



Green Procurement for a Green Future

– strategy for green public procurement

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Green Engine of Change

The public sector must be at the forefront of the green transition. Therefore, for the first time in Denmark's history, the government is setting an ambitious green direction for the DKK 380 billion spent on procurement in the public sector each year. With *Green Procurement for a Green Future*, we are laying the groundwork for a future where public procurement has a significantly lower climate footprint and contributes to Danish climate goals.

Climate change is one of the biggest and most comprehensive challenges we face. It is only through focussed work on the green transition that we can prevent future generations from bearing the burden alone.

This is the reason why, together with a broad majority in the Danish Parliament, the government has set an ambitious goal of reducing Denmark's greenhouse gas emissions by 70 per cent in 2030 compared to the level in 1990, and of climate neutrality by no later than 2050. And that is why we are working hard at implementing the United Nations' sustainable development goals.

If we are to reach the goal of the green transition, we must all contribute. All parts of our society need to be greener. Naturally, this also applies to the public sector where public procurement plays a crucial role.

In 2019, procurement on behalf of the government, municipal, and regional authorities resulted in greenhouse gas emissions totalling approx. 12 million tons, of which approx. 4 million tons were emitted in Denmark. These emissions must be significantly reduced. With *Green Procurement for a Green Future*, we are laying the groundwork for a greener future for public procurement.

For the first time, a Danish Government has comprehensively assessed the climate footprint of public procurement. It is the starting point for Denmark becoming one of the first countries in the world to set a specific reduction target for public procurement.

The government wants to set an ambitious and realistic reduction target. However, this should not be based on random numbers. The current assessment of greenhouse gas emissions provides a snapshot. When setting a reduction target, this must be done on the basis of a thorough projection of the public sector's climate footprint related to procurement in 2030. We are now starting this process and expect to have a reduction target ready by the end of 2021.

Green public procurement is wide-ranging. The transition to a greener public procurement will lead to major changes in the public sector. Some of the choices we have to make may be far-reaching and require investments.

With *Green Procurement for a Green Future*, we are commencing the work that will realise these ambitions over the coming decade.

At the same time, we identify a number of initiatives that can, and will, be launched immediately.

These initiatives cover everything from utilities, IT, and public construction, to the food served in public canteens. Together with the more long-term initiatives, we will focus our efforts on the procurement areas within the public sector that have a large climate footprint. This applies to areas such as cars and other vehicles, food, IT products and services, and construction.

With *Green Procurement for a Green Future*, we will focus on both what and how the public sector procures, and what consequences our choices have for the climate and the environment in the entire value chain, from production and transport to consumption and waste management. We must become better at buying smarter and greener, and we must strengthen the collaboration on procurement across the entire public sector.

We are embarking on a big task. Public procurement is very complex. It covers the food in kindergartens, computers in public workplaces, roads we drive on, surgeries in hospitals and much more. It is a collaboration between many parties both within Denmark and internationally. We must take this

seriously. That is why a green transition of public procurement cannot be accomplished by waving a magic wand. It requires hard and long-term work, and that is what we are embarking on today.

The transition will put new demands on employees in the public sector and on suppliers to the public sector. We need to ensure it is done in an intelligent manner, so that the public procurement officers and the businesses comprising the supply side, can actually make it work in real life. For example, it must not be too complicated for small and medium-sized enterprises to offer their green solutions. That said, we will have to make difficult decisions along the way. We have a lot of work to do. but we are facing a set task and status quo is not an option..

The future must be green. Public procurement must help to ensure this.



.....
Nicolai Wammen, Minister of Finance



Figure 1

Green Procurement Strategy and the UN's Sustainable Development Goals

The strategy's initiatives contribute to the Government's work on the UN's Sustainable Development Goals. Among other things, eco-labels will be used in the future, which set requirements for sustainable production, and less meat will be served in canteens. In addition, the public sector should not be procuring food that contributes to deforestation in the future. From now on, the public sector will also focus on energy efficiency by using total cost tools.



Figure 2

Green conversion in three dimensions

Green Procurement for a Green Future sets the direction for a green transition of public procurement in three dimensions, which together will ensure a significant reduction in the climate footprint of Danish public procurement by 2030. The three dimensions of the strategy contain different elements. The first is an implementation track with initiatives that prompt immediate green action. The second is a development track that requires long-term green development towards 2030, and the third must ensure that we have the necessary knowledge and tools to follow up on the green development and more.





