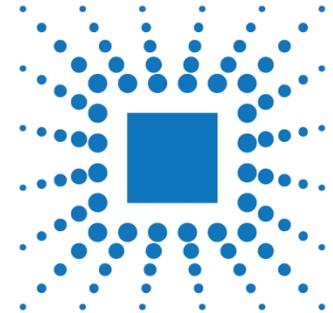


CASE STUDY

The Green Public Procurement Program of the Basque Country

**Government of the Basque Country
(Spain)**

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Abstract

In 2016, the Basque Government approved the Green Public Procurement (GPP) Program of the Basque Country 2020 with the aim to increase GPP in the region and reach at least a 50% GPP by all Basque public agencies. Apart from the central government which is the "owner" of the Program, other public agencies – municipalities, public companies, universities, etc. - are encouraged to join the Program by signing an official commitment. By doing so, agencies commit themselves to prepare annual GPP plans and to report results at the end of each year.

Since its approval, the level of GPP has increased in the region, but it has especially increased in signatory authorities. Thus, based on data from 2019, signatory agencies have reached a GPP level of 46% of all tendering processes (in economic value), more than double than the rest of the public sector, with only 19% GPP. Furthermore, results also show that the regional market coordination on GPP is also having a positive effect. Basque companies won 80% of the tendering processes with environmental criteria (in economic value), showing that they are ready and can provide green services at a competitive price.

Summary

Goals	Strategies	Results
To mobilize the Basque public sector as a whole , to make environmentally responsible procurement a standard practice	Define the GPP Program for the Basque Country 2020 in a participatory process.	64 entities from all levels of the Basque public sector were involved in developing the GPP Program 2020
	To promote involvement through a formal commitment to the Program.	By early 2020, there were almost 40 signatory public entities from all sizes and types (apart from the Basque Government's ministries).
To achieve at least a 50% green public procurement (specially in 20 priority categories that include building and infrastructure)	Require signatory entities to define annual GPP plans for the prioritized categories.	A bit more than 2/3 of the signatory entities sent their GPP plans at the beginning of 2020.
	Provide capacity building, personalized support and common GPP criteria for the priority categories.	The overall level of GPP (in economic volume) in 2019 was 22%, however signatory entities had a GPP level of 46% -very close to the 50% target.
To guarantee the coordination with the Basque market	Involve Basque manufacturers and suppliers in the definition of the GPP criteria, provide training for efficient green tenders and improve production through the Ecodesign Program	80% of the green call for tenders (in economic volume) have been awarded to Basque companies.

Goals

The main goals of the GPP Program of the Basque Country 2020 (GPP Program 2020 hereafter) are:

- **To mobilize the whole Basque public sector** to make GPP a standard practice. The previous program focused only on the central government, but the 2020 Program targets all public agencies;
- **To achieve at least a 50% GPP**, in line with the general target set across the European Union. This target is to be achieved in at least 20 product categories¹ prioritized in the Program;
- **To guarantee the coordination with the Basque market**, ensuring that GPP incorporates eco-innovation and fosters the better positioning of Basque companies inside and outside the region; and
- Ultimately, **to contribute to a more efficient use of public resources** by ensuring best value for money from an environmental and socio-economic perspective.

Strategies and Actions

Development of the GPP Program 2020

In 2011, the Ministry of the Environment of the Basque Government approved a first program to promote GPP in the ministries and agencies of the Basque Central Government following EU recommendations.

In 2014, at the end of that first Program, Ihobe - the Environmental Management Agency of the Ministry of the Environment reviewed the results achieved and held four reflection and brainstorming meetings to define the next GPP Program. Each meeting brought together different types of public entities from all levels and sizes of the Basque public sector, to ensure that the new GPP Program included their needs, priorities and views. In total, 64 entities were involved and the following priorities were identified:

- To expand the GPP Program to all Basque public entities (not only the Basque central government) in order to mobilize stakeholders and consolidate GPP in the region.
- To set process and outcome objectives.
- To provide support, regular exchange between parties and coordination with the market in order to send a clear signal to the market and facilitate progress.

¹ The include not only products but also services and Works.

- To include highly effective multiplier actions (such as centralized purchasing) and pilot actions to test out new approaches (such as circular procurement, life cycle costing and/or eco-innovative procurement).
- To optimize monitoring to ensure greater efficiencies, by integrating them into already existing platforms and tools.

