# 43. Special feature: Green procurement

OECD member countries are increasingly taking greater account of environmental sustainability in public procurement. Through green procurement, member countries make an important contribution to sustainable consumption and production. However, despite green policies being front and centre, less than half of OECD member countries have not established a standard definition for green procurement. Only six countries (Denmark, France, Italy, Japan, Luxembourg and Slovenia) incorporate a definition in the law, while the majority of the countries that have defined green procurement have done so in an environmental policy or strategy document.

In order to promote environmental standards in the whole product and services life cycle, the majority of OECD member countries introduce green criteria in the technical specifications of the procurement contract (24 countries), and many also include them in the award phase (18 countries). Fewer OECD countries consider green criteria as a contract performance clause (13 countries).

In 2007, an OECD survey indicated that a common barrier to successfully implementing green procurement was a lack of know-how among procurement officials on how to achieve it. As a response, by 2010 more than three-quarters of OECD countries have designed practical guides (e.g. manuals), and about half have developed training materials or offered ad hoc advice. Codes of practice are not widespread as a guidance tool and have been adopted in only ten OECD countries (Austria, Denmark, France, Korea, the Netherlands, New Zealand, Poland, Slovenia, Spain and Sweden).

The 2010 OECD Public Procurement Survey has revealed that a number of barriers remain to implementing green procurement. The most common concern across OECD countries today is the possibility of higher prices (79%) resulting from more stringent environmental criteria. Assessing the costs of a good or service over its entire life cycle rather than at its market price could address this, but implementation of this practice remains a challenge. Other limitations perceived are the lack of monitoring mechanisms (45%), the absence of incentives to take green criteria into account in procurement decision making (42%) and the lack of sufficient suppliers (36%).

The extent to which green procurement is put into practice is difficult to measure. Only a few countries (e.g. Estonia,

Norway and Sweden) collect quantitative information on the number of contracts awarded that take into account green criteria.

### Methodology and definitions

Data were collected by the OECD 2010 Survey on Public Procurement which focused on the level of transparency, participation and available remedies in central government procurement processes. Respondents to the survey were OECD country officials responsible for procurement at the central government level. A total of 34 OECD members, as well as Brazil, Egypt and Ukraine responded to the survey.

Green procurement is defined by the European Commission as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured".

### **Further reading**

European Commission (2008), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions, Public Procurement for a Better Environment, European Commission, Brussels.

OECD (2003), "Recommendation of the Council on Improving the Environmental Performance of Public Procurement", Vol. (2003)8, OECD Publishing, Paris.

OECD (2007), Improving the Environmental Performance of Public Procurement: Report on Implementation of the Council Recommendation, OECD Publishing, Paris.

#### Table note

Information on data for Israel: http://dx.doi.org/10.1787/888932315602.

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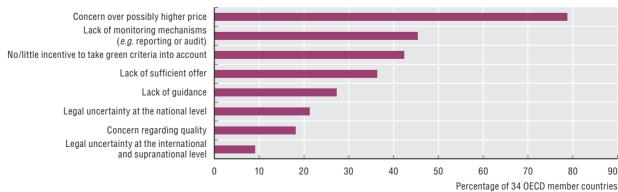
#### 43.1 Stages of procurement cycle where green criteria are applied and available guidance tools (2010)

	Stages of procurement where green criteria are applied			Guidance to promote green procurement in practice			
	In the technical specifications	In the award phase	As a contract performance clause	Practical guide	Training materials	Ad hoc advice	Code of practice
Australia	0	0	0	•	0	0	0
Austria	•	•	•	•	О	О	•
Belgium	•	•	•	•	О	•	0
Canada	•	•	•	•	•	•	0
Chile	•	•	0	•	•	0	0
Czech Republic	0	0	О	0	0	0	0
Denmark	•	•	0	•	0	•	•
Estonia	•	•	•	•	•	•	0
Finland	•	0	О	•	•	•	0
France	•	•	•	•	•	•	•
Germany	0	0	0	•	•	0	0
Greece	0	0	О	0	О	0	О
Hungary	0	0	О	•	•	0	0
Iceland	•	0	О	•	•	•	О
Ireland	•	•	О	•	О	О	0
Israel	•	•	•	0	•	•	О
Italy	•	•	•	•	•	•	0
Japan	•	0	О	•	О	•	0
Korea	•	0	О	•	•	•	•
Luxembourg	•	•	•	•	О	О	О
Mexico	•	0	О	О	О	О	0
Netherlands	•	•	•	•	•	•	•
New Zealand	•	•	•	•	О	О	•
Norway	О	0	О	•	•	•	0
Poland	•	•	•	•	•	0	•
Portugal	•	•	О	О	О	О	0
Slovak Republic	0	0	О	О	О	О	О
Slovenia	•	•	•	•	•	•	•
Spain	•	•	•	0	0	•	•
Sweden	0	0	0	•	•	•	•
Switzerland	•	•	О	•	•	•	0
Turkey	0	0	0	0	0	0	0
United Kingdom	•	0	О	•	•	0	0
United States				•	•	•	0
Brazil	•	•	0	•	•	0	0
Egypt	0	0	0	0	0	0	0
Ukraine	0	0	О	0	0	О	0
Total OECD34							
• Yes	24	18	13	26	19	18	10
O No	9	15	20	8	15	16	24

Source: OECD 2010 Survey on Public Procurement.

StatLink http://dx.doi.org/10.1787/888932392229

## 43.2 Limitations to green procurement identified by central government procurement officials (2010)



Source: OECD 2010 Survey on Public Procurement.

StatLink http://dx.doi.org/10.1787/888932391108



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