3 –1.7 in the Nordic environmental label The Swan (version 3.0 of March 18, 2004)? (The criteria for the EU flower is available at http://ec.europa.eu/environment/ecolabel/index_en.htm)

Documentation requirements:

- Documentation of fulfilment of the requirements for the Flower and The Swan must be shown as documentation on award of the environmental label Flower and/or Swan, or equivalent documentation in the form of test results from bodies accredited according to the standards in the EN 45 000 series or equivalent interna-

tional standards (the same test methods as for the environmental-labelling criteria should be employed)

Contractual decrees / implementation requirements

No requirements

Example 2: Private cars

Qualifying requirements:

1. The supplier must adhere to current environmental and working environment legislation

Documentation requirements:

- ISO 14001 certification, EMAS registration, other verification by accredited third party or other documentation that the employer can accept
- Norway: HSE self-assessment
- Environmental report for industries requiring licences to operate.

Technical specifications:

1. Fuel consumption: It is a requirement that the car(s) offered are among the best in their class/size category, as regards fuel consumption according to the EU's energy labelling for cars.

| Size/class | Classification according to EU's energy labels |
|--|--|
| Class 1 Small car | A |
| Class 2 Big car | B or better |
| Class 3 Van with cargo compartment, up to 3.5 cubic metres | B or better |
| Class 4 Van with cargo compartment, up to 7 cubic metres | C or better |
| Class 5 Van with cargo compartment, up to 12 cubic metres | D or better |
| Class 6 Minibus up to 10 seats | E or better |
| Class 7 Minibus up to 14 seats | E or better |
| Class 8 Minibus up to 17 seats | E or better |

Note: Delete the categories that do not apply or add categories that are missing

EU's energy classification of vehicles is not yet very widely used. One alternative is to state the maximum fuel consumption or maximum CO₂ emissions for each class of vehicle (because the CO₂ emissions are 100% correlated to fuel consumption the result is the same). Alternatively, fuel consumption/ CO₂ emissions can be used as award criteria, which must be stated for each car model offered – and the best gets the highest score.

Documentation:

- EU's energy labelling for cars or alternatively the CO₂ emissions based on the certificate of compliance for the car
2. Traffic safety: The vehicle should fulfil the safety requirements for at least four stars in test according to Euro NCAP (European New Car Assessment Programme).

Documentation:

- Euro NCAP test result

Note: Both energy labelling (driving distance per litre of fuel) and Euro NCAP results for different car models/engine sizes are available at www.hvorlangtpaaliteren.dk/

Award criteria

1. Are the car's emissions of HC, NO_x, CO and particles (diesel cars only) at least 25 % below the Euro 3 norm? (Information on the EURO 3 norm is available at www...)

Documentation requirements:

- Certificate of compliance?

2. Do the tyres on the car(s) fulfil the requirements for the Swan label?

Documentation requirements:

- Swan licence for tyres or accredited third-party verification according to ISO 17025.

3. Are the car(s) equipped with computers that show momentary and average fuel consumption?

Documentation requirements:

- Self-assessment

Note: Ordinary in-car computers normally fulfil this requirement.

Contractual clauses/ implementation requirements

No requirements

Example 3: Computers

Qualification requirements:

1. Manufacturer's responsibility for packaging (cf. EU directive 94/62 with amendments) is fulfilled for the products offered when the bidder or bidder's suppliers are connected to a national recycling scheme for packaging or a separate but working scheme.

Documentation requirements:

- Contract with national recycling scheme or description of private scheme that fulfils the requirements of manufacturer's responsibility

1. Manufacturer's responsibility for electric and electronic products is fulfilled if the bidder or bidder's suppliers are connected to a national recycling scheme for electrical goods or a private but working scheme (SFS 2000:208 with amendments).

Documentation requirements:

- Contract with national recycling scheme for electrical goods or a private but working scheme. For assistance with assessing the quality of the private scheme, contact the national inspection authority.

2. The supplier must adhere to current environmental and working environment legislation

Documentation requirements:

- ISO 14001 certification, EMAS registration, other verification from accredited third party or other documentation that the employer can accept
- Norway: HSE self-assessment
- Environmental report for industries requiring licence to operate

Requirement specification:

1. Energy: The product must fulfil the current energy saving requirements according to GEEA requirements that apply at the last day of deadline for tenders

Documentation requirements:

- GEEA licence, other verification from accredited third party or a standard IT declaration of the ICT industry.

Award criteria

1. Do stationary computers fulfil the criteria listed in item 2–8 in the annex of the EU’s environmental labelling decision of April 11, 2005 (2005/341/EC) for award of the environmental label (The Flower)? (For information on Flower criteria see [www...](#))

Documentation requirements:

- Documentation of answers regarding The Flower and The Swan should be in the form of documentation for awarded Flower and/or Swan or equivalent documentation in the form of test results from agents accredited according to EN 45 000 series standards or equivalent international standards (the same test methods should be employed as for the environmental label criteria).

