Greening state framework contracts – Approaches in the Nordic countries

– Summary Report

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1. Introduction

Green Public Procurement (GPP) is an important way to achieving reduced environmental impact from both consumption and production. GPP can also have a positive impact on green innovation in the private sector, leading to a ripple effect. All in all, GPP can be an important driver of green transition.

All the Nordic countries have established framework contracts at state level and have allocated the responsibility for the State Framework Contracts (SFC) to certain organisations:

- Denmark: Moderniseringsstyrelsen and SKI.
- Finland: Hansel Ltd.
- Iceland: Ríkiskaup.
- Sweden: Kammarkollegiet.
- Norway: DiFi, HINAS.

The roles of these units differ, partly due to differences in the overall national structure. As example, Norway’s DiFi provides advice to the public procurers, whereas Finland’s Hansel Ltd in practice puts the products and services required by the public administration out to tender and maintains the related framework agreements.

The present study investigates achieved results and unfulfilled GPP potential of state framework contracts in the five countries. The aim is to

- describe how GPP has been realized in the state framework contracts in the five Nordic countries
- propose country specific ways to improve the situation
- draw a general model of efficient ways to realize more effective green state framework contracts.
This is a short Summary Report with key findings and conclusions based on the Full Report, which includes e.g. the detailed country studies.

The study was carried through in 2014 and 2015 by Bjørn Bauer and Rikke Fischer-Bogason, PlanMiljø (Denmark), Luitzen de Boer and Sigurd Vildåsen, Norwegian University of Science and Technology, and Timo Kivisto, Kivisto Consulting (Finland).

The study was supervised by the Working Group for Sustainable Consumption and Production (i.e. HKP-group) of the Nordic Council of Ministers. The steering group was chaired by Ari Nissinen from the Finnish Environment Institute (SYKE), the other steering group members were Helene Hoggen (Ministry of Climate and Environment, Norway), Annika Kleen, Kristina von Oelreich and Erik Westin (Environmental Protection Agency, Sweden), Line Bech and Gert Hansen (Environmental Protection Agency, Denmark), Sigurbjörg Sæmundsdóttir (Ministry for the Environment and Natural Resources, Iceland).

Personnel in the organizations making the state framework contracts as well as a large number of other experts in the field of public procurement participated in interviews, workshops and commenting the draft reports, and their names can be seen in the Full report.
2. Green State Framework Contracts

“A state framework contract is an arrangement at state level establishing the contractual terms applying to orders made for the goods, services, or works covered by the framework contract a period of time. Establishing a framework contract embraces an initial call for tenders against set terms and conditions, the appointment of one or more suppliers on the basis of those tenders, and then the placing of periodic orders.”


In other words, the SFC specifies the terms that a supplier must comply with when providing products or services to the purchasers.

SFCs embrace procurement of vast and increasing amounts of goods and services with considerable environmental impact. Procurement of large volumes give influence on the market, and SFCs with ambitious environmental requirements can be a driver for green innovation, hereby simultaneously leading to reduced environmental impact and creating new jobs and export opportunities.

A relatively uniform approach to development and use of an SFC can be drawn on grounds of the Nordic methods:

Figur 1: The SFC Process
Business Plan Development

*Identification of key stakeholders’ desired outcome* allows balancing the demands and prepare the most beneficial SFC: Which functional and/or technical requirements must be met, which quality is needed, what are the key environmental impacts that should be targeted, which environmental criteria can the suppliers meet, how do different targets influence product price etc.

*Environmental criteria* can be based on EU GPP criteria, existing material from other public procurement processes, criteria of type I environmental labels, or existing data from a completed LCA.

*A technical dialogue* with market actors supports realistic environmental targets, balancing green criteria with the abilities of the suppliers. If green demands significantly impact the procurement object, the procurement unit must balance and prioritise among the different considerations.

**Competition**

*The environmental criteria can be integrated* in the tender documents as selection criteria for suppliers, compulsory requirements, award criteria or contract clauses. Incoming tenders are evaluated against the stated criteria:

- Does the supplier meet the qualification criteria?
- Do the products fulfil the compulsory requirements?
- How can green products be distinguished from conventional ones?
- How does the supplier report on the environmental effects (if required)?

**Contract**

*Procuring units should monitor* implementation of environmental criteria as well as the actual purchasing of “green” products by the users of the SFCs. By end of the contract period, a higher green level can be set.