Although the major battle against climate change requires long-term structural efforts, there are areas where we can take action right now.

To do this, we must make much more use of the green tools that already exist today when we procure [...], but there is also a need to change fundamentally the extent of our consumption in the public sector.

Therefore, the government will introduce policies that not only change but also reduce consumption in the procurement areas that are most problematic in terms of both climate and the environment."

1. Green Action Now

The government will introduce climate compensation for all government air travel, recommend vegetarian food at least two days a week in all government canteens and will require the use of eco-labels and use of total cost principles when procuring.

Although the major fight against climate change requires long-term structural efforts, there are areas where we can take action right now.

To do this, we must make much more use of the green tools that already exist today when we procure. One such tool is eco-labelling.



Box 1

There are several avenues for green procurement

- We can choose a greener product. For example, an eco-labelled product or one with a longer shelf life.
- We can have our needs met in a completely different way.
- And we can buy less altogether. For example, through common policies and better consumption management.

We must use the tools we have, but we must also use them wisely. Large companies must not be the only ones with the resources to obtain the certification or get a green label in order to do business with the public sector. Small and medium-sized companies must also be able to do this. It can be costly to document specific products living up to brands such as the Nordic Swan Ecolabel or the EU Eco-label Flower and, therefore, we must continue to ensure that there is room for smaller companies at the table. Conversely, careful use of the right labels and certification, and the requirements behind them, can help push the market in a greener direction. It can help encourage companies to innovate and be creative for the benefit of the public sector. Therefore, we need to use the tools in close dialogue with the businesses that act as suppliers to the public sector.

We must also keep in mind that the public sector should be able to do business with companies from all over the world, no matter which tools we use. That is why we must also ensure that the work of refining the tools takes into consideration the broader developments in this area, especially in the EU.

At the same time, the tools cannot stand alone. They can make our consumption greener, but there is also a need to change fundamentally the extent of our consumption in the public sector. Therefore, the government will introduce policies that not only change but also reduce consumption in procurement areas that are most problematic in terms of both climate and the environment..



Concrete initiatives

All government flights will be subject to climate compensation

The government will introduce climate compensation for all government flights in connection with business trips by paying a contribution to the Climate Forest Fund.

Vegetarian food in government

Der fastsættes en fællesstatslig fødevarepolitik A joint government food policy will be established on the basis of the *Official Dietary Guidelines – Good for*

Health and Climate. It will ensure a more climate-friendly diet for government employees and will entail significant restrictions on the use of foods that are detrimental to the environment, for example by recommending the introduction of two purely vegetarian days a week, and recommending that beef or lamb be served no more than once a week.

In addition, at least 60 per cent organic food is required in government canteens, which corresponds to the silver level of the Organic Cuisine Label. Finally, there are requirements for minimising



Box 2

Climate Forest Fund

The newly established Climate Forest Fund will promote and finance cost-effective and robust afforestation and the set-aside of lowland soils in order to support the achievement of Denmark's climate goals. The fund will enable citizens, companies and public authorities alike to make a climate contributions that will work as an addition to government initiatives. The projects will ensure synergies such as promoting clean aquatic environment and biodiversity. The Climate Forest Fund is being established with DKK 100 million in start-up capital from the Budget Act for 2020, and the government expects to present a final bill in parliament during the autumn of 2020.

food waste and the annual reporting of food waste in government canteens.

In this connection, the food policy must be organised in such a way that it ensures smaller companies also have the opportunity to participate, including as subcontractors.

The specific implementation of the food policy will be subject to local circumstances.

In the original publication, the food policy included mandatory requirements for minimum two vegetarian days as well as a mandatory cap on use of beef and lamb. However, after political negotiations, the policy is now based on recommendations to be implemented in collaboration with the individual government institutions.

Choosing green will become mandatory

The government is making it mandatory to choose an eco-labelled product or a product that meets



Box 3

Several green tools available

- Green labelling schemes, such as the Nordic Swan Ecolabel or the EU Eco-label Flower, which we know from supermarket shelves.
- Green international standards that set technical or quality requirements for products and production methods.
- Tools for calculating total or life cycle costs, which make it possible to include more costs in the total price than what is paid upfront at the time of procurement.
- The EU's green procurement criteria, which for a number of product areas set out proposals for requirements that can be set to ensure the prioritisation of green considerations.

similar requirements when procuring for the government if there is adequate competition and no significant price difference. Initially, the requirement will apply to cleaning agents, paper, printed matter, soap and hygiene products. The list of product groups with requirements for eco-labelled procurement will generally be updated once a year and expanded in this way on an ongoing basis.

