

# GPP, AN INCENTIVE TO ECO-INNOVATION

GREEN PUBLIC PROCUREMENT CAN BE AN IMPORTANT DRIVER FOR THE CIRCULAR ECONOMY. A FUNDAMENTAL STEP WAS TAKEN IN ITALY WITH THE COMPULSORY ADOPTION OF MINIMUM ENVIRONMENTAL CRITERIA. OTHER MEASURES ARE NEEDED IN ORDER TO SHORTEN THE SUPPLY CHAIN.

The *EU Action plan for the circular economy* (COM (2015) 614) identifies several initiatives and instruments to be implemented so that the value of products, materials and resources is maintained for as long as possible, and waste production is minimized. Such Plan also envisages an essential role for public administrations in promoting eco-innovation of products and services and increasing the re-use of materials, a role which is not limited to awareness-raising campaigns, but also includes a concrete implementation of *green public procurement* (Gpp). As a matter of fact, the package of measures on the circular economy defines a set of fundamental actions, such as the inclusion – in public procurement contracts – of durability, reparability and recyclability requirements. Another objective pointed out in the package is the drafting of targeted training programmes.

In Italy, a fundamental step was taken to promote the circular economy with Law 221/2015, which made the adoption of *minimum environmental criteria* (Mec)<sup>1</sup> compulsory in public procurement contracts; the compulsory nature of such criteria was confirmed in the new code for public procurement contracts (Legislative Decree 50/2016). As a matter of fact, the minimum environmental criteria affect several objectives of the *EU Action plan for the circular economy*, and are important instruments of the plan. Depending on the case, minimum environmental criteria provide for lower contents of hazardous substances, quantified percentages of recycled materials, minimization and recyclability of packaging, technical requirements that have beneficial effects on the useful life of goods, and other eco-design elements that foster the recovery or re-use of products.

Such aspects have been emphasized in the recent Ministerial Decree of the



11th January 2017<sup>2</sup>, which updates the minimum environmental criteria in “construction industry”, “furnishings” and “textiles”. Common elements are: the definition of technical specifications that valorise the recycled material content (plastic, concrete, brickwork, wood, iron, steel, etc.), durability and the ability to be disassembled. According to the minimum environmental criteria in the construction industry, 5% of the technical score is assigned to projects that provide for the use of materials or artefacts with a minimum content of post-consumer material, obtained from the recovery of discarded material or from the disassembling of complex products in a greater amount than the one envisaged in technical specifications. These provisions are consistent with the incentive-based rules introduced by the Law Decree on the environment.

In the light of such aspects, the minimum environmental criteria also play a role in supporting the industrial symbiosis, to give value to eco-efficient supply chains.

They provide a contribution so that pre-consumer or post-consumer waste may become – in a structural way – real resources to re-use in other production processes. Along this line we find, for instance, the minimum environmental criteria for entrusting municipal waste management services<sup>3</sup>, which valorise waste management that fosters the preparation for re-use and recycling, and in this way they try to have positive repercussions in the creation of demand for secondary raw materials by producers. The result is a concurrence of interests between producers, users and consortia for recovery and recycling. The minimum environmental criteria in some cases – electrical and electronic equipment, photocopy and graphic paper, furnishings, cleaning services and detergents, transports, design and works for the new construction, refurbishment and maintenance of buildings – also provide indications for the analysis and assessment of needs, with positive effects in the reduction of natural resources and energy consumption.

Finally, the key actions identified at EU level include the reduction of food waste, and the minimum environmental criteria for catering services<sup>4</sup> go in this direction, and specifically mention that *“the portions provided must be adequate and calculated according to the nutritional needs of users to whom they are supplied, so as to minimize food surpluses and waste”*. The criteria also envisage the possibility to give scores – within the most economically advantageous tender – to the tenderer who engages to recover the food not distributed and to give it to public benefit organizations that distribute food to the indigent for free.