Objectives of the GPP Program 2020

Based on all the input gathered in the discussion sessions, the results of the previous Program and new strategic guidelines at the EU and international level the GPP Program 2020 was defined and approved by the Basque Government at the end of 2016.

The objectives set in the Program are the following:

	2016	2018	2020
PROCESS OBJECTIVE	Reviewing the procurement processes and planning measures to optimize and facilitate the integration of environmentally responsible purchasing		Institutionalized green public procurement
OUTCOME TARGET	Inclusion of the environmental criteria in the commonly used procurement tools by the Basque Administration.	Greening of 50% of the bidding processes of 10 product categories: <ul style="list-style-type: none"> - paper - computers - printing equipment - cleaning buildings - vehicles - publications - food - gardening - road cleaning - civil works & infrastructures 	Greening of 50% of the bidding processes of 20 product categories: <ul style="list-style-type: none"> - the previous 10 plus - building - urban development - waste collection - electricity supply - public transport - courier services - office furniture - textiles - travel - events

The 50% target was set based on the general target set at the European Union level.

The 20 product categories were selected based on multiple criteria: their environmental impact, their relevance for different types of public entities, their visibility to society and the market readiness at the time.

Activities of the GPP Program 2020

To achieve those goals, the Program includes a set of 19 activities organized in 5 strategic areas:

1. Tools and resources for GPP implementation	To provide public entities with the necessary tools to safely introduce environmental criteria in their procurement processes; and to test new approaches through pilot projects.
2. Integration in procurement processes, procedures and tools	To identify and establish mechanisms that enable the mainstreaming and effective integration of the environmental variable in existing procurement tools and procedures.
3. Awareness raising and capacity building	To train public managers and practitioners on the benefits and how to carry out environmentally responsible procurement.
4. Coordination with the market	To mobilize the Basque private sector and actively involve it in GPP processes -from the (co)definition of GPP criteria to present better green offers in the region and outside.
5. Communication, dissemination and networking	To exchange and share practices and lessons between authorities both in the region and at EU and international level.

Participation in the GPP Program 2020

The GPP Program 2020 is a voluntary program approved by the Basque central government, but targeted at the whole public sector. In order for public authorities to participate, interested entities must join the Program by signing a formal commitment by which they agree to:

- Designate a GPP coordinator;
- Establish an annual GPP plan for the priority product categories and others that might be relevant for the entity;
- Analyze and integrate GPP in their procedures and tools;
- Carry out staff training and share best practice with other authorities; and
- Report results annually.

This procedure was defined based on frontrunner countries and on the discussions held during the definition of the Program with the different stakeholders.

Governance of the GPP Program 2020

Taking into consideration the evolution and expansion of the GPP Program from the previous one, three bodies govern the current Program:

- 1) **A technical secretariat**, in charge of overall support, implementation of the activities of the Program and monitoring results. The appointed agency for this task is Ihobe.
- 2) **A Government Group**, which meets annually and is tasked with coordinating the deployment of the GPP Program 2020. This group includes representatives from the main Basque Government's Ministries and key public agencies or companies (such as the Basque Health Service or the Public Society for Housing).
- 3) **A Signatory Entities Group**, which meets once or twice a year to share information and to provide their feedback on priorities for the GPP Program 2020 based on their needs. This is the most active and advanced group.

Measurement of results

In order to track progress in the implementation of the GPP Program 2020, Ihobe monitors each year:

- 1) **The degree of implementation of the activities set out in the Program itself.** Each activity has its own progress indicator, which is monitored and calculated annually. The results are compiled in a report, based on which the Driver and Signatory Entities Groups propose new actions for the year ahead based on recommendations by Ihobe.
- 2) **The degree of achievement of the Program's objectives by participating administrations.** The methodology has changed over the years in order to streamline the process and take advantage of the roll out of compulsory e-procurement in the European Union, due by 2018. During 2017 Ihobe worked with the Ministry of Economy and Finance in order to include a mechanism to easily track tenders with environmental criteria in the Basque e-tendering platform. The system is not bullet-proof yet, but is a good first step to data gathering. During 2020 new adaptations are foreseen to improve the system.

Furthermore, signatory entities that don't use the Basque e-procurement platform but their own are required to provide their GPP information, in order to aggregate results and provide the full picture of signatory entities.

In Ihobe's GPP website all the [monitoring reports](#) from 2016 to 2019 can be found.

Financial Information

The deployment of the GPP Program 2020 is fully financed by the Basque Government, through the annual budget of Ihobe. This includes the resources for the equivalent to 1,5 full-time-persons and about 150,000 EUR per year for external support, dissemination materials and events organization.

