

## Green Procurement

Green procurement is a process whereby purchasers seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared with goods, services and works with the same primary function that would otherwise be procured.

Green purchasing is about setting an example and influencing the market place. Total public procurement in the EU – i.e. the purchases of goods, services and public works by governments and public utilities - is estimated at about 19 % of the Union's gross domestic product or 2 trillion Euros. Its importance varies significantly between Member States ranging between 11 % and 20 % of their gross domestic product. By using their purchasing power when choosing goods and services that respect the environment, buyers can make an important contribution towards sustainable development. Regular demand for eco-efficient products would motivate suppliers to offer more products and services that comply with modern quality and environmental requirements. For companies, innovation-driven procurement will become one of the key competences to keep the pace of innovation sufficiently high in the ever faster changing world.

In green public procurement the selection of offers is based on an evaluation of life cycle costs (purchasing, operating and disposal costs) and not only on the lowest price. Although they may be more expensive at the time of purchase, environmentally friendly products can work out cheaper in the long term. Calculation tools help to accurately define life cycle costs by including various parameters such as electricity, supply materials, and maintenance costs. Green purchase procedures make your own procurement decisions and applied criteria clear and understandable to your suppliers, customers, and society. This is especially important for institutions and companies where purchases are partly or fully financed by the state.

Green procurement helps solve environmental issues by reducing toxic and greenhouse gas emissions. By choosing green products and services, less hazardous substances are released and natural resources are conserved. A reduction in the environmental impact generally leads to less damage to health. Procurement is also a powerful instrument that public authorities and companies can use to reduce their CO<sub>2</sub> emissions and advance their climate change objective.