*Suppliers should be required to report* on selected environmental criteria. Meeting the environmental requirements will motivate suppliers to consider how to reach the next level of green development.
The potential environmental impact of green SFCs becomes actual when the framework procurers in state organisations use the contracts to buy green products and services.

**Office furniture, Finland**

Two competitions were carried out in the space of four years and the green requirements developed from a few core criteria (traditional office furniture) into comprehensive criteria and beyond for standard products.

**Business plan development**

- During the first tender competition the suppliers were informed that the next tender competition would include only one lot with more strict environmental criteria.
- Criteria development took into account comments from the producers.
- The environmental target level were the comprehensive criteria and some of the award criteria from EU GPP criteria as functional requirements.

**Competition**

- Durability aspects were mentioned in the core requirements; other environmental concerns beyond the EU GPP criteria were used as award criteria, including recycling, repairability, longer life cycle.
- The evaluation included control that all requirements (including green requirements) were fulfilled.
- All tenders received maximum points for environmental award criteria.

**Contract**

- The contract has an appendix on environmental impacts of processes.
- Mini-competitions can extra have functional criteria.
- Verification of product compliance was not carried out during the tender process.
- Monitoring environmental issues are not specified and no mandatory reporting is stipulated.
**Printing supplies, Iceland**

A 2010 framework contract on printing supplies included little environmental criteria.

**A – Business plan development**

- In 2012 Ríkiskaup expanded the contract to include the Nordic Swan Label as a green criterion.
- A dialogue was initiated with suppliers to inform about and discuss the new criterion.
- Most suppliers were optimistic about the criterion and some had initiated the process of becoming Swan labelled. The supplier dialogue provided a tender process that correlated with market maturity.

**B – Competition**

- In 2012, three suppliers had the Swan label, but Ríkiskaup made it possible for suppliers to be part of the state framework contract based on intent of getting the Swan Label within six months of the contract, and additional two suppliers became Swan labelled. In 2014, when a new SFC contract was established, an additional three suppliers expressed intent to do so within six months.
- There is no specific system in place for checking supplier/product compliance, however, the Swan labelled supplies require a third party certification. For suppliers without a Swan label (or in the process of certification), Ríkiskaup can ask the Environmental Agency to help verify the performance.

**D – Contract**

- Buyer and supplier experiences are reported at the end of each contract and used for new contracts. The Environmental Agency checks up on compliance with environmental criteria.
- Every year new criteria are considered and plans prepared for improved environmental performance of SFCs.
Hotel services, Norway

This case deals with establishing a national agreement for hotel services for all employees in the regional Norwegian hospitals. The tender project was carried out by HINAS.

Business Plan Development
- The overall objective was to achieve a new national agreement based on tougher environmental requirements compared to the existing agreement.
- HINAS had a good overview of the Norwegian hotel suppliers and of which environmental certificates different suppliers had. An external expert assisted in evaluating suppliers that had not yet achieved a certificate but were in the process of achieving it.
- A “bidding conference” was organized where suppliers could ask questions about the call for bids.

Competition
- The environmental criterion is related to the supplier’s environmental certification, with the “Swan” and the “Miljøfyrtårnet” (Norwegian label) as the most important certificates, the former more stringent than the latter. ISO14001 is considered less demanding as suppliers themselves decide on the environmental aspiration levels.
- The Swan certificate (or a comparable and documented performance) yielded the maximum of 10 points, whereas the Miljøfyrtårn or ISO14001 (or comparable performance) yielded 5 points.
- Environmental performance was weighted 20% in the final selection process, 80% weight was assigned to the price.

Contract
- No additional environmental issues were included in the contract.
- There was no specific compliance check other than the process described under point b.
- No specific reporting requirements, however, as a standard procedure, HINAS carries out follow-up meeting with all framework agreement suppliers once or twice per year.
- Despite some initial criticism from the suppliers, HINAS received positive feedback from the supplier winning the contract, expressing their satisfaction with being rewarded for their considerable effort in achieving an environmental certificate.
3. Key organisational themes

The organisational set up is crucial for greening of SFCs. The extent to which green requirements are incorporated in SFC depends on the complete organisational set up – in the project expressed in an analytical model embracing seven organizational elements, as shown in the figure to the right.