Contract clauses / implementation requirements

No requirements

Example 4: Transport services for goods*Qualifying requirements – technical and professional qualifications:*

1. Routines and skills that ensure low environmental impact of vehicles and the operation and maintenance of same

Documentation requirements:

- Certification of environmental management system according to ISO 14001, EMAS registration, other national certification scheme, or other verification by accredited third party or other documentation that the employer can accept

One possible criticism of the above wording is that the requirement may appear vague. However, it is not more vague than other qualifying requirements for which there is precedence. Examples of other qualification requirements are: “A very high degree of solidity is required”, “Experience from similar jobs is required” and “Very good implementation ability is required”. The aim of this type of requirements is to get a supplier that is not likely to go bankrupt the next day and who will be able to deliver. There is precedence for exercising discretion on the side of the buyer on the basis of requested documentation. The environmental aspect should be treated in the same way.

Requirement specification:

No requirements

Award criteria

1. How favourable in terms of energy and emissions is the car fleet that can be supplied? Please fill in the following matrix:

| | Percentage share of the car fleet |
|--|-----------------------------------|
| What proportion (%) of the cars/small vans satisfies energy classes A and B: | |
| What proportion (%) of light and heavy goods vehicles fulfil the EURO IV requirements? | |

Documentation requirements:

- Self-assessment?

Contract clauses/implementation requirements

1. Economical driving: The provider is responsible for training *all* regular drivers in economical driving by start of service. Training is to start no later than six months into the contract period and new regular drivers must be trained during the contract period. Plans to this effect must be submitted to the buyer at the start of the service.

Example 5: Cleaning services

Qualification requirements – technical and professional:

1. Routines and competence that ensure low environmental impact from the execution of the service are required.

Documentation requirements:

- Swan licence, EU Flower licence, ISO 14001 certification, EMAS registration, other national certification scheme, other verification by accredited third party or other documentation that the employer can accept

Requirement specification:

1. Dry, non-chemical methods must be employed when possible.
2. When this is not possible, detergents that fulfil the criteria for the Swan label must be used, or alternatively the EY Flower. (Exceptions

include disinfecting agents – there are no environmental criteria for these)

Documentation requirements:

- ISO 14001 certification, EMAS registration, other national certification scheme, other verification by accredited third party or other documentation that the employer can accept

Award criteria

1. Does the provider fulfil the criteria for the Swan label?

Documentation requirements:

- Documentation for answers regarding the Swan and the Flower should be in the form of documentation for award of the environmental label Flower and/or Swan. Alternatively, this may be equivalent documentation in the form of test results from agents accredited according to standards of the EN 45 000 series or equivalent international standards (the same test methods should be employed as for the environmental label criteria).

Contract clauses/implementation requirements

1. Annual report on use of detergents (EU Flower and Swan label or equivalent for these are submitted for each product).

Appendix 3

A common interactive website as an informal model to initiate Nordic GPP cooperation

1. Background and motives

The report from the pre-study 2005 “*The Environment and Public Procurement. Common Nordic Procurement Criteria?*” concluded that the forms of the sets of criteria in the Nordic countries are quite different, but, to a large extent, it is a question of presentation and points of view and the level of detail/breadth of the questions. Including environmental criteria in public procurement is a daily activity in many Nordic organisations and, in many cases; there is a need for a continuous updating of the criteria making them regularly adapted to new legislation and other changing prerequisites.

The Nordic countries have a lot in common with regard to overall environmental work and are placed in the forefront of GPP based on a newly reported study on the status of GPP in all EU member countries. Sharing experiences on GPP activities among countries is always valuable to harmonise environmental criteria to the extent possible. However, the EU study indicated that it is not to recommend in making unconditional use of any GPP criteria developed in other countries due to the necessity to make own national adjustments as appropriate. One lesson learned from this study is that all countries have a need for flexibility in setting up GPP criteria adjusted to the specific conditions prevailing in the country.

Based on these experiences a Nordic GPP cooperation ought to be initiated based on a simple informal form as suggested below with the establishment and launch of a common Nordic GPP website.

2. A common Nordic GPP website – rationale and commitments by SEMCO

The Swedish Environmental Management Council, SEMCO, has offered the possibility, at its own expense, to set up and administrate a specially designed interactive website with the main objective to enable relevant organisations in the Nordic countries to make public available GPP criteria in a common searchable database open for all external users and interested parties.

A common Nordic GPP database can preferably be based on the same type of duties as those executed by SEMCO for GEDnet¹² with the result to give any public purchaser access to those GPP criteria developed in the Nordic countries, which have been selected by the various Nordic countries to have the qualifications to be publicly available. The possibility to add the service with an Internet-based Nordic GPP Criteria Forum will further strengthen Nordic cooperation giving all interested parties the possibility to follow how GPP criteria successively are being developed and updated in the Nordic countries, also with the option to give comments on the criteria as they are being developed as well as being approved. Such a procedure will most likely enhance the credibility and acceptance of the criteria on the Nordic market.