By way of conclusion, the need for a transition towards a circular economy is a fact, acknowledged both by many policy-makers and by important industrial sectors. For this transition to occur, however, instruments are required to support, guide and foster such a change. The Gpp, thanks to the volumes involved in economic terms and to the numerous stakeholders involved – who are encouraged to invest in R&D – is one of the most promising instruments, being capable of orienting production choices towards eco-innovative solutions,

as well as fostering smarter consumption. At national level, a fundamental measure for the promotion of circular economy models is put into practice with the compulsory implementation of the minimum environmental criteria. Yet, because of restrictions contained in the laws on public contracts, the Gpp, though compulsory, cannot affect all the complex aspects related to the circular economy. They need to be complemented by other initiatives, including incentives to virtuous companies (such as priority in allocating contributions), facilitations and public financing in the environmental sector to enterprises that possess environmental certifications and adopt measures to encourage re-use. Such measures, some of which are better described in the other articles of this issue, have been introduced or recalled by the Law Decree on the environment. Other measures should be added, for instance those aimed at shortening the supply chains and favouring the proximity between production facilities and places of consumption

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## NOTE

<sup>1</sup> The Minimum environmental criteria – adopted with a Decree by the Ministry for the Environment and Protection of Land and Sea – contain general indications to guide the entity towards achieving rationalization of consumption and purchases, and provide “environmental considerations” and social considerations, linked to the various phases of bid procedures (object of the contract, technical specifications, bonus technical characteristics, conditions for the performance of the contract). The aim is to achieve environmental qualifications for supplies and allocations along the entire lifecycle of the service/product.

<sup>2</sup> Published in the Official Gazette No 23 of 28/01/2017.

<sup>3</sup> M.D. of the 13th February 2014, O.G. No 58 of 11/03/2014.

<sup>4</sup> M.D. of the 25th July 2011, O.G. No 220 of 21/09/2011.

## GREEN PUBLIC PROCUREMENT

### GPP IN PUBLIC ADMINISTRATIONS, EMILIA-ROMAGNA AIMS TO ACHIEVE 50% BY 2018

Goal: 50% of “green public procurement” by 2018 for the public administrations of Emilia-Romagna. A percentage that reaches 100% in the cases envisaged in the Code of public contracts, including those for electricity, the construction industry, and means of transport.

This is contained in the new plan for green public procurement, launched in November 2016 by the Regional Council of Emilia-Romagna and approved permanently on the 7th February 2017 by the Regional Legislative Assembly. The measure focuses on the activities to inform, train and raise the awareness of civil servants, so that the supplies of goods, services and works become increasingly “green”. It is also worth mentioning the promotion of green procurement in the use of Community resources of the Regional Operational Plan and Regional Development Plan, technical assistance to clients in drafting and adopting environmental and social criteria in their calls for bids, and the involvement of professionals associations (economic operators).

“The approval of the Plan – as stated by the Regional Councillor for the Environment Paola Gazzolo – is a further step forward of Emilia-Romagna towards an increasingly circular economy: introducing green purchasing procedures in a public entity means rethinking about the needs of an administration and re-orienting consumption processes, with the final aim to reduce waste and optimize the use of resources. The keyword here is innovation: only by innovating we will be able to support effective and far-sighted industrial policies, capable of making the new green approach we propose economically advantageous. Public demand should represent an incentive, so that the competitiveness of



enterprises is more and more linked to product or process innovations, in order to achieve growing sustainability. A far-reaching cultural action is required so that the social, ethical and environmental values of purchasing choices are transmitted to the employees of public administrations. The same awareness should also be achieved by producers”.

The Emilia-Romagna region ranks first in Italy by number of EPDs (Environmental Product Declaration), and it ranks second considering the Emas (Eco-Management and Audit Scheme) and Ecolabel. This vitality is clearly visible in some driving sectors of the regional economy, such as ceramic manufacturing for Ecolabel, food and agriculture for experiments in the implementation of Emas in cheese and ham factories.

The achievement of the aims contained in the Plan shall be constantly monitored; the monitoring activity aims to involve both the regional directorates and IntercentER, and the local administrations, thanks to the collaboration with the regional Observatory of public procurement.