The country surveys has shown that the five countries share an overall vision of greening SFCs, but the individual avenues chosen for approaching this vision differ in terms of the other six organisational elements. Key findings from the country surveys are presented below.

A clear and shared vision provides direction and meaning

A vision is an aspiration, an organisation’s view of where it wants to go, what it wants to achieve, and what it wants to be in the long term.
• The national visions could in general more clearly address the option of SFCs becoming a driver for change.

• Ambiguous formulations weaken the vision statement. The Swedish vision statement aims for authorities to take environmental criteria into consideration “as widely as possible” and further mentions that greening should not increase the administrative burden of Swedish suppliers.

• The implementing organisation can take ownership of the governmental vision by formulating measurable goals and targets. In Finland, the central unit for PP, Hansel, aims at 100% implementation of green aspects in SFC by the end of 2015.

• The vision can also cover the need for public purchasers and suppliers to have access to tools, training, and other support for greening public procurement – this is the case in Sweden.

Leadership makes things happen

Clear and explicit leadership makes it easier to incorporate GPP in organizational structures and processes, reduces the need for prescriptive rules, and enables more flexibility.

• Clear green leadership is not least necessary in a procurement organisation that traditionally has had one main priority: cost savings. In Finland, Hansel is a visible focal point for all work related to SFC, including developing and implementing green criteria. In Sweden, the National Procurement Service is seriously engaged in the green agenda and staff perceives the “green focus” as an obvious choice.

• Leadership communication on green issues contributes to mainstreaming environmental concerns in the organisation, hereby strengthening the green culture. Finland has a strong GPP communication with frequent events, such as conferences and seminars, and in Iceland all government institutions were invited to GPP workshops at the onset of the national GPP programme.

• Good leadership also means tuning the organisation according to monitoring results and renewed priorities. In all Nordic countries there appear to be insufficient monitoring and limited effort on strengthening performance in light of monitoring results.
The strategy is the road map – where to and how

Strategy can be defined as the long-term plan of action to realise an organisation’s vision with the available resources. Tangible targets and distribution of responsibilities and resources strengthens the likelihood of having the strategy implemented in practice.

- All five countries have specific strategies for GPP, either as independent documents or as part of the main strategies for PP. The Icelandic GPP-strategy includes specific goals of which some are quite concrete (such as “use of green criteria in 50% of all tenders by 2016”) whereas other are less precise (e.g. staff should have the appropriate knowledge). The Icelandic strategy is detailed with an annual Action Plan identifying responsible entities and including a time schedule.

- There are no concrete strategies for the greening of SFCs and the desired outcome and impact in the countries.

Staff with the right capacities is the key to success

Competent staff is a prerequisite for the success of Green SFC efforts.

- An assessment of capacity needs in the complete SFC process will lead to identification of a need for additional (perhaps external) capacity; no such effort has been identified in the five countries.

- The staff should have an overall understanding of the purpose and contents of Green SFC and GPP. The Finnish PP entity, Hansel, and advisory unit Motiva organize a variety of events, such as seminars, conferences and network meetings, aiming at ensuring that staff is up to date on the most recent developments within GPP at a European level.

- Preparation of green criteria requires considerable technical knowledge that may be found outside the institution. In Sweden and Denmark, the employees co-ordinating development and implementation of green criteria in SFCs cooperate closely with external consultants and experts when in-house capacity is not sufficient.

- Having decentralized units in charge of sector-specific procurement can enhance the capacity for working with green criteria. However, decentralization may require additional follow-up, capacity building, and guidelines from central level to become effective. In the decentralised Norwegian model, implementation of ISO14001 has
greatly improved the overall performance by enhancing staff understanding of and motivation for GPP.

An unambiguous structure transparently distributes tasks

The structure of an SFC-organisation can be defined as the formal and informal division and coordination of activities and responsibilities. A transparent and clear organisational structure ensures that all key tasks are taken care of by the relevant stakeholders.

- With the exception of Norway, the Nordic countries all have centralized units developing and managing SFC with sub-units in charge of the green elements in SFCs. Finland has a clear and efficient structure with the central entity, Hansel, in charge of joint state framework contracts. The Finnish Ministry of Environment and the Ministry of Employment and the Economy finance a special unit in Motiva dealing with green issues in PP. Denmark and Sweden have appointed employees specifically to the development and implementation of green criteria into SFCs, whereas Iceland has a working group on GPP.