The Driver Group and Signatory entities contribute also with their own financial and human resources when participating in meetings and implementing their GPP Annual Plans.

Results

Even though the Program was launched in 2016, its deployment didn't really start until mid-2017 due to regional elections that brought political changes in the Basque central government. During 2017, the new government revalidated the Program. This was done by both the Ministry of the Environment and Territorial Policy and the Ministry of Finance and Economy, and thus the actual deployment started. The main results so far are the following:

Signatory entities

At first, the formal commitment to the GPP Program 2020 by the Basque Network of Towns for Sustainability - Udalsarea 21 and of some leading public authorities spurred the commitment from several other public organizations; and in February 2018 a ceremony was held in the Basque Government headquarters to provide public recognition to all signatory authorities (26 at that time).

Figure 2. Signatory authorities recognition event in 2018



Afterwards, the number of new signatory entities progressed very slowly despite the fact that the possibility to adhere to the Program was widely promoted by Ihobe. That is why, in 2019 Ihobe decided to organize targeted meetings with authorities that showed interest and initiative in GPP. That was done by analyzing which authorities were asking Ihobe for support in greening their call for tenders and/or which authorities were marking in the Basque e-tendering platform that they introduced environmental criteria in their call for tenders. Those meetings bore their fruit, and by the beginning of 2020 there were 38 signatory entities.

GPP Program deployment

Ihobe, with the support of other public entities has carried out the different activities foreseen in the GPP Program 2020 and monitored results. Here we summarize some of them (as of end of 2019):

- [GPP Criteria](#) for the 20 prioritized product categories are available for direct use in call for tenders and direct purchases and real tendering documents with those green criteria are also available for some of the categories.
- More than 50 [GPP Best Practices](#) have been published to disseminate good examples and promote replication by other authorities (apart from other dissemination activities).
- Almost 400 demands for technical assistance for greening tenders, review offers and solve questions has been answered by Ihobe (100 per year approx.).
- About [40 GPP training seminars](#) (more or less 10 per year) have been organized in which more than 1,140 persons have participated. The content of the seminars is targeted to solve the main difficulties for GPP or to answer to relevant demands – this includes training on the main errors when defining GPP criteria, how to use environmental management systems and ecolabels in public procurement, how to improve the monitoring of "green" contracts, etc.
- About 10 seminars/meetings with the private sector have also been held to review the GPP Criteria mentioned above and/or to prepare suppliers to present successful green offers. Furthermore, the GPP program and the Ecodesign program of the Government are closely coordinated to steer the Basque private sector towards more sustainable production practices and products.

GPP Levels

Since 2018, Ihobe also monitors the progress towards achieving the quantitative objectives set in the GPP Program 2020. This is done through the Basque e-tendering platform in which a field has been added for contracting authorities to signal if the call for tenders include environmental criteria. This system allows to monitor progress by all public entities tendering through the Basque platform (which is the majority of the authorities in the Basque Country region).

The results for 2019 are summarized below. Some caveats apply though. On the one hand, not all Basque authorities tender through the Basque e-platform, the field to signal if the tender includes environmental criteria is not a compulsory one so some green tendering processes are not identified as such, and the classification is self-reported, so if analyzed in detail, some missed identification might be found.

The level of GPP in 2019 has been:

- 24% in number of calls for tenders
- 22% in economic volume

	ALL call for tenders	Calls with ENVIRONMENTAL CRITERIA	Level of GPP
Number of calls for tenders	5.829	1.407	24%
Economic volume (EUR)	2.005.115.851,5	449.295.097,8	22%

When the level of GPP is analyzed by type of public entity, those that seem to have higher GPP levels are those classified as "Other" (i.e., consortia, research institutes, universities, the Parliament, etc.), followed by local entities, provincial entities and, in last position, the Basque central government.

Type of public entity	GPP level (N. tenders)	GPP level (EUR)
Others	38%	58%
Local authorities and their public companies	29%	29%
Provincial authorities and their public companies	17%	24%
Basque Government and their public companies	16%	12%

Signatory entities have a GPP level that is more than double that of the rest of the public sector (in economic volume), very close to the 50% target for 2020.

Type of public entity	GPP level (N. tenders)	GPP level (EUR)
Signatory entities	39%	46% *
Rest of the public sector	21%	19%

* It reaches a 49% using data corrected by two signatory authorities.

