

Interreg
Mediterranean



Del. 4.3.1 Training material for GRASPINNO Living Labs

Module 1
Mentoring and funding

Module 1

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1. About GPP

Green Public Procurement (GPP) is defined in the Communication (COM (2008) 400) "Public procurement for a better environment" as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured."

The 2014 Procurement Directives enable public authorities to take environmental considerations into account.

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1. About GPP

Public authorities are major consumers in Europe: they spend approximately **1.8 trillion euro annually**, representing around 14 % of the EU's gross domestic product.

Therefore, GPP can be a major driver for green-innovation, providing industry with real incentives for developing green products and services.

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2. European framework for Public Procurement

- ✓ Directive 2014/23/EU on the award of concession contracts
- ✓ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC
- ✓ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

These three Directives had to be transposed into national law by the EU Member States by 18 April 2016

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2. European framework for Public Procurement

On the 2nd of December 2015, the European Commission adopted the **Circular Economy Package** with the aim to support the transition towards a more Circular Economy in the EU.

The Circular Economy Package comprises an Action Plan and a legislative proposal.

The Circular Economy Action Plan addresses production, consumption and the re-circulation of materials from the end-of-life stage of products into the economy

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3. Green criteria

The term “GPP criteria” includes **not only selection and award criteria**, but also specifications and contract performance clauses, which can help to “green” the contract.

The criteria are **designed to be inserted directly into tender** documents and include information on verification methods.

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3. Green criteria

The EU GPP criteria include two 'levels' for each sector covered:

- ✓ **The core criteria are designed to allow easy application of GPP**, focus on the key area(s) of environmental performance of a product or service, and aim to keep administrative costs for companies to a minimum.
- ✓ **The comprehensive criteria take into account more aspects** or higher levels of environmental performance and are for use by authorities that want to go further in supporting environmental and innovation goals.

4. E-procurement systems

The 2014 directives provide for a transition to fully electronic tendering by 2018 (2017 in the case of central purchasing bodies).

In particular, **e-procurement systems can allow to track the use of GPP criteria** and to verify that suppliers have provided the required information to demonstrate their compliance.

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4. E-procurement systems

When choosing an e-procurement system or adapting it to help implement GPP, it could be useful to consider the following features:

- ✓ Can contracts with GPP criteria be clearly marked and tracked?
- ✓ Can the system integrate with sources of GPP criteria (e.g. from a database or label) so that these can be easily incorporated in contracts?
- ✓ Does the system facilitate life-cycle costing, e.g. with a built-in tool for this?
- ✓ Does the system make it easy for new suppliers to find out about the GPP requirements?

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4. Implementing a GPP Policy

GPP requires effective co-operation between different departments and staff members within an organization.

To be most effective a GPP policy should:

- ✓ Include **clear targets**, priorities and timeframes;
- ✓ Indicate the **scope of the purchasing activities** covered (*i.e. does it cover the whole authority, or just certain departments? Which product and service groups does it cover?*);
- ✓ Indicate **who is responsible** for implementing the policy;
- ✓ Include a **mechanism for appropriately monitoring** performance.

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4. Implementing a GPP Policy

Implementing GPP requires the involvement and cooperation of different departments and staff members across an organization.

Finance, environment and procurement officers will likely need to be consulted, as well as certain specialist departments such as construction, energy or IT.

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4. Implementing a GPP Policy

Contracting authorities have an obligation to get the best value for taxpayers' money for everything they procure.

Criteria to be taken into account:

- ✓ Fairness
- ✓ Non-discrimination
- ✓ Equal treatment
- ✓ Transparency
- ✓ Proportionality

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5. Procedures

Open procedure: any operator may submit a tender. You will thus have access to the maximum choice of potential environmentally friendly solutions

Restricted procedure: you can assess environmental technical capacity in a prior stage and also limit the number of operators you invite to tender (minimum 5)

Competitive dialogue: it can be used by public authorities for purchases which require an element of adaptation of existing solutions; design or innovation; or in certain other circumstances

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5. Selection Criteria

The most relevant selection criteria for GPP purposes relate to technical and professional ability:

