

CASE STUDY

Dutch Sustainable Public Procurement in Achieving Climate Mitigation and Sustainability Goals



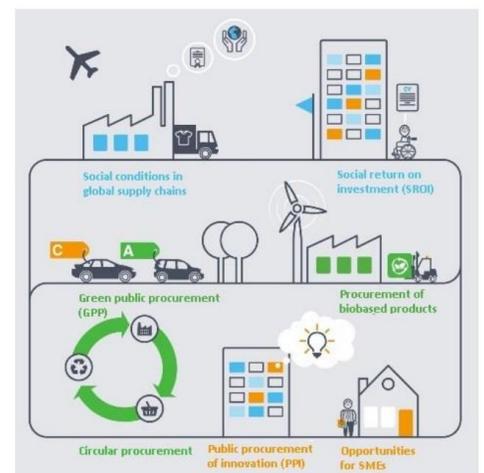
POLICY APPROACHES TO INCREASE RESILIENCE:

One way to improve resilience to climate change is to ensure that public dollars are being spent on goods and services that are produced in a climate-resilient way or contribute to climate resilience. Therefore, public procurement guidelines are a surprising inroad to mainstreaming climate resilience throughout our societies. The Netherlands' 2005 comprehensive green procurement criteria and 2012 Socially Responsible Procurement Policy set the stage for central and subnational government authorities to establish ambitious climate-relevant public procurement targets.

The Netherlands Government moved away from the mandatory procurement approach to an incentive-based approach for sustainable goods and services between 2015 and 2020. Dutch ministries developed a five-year Action Plan for Responsible Procurement that uses public procurement to achieve policy objectives such as combating climate change, curbing environmental impacts, and improving sustainable operational management. For instance, the central government aims to be climate-neutral by 2030, promoting climate-neutral procurement and operational management. The legal framework centers on the Dutch Public Procurement Act, which entered into force in 2016. Instead of mandated targets, public authorities voluntarily sign the non-binding Sustainable Procurement Manifesto, through which they “commit to set their objectives in accordance with their own ambitions and develop them into concrete actions.” Over 60 public authorities with a great deal of legal autonomy have signed the Manifesto, including five central government ministries, three provinces, and 51 municipalities. The Dutch Sustainable Public Procurement (SPP) program also has many synergies with the European Union's Green Procurement Program (GPP).

Responsible Public Procurement Themes

Source: PIANOO – [Action Plan for Responsible and Sustainable Procurement by Governments \(2015-2020\)](#).



PRIORITIZE RESILIENCE EFFORTS:

The SPP is the Dutch government's attempt to leverage public procurement to advance climate adaptation and resilience goals and drive action toward government priorities. While the Dutch SPP program does not directly address adaptation or resilience to climate change, it shines a light on the importance of procurement processes for addressing climate on a large scale and represents a promising approach for integrating climate considerations into such policies and processes.

The Netherlands' central government sets sustainable public procurement criteria for all key products and services, prioritizing those with high potential for emissions reductions. It reviews criteria for 45 various product groups organized in product clusters: automation and telecommunications, civil and hydraulic engineering, office buildings, energy, office facilities and services, transport, and transportation. Various national ministries are responsible for establishing sustainable procurement criteria based on their areas of expertise and for assessing the instruments and criteria annually. In making decisions regarding procurement, Dutch authorities prioritize product clusters with the highest impact on emissions.

To promote greater compliance and ambition in public procurement, the Dutch public authorities must outline their plans to work with tenderers to apply sustainable procurement criteria and raise ambition concretely and systematically. Each government authority that signs the Manifesto within six months must develop action plans that outline their measurable objectives, tender processes, compliance with sustainability commitments, and thematic ambitions, such as climate change, the circular economy, or innovation. Moreover, public authorities must specify their ambition level for each ambition theme, from Basic (whereby the government sets requirements that omit non-sustainable products and services), to Significant (whereby the government establishes more stringent requirements and performance-based award criteria that promote sustainable products and services), to Ambitious (whereby the government sets functional, experimental criteria that spur innovation).

The Dutch SPP incorporates requirements for environmental impacts while also creating ratings for specific environmental performance criteria, which are then incorporated into the weighting of tender bids. For instance, one SPP criterion for roads focuses on emissions from material transport, stating, "The tender will be rated higher in proportion to the reduction compared to a reference value to be determined of the [carbon dioxide] emission/tonne of aggregates for use in the production of the main road elements." Another criterion for technology equipment requires, "The contractor must supply a life cycle assessment (LCA) of the relevant product or of a similar product with a similar structure, within one year of the contract having been awarded... [including the] carbon footprint, expressed in [carbon dioxide] equivalents, calculated according to the guidelines of the Greenhouse Gas Protocol."

The Netherlands' Sustainable Public Procurement program serves as a model not only for adopting environmentally-oriented procurement criteria; jurisdictions could take lessons learned from the Dutch method to enhance program effectiveness. In a report featuring government and private sector experiences of sustainable procurement in The Netherlands, tips for governments included:

- Utilizing procurement as a strategic instrument for broader government targets, particularly those related to climate change, sustainability, and social issues;
- Not trying to complete everything at the same time and instead starting with a pilot project that results in strong financial and sustainable performance;
- Giving more advantages for contract awards to companies that are stronger on environmental as well as social performance;
- Calculating life-cycle costs of products and services and the financial savings from sustainability measures, not simply the purchase prices;
- Enhancing monitoring efforts to ensure that organizations are not simply ticking the box and are following through on their commitments;
- Holding regular, in-person meetings with contractors and continually raising progress on sustainability;
- Sharing successes, both internally and externally, for the benefit of other governments developing sustainable procurement programs.

Interested in learning more about this work or Climate Finance Advisors, contact us here: info@climate-fa.com