LED lighting to be standard

The facility management in government institutions is an important lever for fulfilling the government's green ambitions. The government will initially introduce a requirement that, from now on, government institutions must only procure LED light sources from the two top energy classes in energy labelling. All existing lighting systems that cannot be used for LED light sources will, therefore, be phased out. In continuation of this, the government will accede to SKI's framework agreement for light sources when it is tendered again.

Greater focus on costs throughout the life cycle of a product

The government is making it mandatory to use total cost of ownership (TCO) as an economic price parameter in connection with government procurement where possible and appropriate. In this way, the focus will shift from the upfront price to costs throughout a product's life cycle. The requirement will initially apply to the 14 procurement areas where official tools are available to assess the total cost of ownership. In addition, the government is strengthening its efforts to develop TCO tools for even more procurement areas and to make existing tools even more user-friendly.

That is how we start buying greener today



Figure 3

**Initiative:
Green choice to
become manda-
tory**

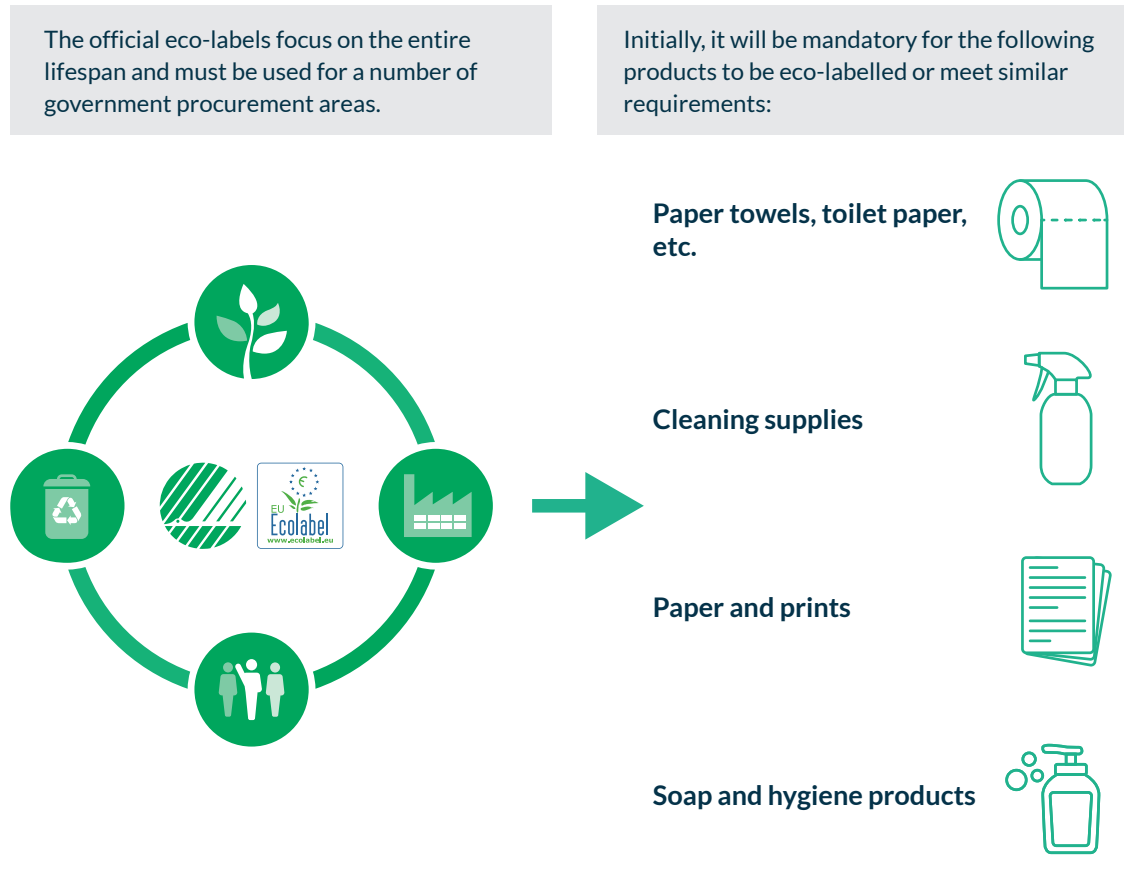




Figure 4

Initiative:
Greater focus on costs throughout the life cycle of a product

With *Green Procurement for a Green Future*, the focus will shift from procurement price to costs throughout the product life cycle. This means that going forward, there must also be a focus on the production, logistics and delivery, consumption, including repair and maintenance as well as disposal and recycling. When evaluating based on a product's total cost of ownership, funds can potentially be saved while climate and environmental impact is reduced at the same time.





First and foremost, the government will be making Danish history with a future ambitious reduction target for public procurement, which will serve as a driver for the efforts towards the reduction of Denmark's emissions by 70 per cent in 2030 and towards full climate neutrality by 2050.

[..] This must be done on the basis of the work on the further development of the calculation model for the climate footprint of public procurement, and the projection of the footprint up until 2030. The reduction target is expected to be set by the end of 2021."

2. Long-term Green Development

The government will set an ambitious reduction target for public procurement, lay out a plan for an emission-free public car fleet by 2030 and accelerate the digitisation of public procurement. Targeted competence development must be implemented to raise the level of knowledge among procurement officers, and the government must be bound by joint quality standards for professional procurement.

Green transition of public procurement is a major task that requires long-term thinking and careful decision-making.

Public procurement is a close collaboration between public institutions and private companies, and it is complex. There is great variation in what the public sector procures, and it comprises many individual parts, which affect the climate and the environment in different ways and to different extents. Therefore, public procurement also reaches across national borders. A standard computer may be assembled in China, but it consists of a large number of components, which are produced in different countries, from raw materials from even more countries. In addition, the institutions that procure vary from a local school to large hospitals and research stations in Greenland.