Apart from making all relevant Nordic GPP criteria publicly available, a common Nordic GPP website could be designed to provide any user or interested party with:

- necessary background information and motives for published criteria,
- information on which criteria that are in the process of being developed or updated,
- giving comments if the criteria is subject for open consultation, and
- the possibility to follow and take part in an open dialogue with other interested parties about various issues related to the criteria.

Commitments by participating Nordic countries

The design of the Internet-based services will give all Nordic partners inherent control over the information posted by them on the website by means of a user-friendly reporting system to feed in any information about the progress of developing the criteria as well as the approved and valid GPP criteria. *The common Nordic GPP website will include the possibility to hold several sets of criteria on 6 different languages.* It is up to the separate Nordic countries to be responsible for and prepare those parts of the website carrying information on their native language including the translation to English.

3. Advantages

A common GPP website to initiate Nordic cooperation is envisaged to have the following advantages:

¹² SEMCO has several years of experience in disseminating open and transparent product-related information over the Internet in its obligation to administrate a searchable global database over available Product Category Rules (PCR) for Type III environmental declarations or more commonly referred to as EPDs. The work with the global database on PCRs is carried out in co-operation with the Global Type III Environmental Product Declarations Network, GEDnet and called the GEDnet PCR Library. Another part of the services carried out by SEMCO is to provide a marketplace for an open communication and dialogue between stakeholders on any issue related to PCR in general and selected PCR categories and to offer the possibility to comment on any PCR document open for consultation before approval. This marketplace on this website is called The Global PCR Forum.

- it gives the possibility to start up a practical cooperation in a fairly short time span,
- it enables the necessary national flexibility in developing the criteria and learn from the experiences in other Nordic countries,
- it is a cost-effective way to start up the cooperation giving time to share practical experiences of daily GPP activities among the Nordic countries as an important input to identify product categories and service types that are more relevant for a deeper cooperation and explore further the need for harmonisation,
- it enhances the possibility for several interested parties and key stakeholders to be part of and influence GPP activities in the Nordic countries,
- it avoids eventual drawbacks in moving into a time and resource consuming procedure in setting up a common Nordic GPP organisation without making a thorough SWOT analysis of the pros and cons in developing common criteria, and
- it gives time to investigate the full picture of the prerequisites for eventually further developing the cooperation, if found relevant and accepted.

4. Follow-up activities for positions on eventual future development of the website cooperation

One important advantage of initiating a Nordic GPP co-operation with the establishment of a common website is that it gives time to thoroughly study and investigate the need for strengthening the co-operation in the future and identify what areas that are to prefer in establishing an eventual closer co-operation. Of special value is to make use of the open Internet-based “Nordic GPP Criteria Forum” on the website to get comments from a large stakeholder group on the issues of interest and relevance for future co-operation some of which are mentioned in Chapter 6.2 enabling the opportunity to get a broad consensus on future Nordic GPP co-operation. It might also be relevant to publish additional information on the website such as:

- scientific background information with motives for the setting of the criteria,
- relevant environmental labelling criteria,
- information about the Nordic countries view on important policy issues with regard to
- the environment and sustainability, and
- a summary of common EU Regulations, directives and national legislation.

Appendix 4

Summary of the pre-study

During the past 15 years in the Nordic countries (excluding Iceland), in order to help the market face up to environmental considerations, a set of criteria was developed for a number of product groups, both under national auspices, and under the auspices of the Nordic environmental labelling scheme. The work performed under national auspices has primarily been directed at public procurement. All of the countries involved have experienced that this is a job requiring considerable resources. The goal of this pilot study was to investigate the opportunities for closer collaboration.

The national sets of criteria were compiled by many different people with divergent points of view. The result is therefore that the forms of the sets of criteria are quite different, but, to a large extent, it is a question of presentation and points of view and the level of detail/breadth of the questions. This was made apparent by analysing four different sets of criteria common to three of the countries.

The background material developed, which forms the basis of the criteria, also varies greatly from country to country.

This pilot study also describes the process behind the criteria in each country, and what resources were used.

The pilot study concluded that the potential for establishing common procurement criteria, as well as opportunities for achieving them, do exist. As a result of the consultations conducted in the autumn of 2004, four different approaches and levels of ambition were identified. Theme Group 9's assessment is that we should start on a small scale by developing a common format for criteria, and in future we should attempt closer collaboration with the Nordic organisations responsible for environmental labelling.

In the light of the pilot study, Theme Group 9 recommends the establishment of a pilot project with the following objectives:

1. To develop a common Nordic criteria format that also covers problems related to weighting.
2. To decide on the level of ambition for the further collaboration within the scope of "Starting on a small scale" and "The Swan". This implies developing a cost-effective model that gives good access to criteria in the Nordic languages, and also analyses the need for revisions.

3. To provides an economically based framework for making decisions about whether common procurement guidelines should be developed or not.

The whole pre-study is available on http://www.grip.no/Innkjop/offentlige_innkjop.htm both in Norwegian and English.