- ✓ Human and technical resources
- ✓ Experience and references
- ✓ Educational and professional qualifications of staff (if not evaluated as an award criterion)
- ✓ Environmental management systems and schemes (e.g. EMAS, ISO 14001)
- ✓ Supply chain management/tracking systems
- ✓ Samples of products
- ✓ Conformity assessment certificates

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6. Award criteria

- ✓ Award criteria must not confer an unrestricted freedom of choice
- ✓ Award criteria should ensure the possibility of effective competition
- ✓ Award criteria must be advertised in advance

7. Life Cycle Costing - LCC

Life-cycle costing (LCC) means considering all the costs that will be incurred during the lifetime of the product, work or service:

- ✓ Purchase price and all associated costs (delivery, installation, insurance, etc.)
- ✓ Operating costs, including energy, fuel and water use, spares, and maintenance
- ✓ End-of-life costs, such as decommissioning or disposal

Contracting authorities may select to include costs imputed to environmental externalities in this calculation.

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8. New frontiers for Public Procurement

Public procurement of innovation (PPI) occurs when public authorities act as a launch customer for innovative goods or services. These are typically not yet available on a large-scale commercial basis and may include conformance testing.

Pre-commercial procurement (PCP) is an approach within the public procurement of innovation, developed specifically for the procurement of R&D services rather than actual goods and services; if the goods or services developed during the R&D phase are to be procured, this would need to be based on a separate procurement process.

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9. EU Financial Framework

The cohesion policy of the European Union provides a framework for financing a wide range of projects and investments with the aim of encouraging economic growth in EU member states and their regions.

The aim of the EU Regional Policy is to reduce disparities in economic development, employment and opportunities between the most advanced and the most disadvantaged areas of the Union

9. EU Financial Framework

Cohesion Policy is delivered through three main funds.

European Regional Development Fund (ERDF):

aims to strengthen regional economic and social cohesion by investing in growth-enhancing sectors to improve competitiveness and create jobs. The ERDF also finances cross-border cooperation projects.

European Social Fund (ESF):

invests in people, with a focus on improving employment and education opportunities. It also aims to help disadvantaged people at risk of poverty or social exclusion.

Cohesion Fund:

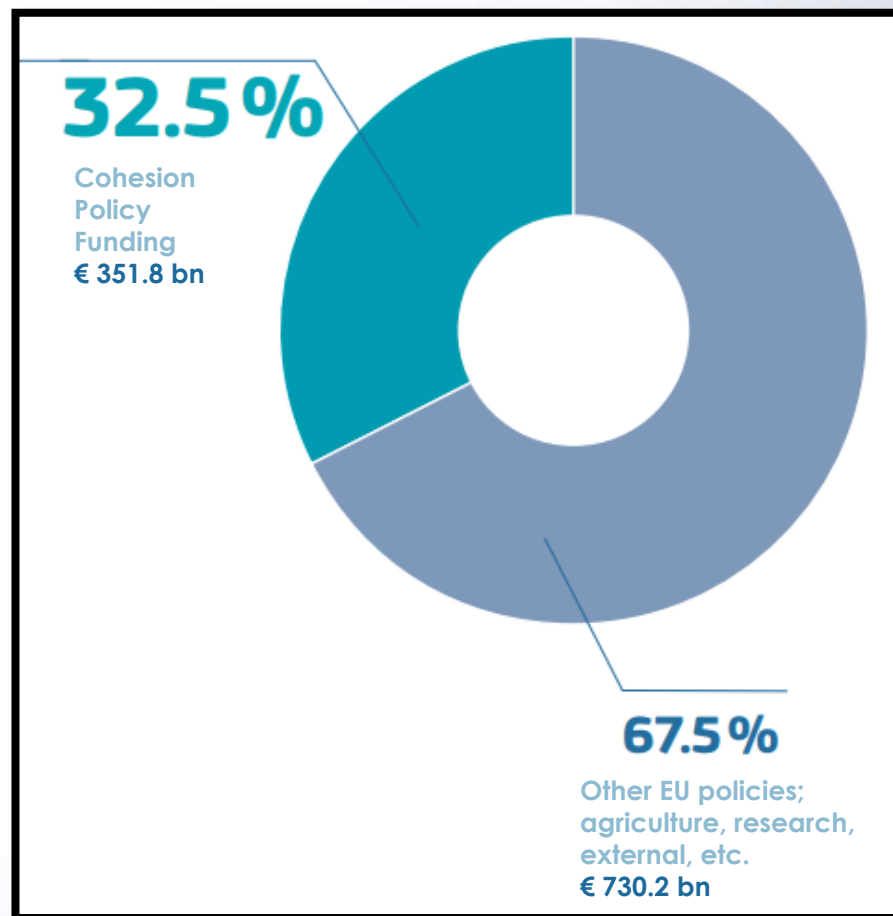
invests in green growth and sustainable development, and improves connectivity in Member States with a GDP below 90% of the EU-27 average.