- The organisational set-up should reflect and facilitate collaboration with the appropriate related governmental and non-governmental entities. All the national SFC units collaborate (to a varying degree) with other ministries and units on developing and implementing green criteria. Ministries of Finance, Ministries of Environment and the Environmental Protection Agencies are involved in the development and implementation process in all five Nordic countries. The involvement of non-governmental environmental organisations is less common and is not part of the core organisational set-up.

- In order to give green criteria weight and forward a strong signal to the suppliers ("complying with green criteria is mandatory to become supplier to the public sector"), suppliers’ compliance must be controlled and evaluated. All Nordic countries have units for standard compliance control, but no country has units specializing in controlling and enforcing suppliers’ compliance with environmental criteria, and control of environmental compliance appears to be uncommon.
Systems contribute to effective operations

Systems and procedures are some of the most crucial aspects of an efficient implementation of green criteria into SFCs.

- Well-defined and efficient criteria development systems help facilitate a smooth process of criteria development. *All Nordic countries have more or less fixed systems for developing (green) SFCs.*

- A gradual and warned increase in environmental requirements enables suppliers to invest with long term perspectives in mind. *Among many examples the Finnish SFC on office furniture elucidates the benefits of a stepwise tightening of green requirements combined with market dialogue.*

- When creating new SFCs it is important first to identify needs and specification details of the given product or service. *In all Nordic countries the central PP entity enters into dialogue with various external stakeholders when preparing new tendering documents. In Sweden, large-scale feasibility pre-studies are carried out containing needs and market analyses. In Denmark, Moderniseringsstyrelsen utilizes product specific expert groups (representing end-users).*

- The criteria development process should include collaboration with a variety of stakeholders and experts to ensure that green criteria are relevant and efficient. *In all five countries, implementing green criteria into SFCs include collaboration with relevant ministerial entities, suppliers, and experts/technical consultants. Especially Denmark, Finland and Sweden have defined systems for this process.*

- The organisation could aim for green criteria for strategic product groups with importance for the national manufacturers. *Evidence for this has not been found in any of the countries.*

- Monitoring of the level of implementation of the green SFCs in actual procurement is necessary to constantly assess performance and allow for increased leadership and reward/enforcement approaches where relevant. *All five countries need to implement more thorough and detailed systems for monitoring of activities and results.*

- Good networking and information sharing is important to follow “best practices”. All the Nordic countries take part in national, Nordic and EU level networks in order to stay up to date on developments within GPP. All central GPP units have websites that offer information and tools for procurers and the general public. *In Norway, Difi is in charge of such work. In Finland, Hansel conducts*
network meetings at the ministerial level for regular updating and improvement of staff competency levels. A web-tool has been designed for Danish procurers providing an easy-to-use approach to including green criteria in tendering documents.

The maturity model unfolded

As shown above, efforts within each of the organisational elements can support the gradual development of an effective model for Green SFCs. Each of the Nordic SFC models has respective advantages and it can be concluded that there are different ways of achieving environmental benefits through green SFCs.

Weaknesses within one organisational element can to a certain degree be counterweighed by specific strengths within another element, but the project has demonstrated that all seven organisational elements are of significant importance. However, in a Nordic context, strong and clear “vision” and “leadership” may be considered the most crucial elements for achieving green outcomes of SFCs. If the vision is compelling and shared, and the leadership clearly and constantly signals the importance of green, then well-educated and skilled staff will be motivated and find their way to the green solutions.

The table below seeks to create a maturity model for Green SFCs – from the basic to the strategic approach:

- A country with a passive green SFC model have modest green ambitions with the SFCs, but will pick the lowest hanging fruits.
- A country with a strategic SFC model aims at harvesting environmental, economic, and societal benefits from an active and future oriented green procurement practice.