We must set in motion changes today, the results of which we will not see until several years from now. This is part of a smart and ambitious approach to reducing Denmark's greenhouse gas emissions

by 70 per cent by 2030 compared to the level in 1990 as well as reducing global greenhouse gas emissions.

With Green Procurement for a Green Future, a number of initiatives are, therefore, being initiated, which in the long run will ensure significant reductions in the climate footprint of public procurement. First and foremost, the government will be making Danish history with a future ambitious reduction target for public procurement, which will serve as a driver for the efforts towards the reduction of Denmark's emissions by 70 per cent in 2030 and towards full climate neutrality by 2050.

The reduction target will be supplemented and supported by initiatives aimed at specific procurement areas and at making it easier to buy green.

At the same time, the government is initiating structural initiatives to professionalise public procurement. We must have the right competencies and the right organisation, so that the procurement is handled where the expertise is available to do so prudently and green. There must also be greater focus on management, which must ensure that the planning of the procurement is long term and strategic, while the skilled procurement officials are given the freedom to buy smarter and greener. Finally, we need to focus more on the private companies that we do business with.

Concrete initiatives

Reduction target for public procurement

The government will set an ambitious reduction target for the climate impact of public procurement by 2030.

This must be done on the basis of the work with the further development of the assessment model for the climate footprint of public procurement and the projection of the footprint up until 2030. The reduction target is expected to be set by the end of 2021.

Coordination and development of green procurement

In order to strengthen the coordination and development of the work with green public procurement, a permanent implementation group will be established for the work with the participation of relevant government operators. KL (the National Association of Municipalities) and Danish Regions are invited to participate in this.

Deforestation-free procurement to the greatest extent possible in 2023 and no later than 2025

The government is initiating work to gradually phase in requirements for the government’s procurement of a number of agricultural products to take place responsibly and without deforestation. We will start with palm oil and soy. In the long term, the requirement may be extended to also apply to other agricultural products, such as coffee, cocoa and rubber. The gradual phase-in will take place in close dialogue with the relevant markets, and the goal is for public procurement to be deforestation-free by 2023, if it is viable in the relevant markets, and otherwise by 2025 at the latest.

Emission-free vehicle fleet in the public sector in 2030

The government is initiating work to prepare a plan for a gradual conversion of the entire public vehicle fleet to emission-free vehicles by 2030, with the exception of operational vehicles.