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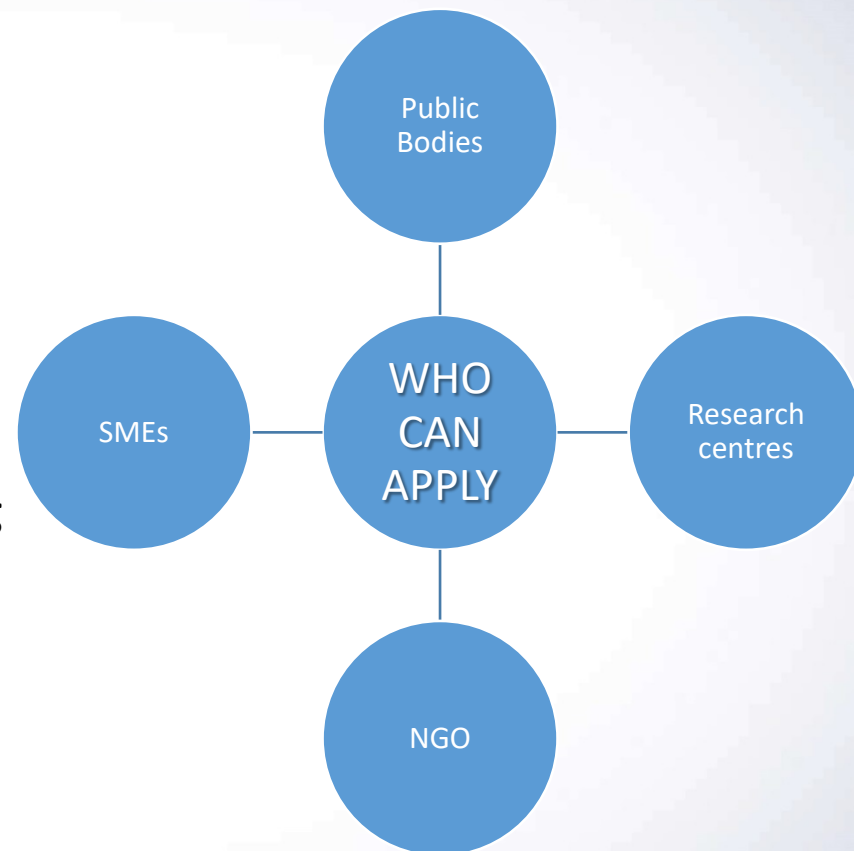
9. EU Financial Framework

The European Commission worked with the Member States and the regions to draw up Partnership Agreements and Operational Programmes outlining investment priorities and development needs. Programmes are managed, and individual projects selected, by Managing Authorities in the Member States.



9. EU Financial Framework

The level of investment reflects the development needs of the Member States. Regions are categorised according to their Gross Domestic Product (GDP) as more developed, transition or less developed. Depending on this, the **Funds can provide between 50% and 85% of the total financing** of a project.



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9. EU Financial Framework

Cohesion Policy has set 11 thematic objectives supporting growth for the period 2014-2020.

- Investment from the ERDF will support all 11 objectives, but 1-4 are the main priorities for investment.
- Main priorities for the ESF are 8-11, though the Fund also supports 14.
- The Cohesion Fund supports objectives 4 and 11.