Most SFC-organisations will hopefully find inspiration from the table for further improvement of their SFC arrangements and actions. The table can be used to assess the maturity of the national SFC organisation as well as the individual organisational elements.
<table>
<thead>
<tr>
<th></th>
<th>Passive – Basic</th>
<th>Advanced</th>
<th>Strategic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vision</strong></td>
<td>Internal vision with some green aspirations; prioritisation of competition over green</td>
<td>Goals on expected share/value of contracts with environmental requirements</td>
<td>Ambitious goals on expected outcome of green SFCs; Aspirations for green strategic SFCs supporting national business development</td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>National GPP institution also (informally) responsible for green SFCs</td>
<td>Appointed national focal institution for green SFCs; Some articulation of the importance of green in SFCs and GPP; Interest in volume of procurement under green SFCs</td>
<td>Explicit green attention from government and key institution’s management; Clear expressions of the importance of green; Application of a mix of instruments to ensure the green benefits; Use of outcome monitoring data for preparing follow up actions; Involvement of staff in target formulation and action plan development</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Soft goals indicating a direction but no clear targets or actions specified</td>
<td>Strategy with some output oriented targets and an action plan; Limited budget allocated for greening; Specific focus on market dialogue and participatory approaches; Identification of key product areas in terms of environment</td>
<td>Long term plan with cross category approach; Tangible outcome targets; Analysis of costs and benefits of green endeavours; Clear action plan; Specific budget lines for greening; Search for new approaches; International cooperation</td>
</tr>
<tr>
<td><strong>Structure</strong></td>
<td>Individual (not structured) efforts supporting greening of SFCs</td>
<td>Central level staff committed to support preparation and application of green SFCs;</td>
<td>Transparent distribution of “green” tasks and obligations; Proactive Focal Unit for green support and monitoring; Support to compliance check of suppliers</td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td>Little knowledge of capacity needs or efforts for expanding staff’s green competences</td>
<td>Institutional capacity needs insight; Existence of green competences at framework contract level; Fragmented capacity building; Some involvement of external competences</td>
<td>Institutional capacity needs assessment with derived plans and realised capacity building; Green competences at the levels of framework contract development and practical procurement; Clear practices for involvement of external expertise</td>
</tr>
<tr>
<td><strong>Systems</strong></td>
<td>Basic green criteria in some SFCs; sporadic involvement of market actors</td>
<td>Basic green criteria in relevant SFCs; Systematic dissemination of guidelines/procedures and case examples for green procurement; Monitoring of volume of procurement through green SFCs; Procedures for market dialogue and stakeholder involvement</td>
<td>LCA and TCO based ambitious green criteria in strategically important SFCs; Procedures for compliance check of suppliers; Systematic monitoring of outcome of procurement through green SFCs; Broad internal and external communication</td>
</tr>
<tr>
<td><strong>Culture</strong></td>
<td>Some consideration of environmental aspects in working practices</td>
<td>Environmental consideration well anchored among staff and visible through leadership actions</td>
<td>“Second nature” incorporation of green agenda into everyday work practices and strategic planning; “Green agenda” as part of institutional identity as well as internal and external communication</td>
</tr>
</tbody>
</table>

**Note:** GPP = Green Public Procurement, SFC = State Framework Contract, LCA = Life Cycle Assessment, TCO = Total Cost of Ownership.
4. Recommendations at country level

The following key recommendations aim at supporting a more effective and environmentally beneficial practice with development and use of SFCs.

4.1 Denmark

- The vision could entail more precise green goals.
- Management level could increasingly articulate the vision and green intentions from the government strategy on intelligent procurement and the CSR Action Plan in statements, workshops, seminars etc. in order to ensure application of green considerations in practice.
- To get the most out of public spending it should be discussed whether SFC could be used more strategically to support green and innovative development of the national business sector.
- Specific targets for green achievements would give more precise directions and enable meaningful monitoring and follow-up.
- In order to increase the use of green SFCs it could be considered to establish a small unit / dedicate central level staff resources to support the (potential) users of SFCs.
- A monitoring system for both SFCs and GPP should be prepared. Monitoring should provide information for strategic assessments of organisational efforts and on specific SFCs.
- The improved options for green procurement under the EU procurement directive should be scrutinised and the use of green criteria strengthened.
- Newly developed tools have eased application of the TCO-approach in SFCs (as in GPP in general) and this could now be pursued.
- Enhanced communication with suppliers could provide suppliers with information on how the green requirements are developing, and how suppliers can enhance the framework contract performance. One example could be environmental reporting.
- A system for compliance control of green suppliers would benefit trust in the SFC model.
- An institutional green capacity needs assessment covering the complete procurement process should be carried out and capacity building supported, not least targeting procurement staff.