Agreements have already been entered into with the largest municipalities, which means that they are committing to voluntary objectives, for example that all newly procured city buses and cars must be emission-free from 2021. This requires close collaboration and strict priorities, but it is a significant step towards greener procurement. In addition, the government is offering a binding, joint government procurement agreement for taxi driving, where green parameters will become a core part of the evaluation.

Government ministers will take the lead in restructuring the vehicle fleet. Therefore, the minimum requirement for the procurement of ministerial cars from energy class B will be increased to A+++ , which in practice will exclude the possibility of procuring diesel cars and specify that only electric and hybrid cars can be procured. The last diesel car is expected to be phased out of the ministerial car fleet by the end of 2023 when these will be deemed obsolete.

All public procurement must be eco-labelled by 2030

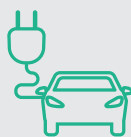
In addition to making it mandatory for government procurement officers to choose an eco-labelled product or a product that meets similar requirements, the government is setting the goal that all public procurement in areas with official labelling schemes must be eco-labelled or comply with corresponding requirements in 2030. The concrete



Box 4



To the extent possible in 2023 and by 2025 at the latest, the government’s procurement of a number of agricultural products must be deforestation-free



By 2030, the public vehicle fleet must be emission-free



By 2030, all public procurement must be eco-labelled



phase-in will take place in close collaboration with the companies in each area, so that we ensure that small and medium-sized companies, for example, are not disadvantaged. To support more companies being able to live up to the requirements for eco-labelled public procurement, guidance efforts are being strengthened for small and medium-sized companies that wish to reduce and document their environmental and climate impact with eco-labels and green standards.

Green data centres

The government is initiating joint public work to investigate which requirements for data centres can best ensure that the public sector procures storage and the processing of data as climate- and environmentally friendly as possible. In this connection, the government will be collaborating with companies that already have experience in establishing green data centres in Denmark. This work must provide an opportunity for completely new and innovative ways of working with data storage and processing.

Energy savings in government buildings

As part of the green restructuring of building operations, the government will continue its efforts with energy savings in government buildings during the period 2021-2030. This includes goals for reducing energy consumption in government buildings, and the requirement that ministries prepare energy efficiency plans, which among other things account for the voluntary phase-out of oil and gas boilers.

Green value-based contracts

Public contracts must create more room for green innovation – even after the contract has been entered into. The government is, therefore, initiating work inspired by the construction industry, health sector and IT area to develop standard models for value-based remuneration in contracts, so that public procurement officers can get assistance for drawing up contracts that give the supplier green incentives.

Digitisation of public procurement

The government will promote e-commerce in the public sector and use it to encourage green procurement behaviour, for example by highlighting goods in e-catalogues based on official green labelling schemes (the Nordic Swan Ecolabel or the EU Eco-label Flower, the Danish eco-label (the red Ø symbol) and the EU eco-logo (the Green Leaf)).
Better green data in e-commerce The digital standard for e-catalogues will be continuously updated so that suppliers, including small and medium-sized companies, have the opportunity to state green factors, such as eco-labels or the like. The goal is to increase the demand for green products by giving suppliers the opportunity to provide information

about a product's green data in a comparable way, so that it can be highlighted for procurement officers when procuring online.

Green textiles in the public sector

The government is establishing a partnership between public institutions, such as the regions, their suppliers, and partners, to investigate how public textile consumption can become greener. The partnership will make recommendations for new requirements, procurement models or similar by the end of 2021. This must include the creation of room for innovation in the area

Requirements for disposable products and packaging

Work is underway to propose mandatory requirements or quality criteria for disposable products and packaging, including transport packaging, which will ensure recyclable materials for disposable products and stimulate the market for recycled plastics. A proposal will be prepared for the requirements as well as the evaluation criteria, which will be submitted to the implementation group for green public procurement.

Charter for Good and Green Procurement

To strengthen the prioritisation of procurement, the government has taken the initiative to establish a number of joint quality standards for professional procurement in a charter, which will be drawn up in 2021. The Charter will contain measurable initiatives for topics such as green procurement, procurement skills, organisation and management focus, which affiliated organisations will be committing to. All ministerial areas will be required to join the Charter. Municipalities, regions and self-governing institutions are encouraged to join.