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of ICT
3. Enhancing the competitiveness of SMEs
4. Supporting the shift towards a low-carbon economy
5. Promoting climate change adaptation, risk prevention and management
6. Preserving and protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and improving network infrastructures
8. Promoting sustainable and quality employment and supporting labour mobility
9. Promoting social inclusion, combating poverty and any discrimination
10. Investing in education, training and lifelong learning
11. Improving the efficiency of public administration

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9. EU Financial Framework

Territorial Cooperation is central to the construction of a common European space, and a cornerstone of European integration.

Cohesion Policy encourages regions and cities to work together and learn from each other through joint programmes, projects and networks .

More information about the Territorial Cooperation Programmes are available here:

EU Territorial Cooperation:

http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/cross-border/

Transnational Cooperation:

http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/trans-national/

Interregional Cooperation:

http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/interregional/

Cooperation outside UE:

http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/outside-the-eu/

10. EU EE/RES investments

A significant amount of the total budget has been allocated by Member States on the following **categories of intervention**, in order to contribute to the achievement of the Thematic Objective n.4 “Supporting the shift towards a low-carbon economy”.

Specifically:

- ✓ 009 - Renewable energy: wind
- ✓ 010 - Renewable energy: solar
- ✓ 011 - Renewable energy: biomass
- ✓ 012 - Other renewable energy (including hydroelectric, geothermal and marine energy)
- ✓ 013 - Energy efficiency renovation of public infrastructure

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10. EU EE/RES investments

EU, through the Cohesion Policy, intends to achieve the following **target by 2020**:

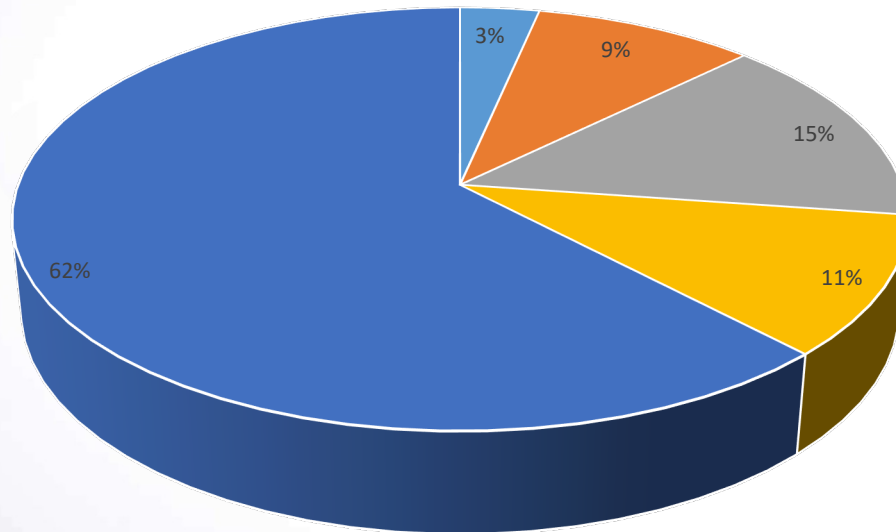
- ✓ Reduce greenhouse gas emissions by 20%;
- ✓ Increase energy efficiency by 20%;
- ✓ Generate at least 20% of the energy consumed from renewable sources.