4.2 Finland

- The vision could entail more precise green goals.
- To get the most out of public spending it should be discussed whether SFC could be used more strategically to support green and innovative development of the national business sector.
- Specific targets for green achievements would give more precise directions and enable meaningful monitoring and follow-up.
- Hansel's environmental marking is an easy to use reporting tool, which could be distributed to cover all state contracts. The contents could be derived from the 2013 government resolution of principle and measure environmental effects (such as CO$_2$-emissions and use of virgin raw materials). The marking tool could consider covering all possible actions for environmentally friendly procurement, including calculation for life cycle costing and carbon footprint. The environmental label could be incorporated in the upcoming eTendering tool or attached to the existing HILMA advertising tool.
- The improved options for green procurement under the EU procurement directive should be scrutinised and the use of green criteria strengthened, including application of the TCO-approach in SFCs.
- Hansel could consider conducting compliance control to verify that winning suppliers actually can fulfil the green criteria.
- An easy-to-use information tool could support procurers in choosing environmentally more sound products – introducing e.g. third party eco-labelled products or environmental evaluation criteria in mini competition for such products that exceed the basic level. In some framework agreements this is already in use.
• Hansel collects a monthly report of invoiced value from suppliers. In addition to this, they could ask for environmental report including e.g. CO2 emissions from the framework contract procurement; some suppliers are already able to provide this data.
• Enhanced communication with suppliers could provide suppliers with information on how the green requirements are developing, and how suppliers can enhance the framework contract performance. One example could be environmental reporting.

4.3 Iceland

• Iceland has prepared a designated GPP policy and a concrete GPP strategy, but a stronger political prioritization is needed to bring the strategy into reality.
• Management level could increasingly articulate the vision and green intentions (in statements, workshops, seminars etc.) in order to ensure application of green considerations in practice.
• To get the most out of public spending it should be discussed whether SFC could be used more strategically to support green and innovative development of the national business sector.
• As in Sweden it could be discussed to make the use of (green) SFCs mandatory for relevant organisations.
• In order to increase the use of green SFCs it could be considered to establish a small unit / dedicate central level staff resources to support the (potential) users of SFCs.
• A monitoring system for SFCs and GPP should be prepared. Monitoring should provide information for strategic assessments of organisational efforts and of specific SFCs.
• A system for compliance control of green suppliers would increase trust in the SFC model.
• Application of the TCO-approach in SFCs (as in GPP in general) should be pursued.
• An institutional green capacity needs assessment covering the complete procurement process should be carried out and capacity building supported, not least targeting procurement staff.
4.4 Norway

- The vision could entail more precise green goals.
- Stronger and more clear political and top administrative support for GPP and green SFCs is needed. Management level could increasingly articulate the vision and green intentions in statements, workshops, seminars etc.
- To get the most out of public spending it should be discussed whether SFC could be used more strategically to support green and innovative development of the national business sector.
- A concrete national strategy for GPP, including specific measures for SFC, could be prepared, with specific targets for green achievements providing more precise directions and enable meaningful monitoring and follow-up.
- As in Sweden it could be discussed to make the use of (green) SFCs mandatory for relevant organisations.
- A unit for preparing SFCs should be established.
- In order to increase the use of green SFCs it could be considered to establish a small unit / dedicate central level staff resources to support the (potential) users of SFCs. The study suggests that there is a lot of useful expertise present in organisations such as HINAS and Uninett that could be shared to a larger extent.
- A monitoring system for both SFCs and GPP should be prepared. Monitoring should provide information for strategic assessments of organisational efforts and on specific SFCs.
- Application of the TCO-approach in SFCs (as in GPP in general) should be pursued.
- A system for compliance control of green suppliers would benefit trust in the SFC model.
- SFC should be operationalized through electronic catalogues and supported by systems for electronic procurement.
- An institutional green capacity needs assessment covering the complete procurement process should be carried out and capacity building supported, not least targeting procurement staff.
4.5 Sweden