When GPP levels are analyzed for the 20 product categories prioritized in the Program, results vary considerably from category to category. While for some the 50% has been reached (paper, cleaning services, buses and gardening) for others there is still a long way to go (such as textiles, courier services, travel services, etc.).

Market response

In 2019, Ihobe also monitored where companies that are awarded contracts come from. Overall, Basque companies were awarded 58% of all call for tenders (in economic volume). But when analyzing only call for tenders with green criteria, they won 80% of the calls (in economic volume). This shows a good coordination and preparation of the regional market to offer products, services and works that are environmentally better.

Basque companies are well prepared to face greened call for tenders as they won:

- 72% of the call for tenders with environmental criteria, which represent
- 80% of the greened call for tenders in economic value

Benefits

The participatory process and approval of the GPP Program of the Basque Country 2020 has allowed to raise awareness and create a coordinated movement from the Basque public sector in support of environmentally responsible public procurement.

The involvement of the private sector in several activities of the Program – in the definition of the GPP criteria, in targeted training sessions, in pilot projects, etc. – has allowed a better coordination of the offer and the demand towards greener solutions, fostering greener local markets.

Common tools and resources – such as the common GPP criteria and the support in tendering processes – have speeded up the implementation of GPP removing some of the barriers against it.

The integration of the monitoring system in the Basque e-tendering platform has allowed to mainstream data collection, facilitating data analysis and monitoring results.

And of course, environmental benefits are obtained too from the procurement of environmentally preferable products, services and works. Some estimations have been done for certain contracts.

Green electricity by the Basque Parliament	Energy efficient imaging equipment by the provincial government of Bizkaia	Alternative vehicles for the Health Centres of Goierri-Urola-Garaiko
<p>In 2019, the Basque Parliament has set a contract for 100% green electricity for the next two years. Thanks to that the contract will:</p> <ul style="list-style-type: none"> • Guarantee the production of 132.4 toe renewable energy • Avoid the emission of 308.2 tone CO_{2-eq} 	<p>In 2017, the authority signed a framework agreement in which energy efficient imaging equipment will be supplied. The estimated benefits for the 5-year use of the equipment are:</p> <ul style="list-style-type: none"> • Reduction of 57% of energy consumption (2.1 toe) • Avoid the emission of 5 tone of CO_{2-eq} • Save 2,231 EUR in energy consumption 	<p>In 2017, the health authority purchased 5 electric vehicles and 2 bi-fuel vehicles. Compared to conventional diesel vehicles and for the 4-year use of rented vehicles, it was estimated that the authority will:</p> <ul style="list-style-type: none"> • Avoid the emission of 11 tone of CO₂ • Save 13,400 EUR in energy consumption

Lessons Learned

Some of the lessons learned during the last four years are the following:

- Having a formal commitment with feasible obligations accelerates progress in signatory authorities, so all entities, including the Basque Ministries should follow a similar commitment process to improve results.
- To foster the formal commitment among authorities, intensive communication and dedicated meetings are required, especially given that it is a voluntary policy for the whole Basque public sector. "Peer-pressure" can contribute to further increase adhesion to the Program.
- Providing ready-to-use GPP criteria (with both simplified and more complex options), training, direct support and exchange possibilities are greatly valued by public entities as this helps overcome the lack-of-knowledge and insecurity barriers to GPP.
- A common and easy monitoring system is needed to present aggregated results.

During 2020, Ihobe is working to define the new GPP Program 2030 that will replace the current one. In its development, all the lessons learned so far will be taken into consideration in order to ensure the relevance and efficiency of the new Program. Thus, the new Program will:

- Be defined using a similar participatory process as the previous Program, with meetings with all levels of public entities and the private sector.
- Expand to cover also the private sector as buyers (like in the SPLC) and not only as providers in order to continue enlarging the scope of the GPP Program.
- Keep the same or similar adhesion process to the Program with a formal commitment; and for the Basque central government it will be evaluated whether to make GPP compulsory, as they are falling behind in GPP levels.
- Continue providing common resources, training and direct support.
- Improve the monitoring system and include also the calculation of the Sustainable Development Goal 12.7.1. to report progress also at the international level.

References and Additional Resources

- The GPP 2020 Program (in [Spanish](#) and [English](#)).
- Ihobe's GPP webiste with all GPP related information is posted -general information, GPP criteria & checklists, good tenders examples, case studies, training events, etc. (in [Spanish](#)).