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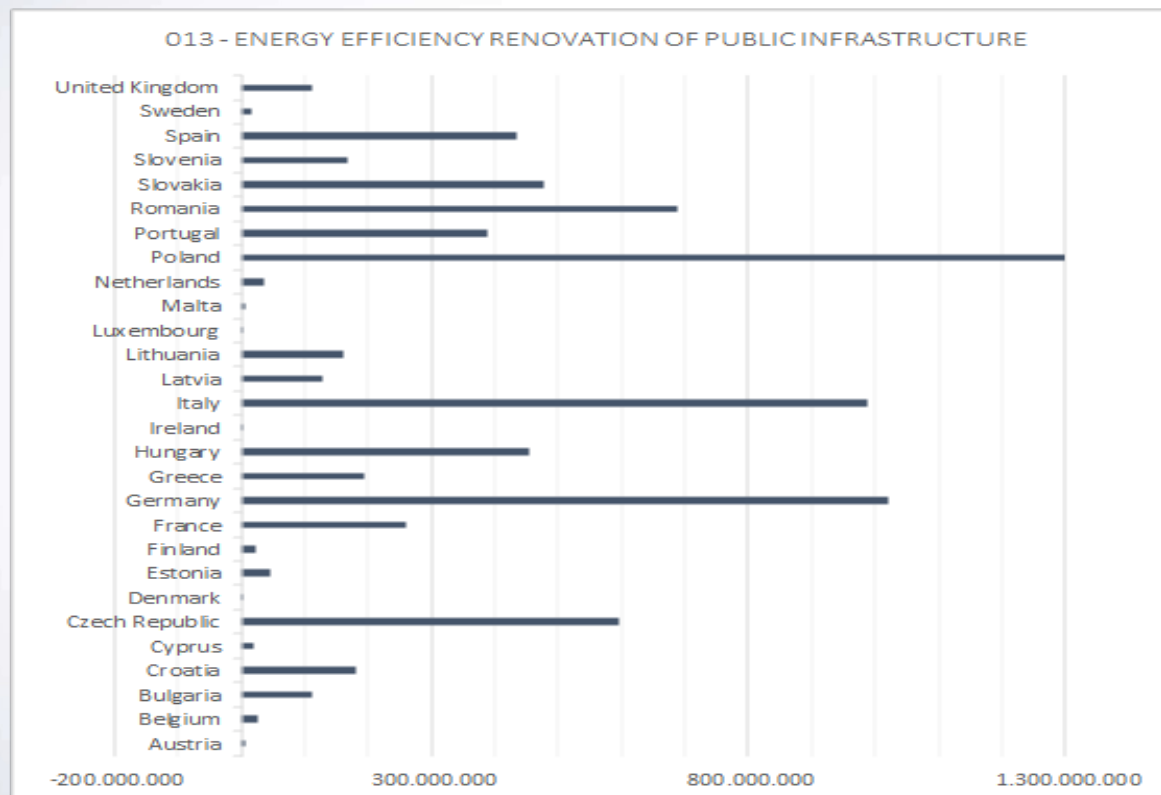
10. EU EE/RES investments

FINANCIAL ALLOCATIONS



- 009 - RENEWABLE ENERGY: WIND
- 010 - RENEWABLE ENERGY: SOLAR
- 011 - RENEWABLE ENERGY: BIOMASS
- 012 - OTHER RENEWABLE ENERGY (INCLUDING HYDROELECTRIC, GEOTHERMAL AND MARINE ENERGY)
- 013 - ENERGY EFFICIENCY RENOVATION OF PUBLIC INFRASTRUCTURE

10. EU EE/RES investments



**Investments on
"Energy
efficiency,
renovation of
public
infrastructures"**

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11. Other funding opportunities: Horizon 2020

The European Union provides funding to PAs, Research Centres, Enterprises, NGOs or no profit making organizations even through other programmes managed at European Level.

The most important is **Horizon 2020** -

<https://ec.europa.eu/programmes/horizon2020/>.



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11. Other funding opportunities: Horizon 2020

The **Work Programme 2018/2020** comprises an introduction, **17 thematic sections** and the general annexes describing general rules such as standard admissibility conditions and eligibility criteria, selection and award criteria, etc.



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11. Other funding opportunities: Horizon 2020

The section “**Secure, Clean and Efficient Energy**” is designed to support the transition to a reliable, sustainable and competitive energy system. Its work programme includes the following focus areas:

Energy Efficiency

Research and demonstration activities within this area will focus on buildings, industry, heating and cooling, SMEs and energy-related products and services, integration of ICT and cooperation with the telecom sector.

Low Carbon Technologies

activities within this area will cover: Photovoltaics, Concentrated Solar Power, Wind energy, Ocean Energy, Hydro Power, Geothermal Energy, Renewable Heating and Cooling, Energy Storage, Biofuels and Alternative Fuels, Carbon Capture and Storage.

Smart Cities & Communities

Sustainable development of urban areas is a challenge of key importance. The focus on smart cities technologies will result in commercial-scale solutions with a high market potential.

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11. Other funding opportunities: Horizon 2020

More info about the Work Programme 2018/2020 are available at the following link:

http://ec.europa.eu/research/participants/data/ref/h2020/wp/2018-2020/main/h2020-wp1820-energy_en.pdf

Thank you for your attention

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