- The vision could entail more precise green targets and more ambitiously prioritise green criteria as a key buying point.
- To get the most out of public spending it should be discussed whether SFC could be used more strategically to support green and innovative development of the national business sector.
- In order to increase the use of green SFCs it could be considered to establish a small unit (or dedicated central level staff resources) to support the (potential) users of SFCs.
- The improved options for green procurement under the recasted EU procurement directive should be scrutinised and the use of green criteria strengthened.
- A monitoring system for both SFCs and GPP should be prepared. Monitoring should provide information for strategic assessments of organisational efforts and on specific SFCs.
- A system for compliance control of green suppliers would increase trust in the SFC model.
- The NPS has considered application of the TCO-approach, but the method was found difficult to use in the procurement situation. New tools and knowledge may have opened up for renewed TCO considerations.
- An institutional green capacity needs assessment covering the complete procurement process should be carried out and capacity building supported, not least targeting procurement staff.
5. Overall recommendations and perspectives

State Framework Contracts can be an important instrument for greening of state institutions and of the market – and must be dealt with accordingly. All five countries have green elements in their SFCs. Although the SFC models are quite different, the same key organizational themes can be identified in all of the countries. Among the themes, strong and clear vision and leadership were considered to be the most crucial factors for achieving green SFC. SFCs are up to this point primarily used as a tool for reducing the price and providing effective procurement, but there are considerable environmental perspectives in utilising the SFCs strategically for environmental purposes.

Use SFCs strategically to support green manufacturing and innovation. Although the countries have strategy and programs for GPP, they do not have it specifically for SFCs. To get the most out of public spending SFC could be used more strategically to support green and innovative development of the national business sector, however accounting at the same time for competition and non-discriminatory treatment of all potential suppliers.

Green SFCs are no panacea for successful national GPP and should be applied with a careful preparation and feasibility study of the products and services under consideration. SFCs may also, under certain circumstances, reduce the competitive position of smaller, regional suppliers, which may conflict with other national policy areas such as strengthening the position of SMEs.

Base the endeavours for green SFCs on national analyses in a holistic organisational perspective. Formulation of ambitious green criteria that the market can comply with is a challenging task in itself. In addition, a series of other organisational efforts are needed in terms of vision, structure, education, and systems, and the key organisational elements are closely interrelated. The overall national structure, the relative autonomy of the procuring institutions, and a series of other factors set the frame for establishing an effective Green SFC model.
Consider the maturity model for the green SFC organisation as a framework for organisational development. The project has established a maturity model illustrating the steps in a gradually more sophisticated and effective national SFC model.

The organisation assuming national leadership of state procurement should recognise its pivotal role in achieving environmental benefits through public procurement. Ambitious policy statements on GPP at governmental level are not sufficient to achieve actual impact. Engaging visions must be followed by clear targets, compelling leadership, proper stakeholder management, and not least allocation of resources enabling procuring organisations to achieve the goals.

Accept that Green and Cheap do not always go hand in hand. Applying Total Cost of Ownership (TCO) perspectives as opposed to the traditional procurement price approach will definitely open up for more green procurement. But in addition, all levels of the procurement organisation should accept that buying green may sometimes lead to time constraints, increased staff demands, and market challenges. Although the green products/services procured may not be more expensive than conventional products, the process of preparing a tendering process, where green criteria are identified and defined and the market is consulted, may cost more resources.

Ensure that preparation of green SFCs is followed up by promotion of actual procurement. Large efforts have in the Nordic countries been invested in preparing feasible SFCs with green criteria, but the environmental benefits do not materialise until goods and services are actually procured through the SFCs. Promotion of the green SFCs should be undertaken – with leadership statements, structural support, training, and supporting systems. Involve at an early stage the proposed end users of the contract.

Learn from good practices in other countries. All the national SFC models in the Nordic countries entail elements of “Best practice”. A more formalised cooperation on GPP and green SFCs at Nordic level would enable key actors to share and learn from best practices – both organisational and technical.

Implement monitoring systems specifically related to green SFCs. The first level of monitoring is at contract level giving evidence on the level of implementation of green requirements. The second level goes into more detail on the products and services and gives measurable information on the use of green products at central and user levels. Use monitoring data as basis for executing improvements of the national SCF models.
Carry out market dialogue to ensure that suppliers can comply with increased green demands. A risk of GPP is that the market cannot meet the green criteria that are set in the tendering documents or that the criteria are not challenging enough to make any difference between the available products and services. The market must be consulted in the development phase in order to ensure that i) there are a sufficient number of suppliers that can meet the criteria, ii) the criteria are not set too low in a rapidly developing market. Gradual tightening of the requirements from one contract period to the next one with warning of forthcoming requirements turned out to be a good solution in the Finnish furniture case.

Consult criteria from other countries – but adapt to national conditions. Vast amounts of resources are spent in defining green criteria for procurement. Many existing criteria are available online and can ensure a cost effective process of developing new, green SFCs. It may be necessary to adapt international criteria to national conditions as well as update/adjust levels of ambition, as the market moves fast forward in terms of green innovation.
Summary Danish

Grønne offentlige indkøb (GPP) er et vigtigt redskab til grøn omstilling. Dels kan miljøkravene fra det offentlige føre til en reduceret miljøpåvirkning fra både forbrug og produktion, dels kan GPP have en afledt positiv effekt på grøn innovation i den private sektor.


Rapporten Greening state framework contracts – Approaches in the Nordic countries undersøger opnåede resultater og uopfyldte GPP potentialer i de statslige rammekontrakter i de fem nordiske lande. Formålet er at:

- Beskrive hvordan GPP er blevet realiseret i statslige rammekontrakter i de fem nordiske lande.
- Foreslå landsspecifikke måder at forbedre situationen.
- Udvikle en generel model for effektive måder at realisere mere effektive, miljøvenlige rammekontrakter.

I hvilket omfang grønne krav er indarbejdet i de statslige rammekontrakter afhænger af det samlede organisatoriske set up - i rapporten udtrykt i en analytisk model, der favner syv organisatoriske elementer:

1. Mission, vision og værdier.
2. Strategi.
3. Ledelse og styring.
4. Personale.
5. Kultur.
7. Systemer.
Undersøgelserne af de fem lande har vist, at landene deler en overordnet vision om mere miljøvenlige rammekontrakter, men de enkelte veje valgt til at nærme sig denne vision varierer - og ligeså gør de seks andre organisatoriske elementer.

Baseret på landeundersøgelser og de udviklede modeller præsenterer rapporten en række centrale anbefalinger, der sigter på at støtte en mere effektiv og miljømæssigt gavnlig praksis med udvikling og brug af statslige rammekontrakter i hvert af de fem lande:

• En rammekontrakt kan være et vigtigt redskab til mere bæredygtige statslige institutioner og marked – og bør benyttes til det formål.
• Brug rammekontrakterne strategisk til at understøtte grøn produktion og innovation.
• Statslige rammekontrakter med krav til miljøforhold er ikke et universalmiddel for vellykket nationale grønne offentlige indkøb og bør anvendes på baggrund af omhyggelig forberedelse og forundersøgelse af produkter og tjenester.
• Basér bestræbelser for grønne rammekontrakter på nationale analyser af behov og marked i et helhedsorienteret, organisatorisk perspektiv.
• Vellykkede grønne indkøb kræver organisationsudvikling i indkøbsorganisationen. Overvej maturity-modellen som ramme for organisationsudvikling.
• Accepter, at "miljøvenlig" og "billig" ikke altid går hånd i hånd. Anvend Total Cost of Ownership (TCO) perspektiver i modsætning til den traditionelle indkøbspris-tilgang.
• Sørg for, at indarbejdelse af miljøkriterier i statslige rammekontrakter følges op på faktiske indkøb hos brugerne af kontrakten.
• Lær af god praksis i andre lande.
• Implementer monitøringsystemer specifikt vedrørende miljøkrav i rammekontrakter.
• Gennemfør markedsdialog for at sikre, at leverandører kan overholde øgede grønne krav.
• Anvend miljøkriterier fra andre lande, hvis der ikke eksisterer nationale kriterier inden for det relevante produkt- eller serviceområde - men tilpas dem de nationale forhold.

Greening state framework contracts
Green Public Procurement, GPP, can be an important driver of green transition – and must be dealt with accordingly. All five Nordic countries have established framework contracts at state level and have allocated the responsibility for the State Framework Contracts (SFC) to certain organisations:

- Denmark: Moderniseringsstyrelsen and SKI
- Finland: Hansel Ltd
- Iceland: Rikisstaður
- Sweden: Kammarkollegiet
- Norway: DiFi, HINAS

The roles of these units differ, partly due to differences in the overall national structure.

This is a short Summary Report with key findings and conclusions based on the Full Report (TN2016:506), which includes detailed country studies.

The study was carried through in 2014 and 2015 and supervised by the Working Group for Sustainable Consumption and Production (i.e. HKP-group) of the Nordic Council of Ministers.