Green transport requirements for suppliers to the public sector

In order to send a clear signal to the market that the public sector demands more climate-friendly transport, including when it comes to the transport of goods, the government will make it standard for the assessment of specific tenders to be assessed as to whether it is possible to require more climate-friendly transport. The initiative will be included in the Charter for Good and Green Procurement.

Competence development of procurement officers

To ensure the right competencies, the government is launching a competency development programme for government procurement officers. A general course will be developed with procurement officers as well as courses with a specific commercial and green aim. Joining the Charter for Good and Green Procurement entails an obligation to make relevant procurement officers attend the training course.

Strengthening of the Secretariat for Green Procurement

There is a call for a centrally placed actor that can be authoritative in the field of green procurement and support both public institutions and private enterprises in the common task of the green transition in public procurement. The government will provide this by strengthening the *Secretariat for Green Procurement*, which currently serves the *Partnership for Public Green Procurement (Partnerskab for Offentlige Grønne Indkøb, POGI)* and the *Sustainable Procurement Forum*. This strengthening must ensure increased coordination between key operators in the area and means that, in future, the Secretariat will be the main access point for guidance and advice to both suppliers and public procurement officers on green public procurement.

More flexible public procurement agreements

The government will support public procurement in offering room for development and innovation to a greater extent, including in standardisable procurement areas usually subject to framework agreements. Among other things, this must be done by making more use of dynamic agreement forms that allow new suppliers to be added to long-term procurement agreements on an ongoing basis.

Joint public procurement collaboration

The ambitions to significantly reduce the entire public sector's climate footprint require close collaboration between the government, municipalities and regions. The government will, therefore, strengthen and develop the joint public procurement collaboration, e.g. through several joint public agreements, data collaboration for the purpose of calculating the climate footprint and a collaboration with the municipalities and the regions on setting standards for professional procurement throughout the public sector.

Public/private partnership on innovation

The government wants to strengthen the public/private collaboration on innovation and new technology and has agreed with KL and the Danish Regions that, together, we will investigate the possibilities for a broader collaboration. Through this collaboration, tools must be developed, and contributions made to concrete innovation projects across the public authorities. The competencies in innovative procurement and flexible tendering must be strengthened, and support must be provided with advice on the specific processes. All solutions must be developed in collaboration between the business community and the public sector, e.g. through increased interaction with the business promotion system.

This is how we can set in motion the long-term development that is necessary for a smart, green transition of public procurement.

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It is a crucial part of the green transition of public procurement that we gain more and better knowledge about the climate footprint of individual procurement. Therefore, we must continue to work with the calculation model that has been developed to assess the climate footprint.”

3. Green Knowledge and Tools

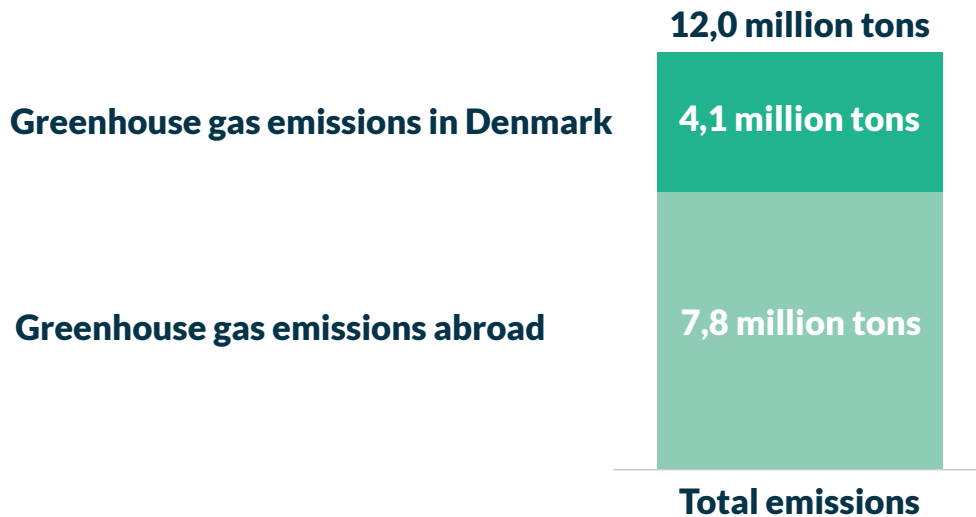
The public procurement's climate footprint currently amounts to 12 million tons of greenhouse gas, of which approximately 4 million tons are emitted in Denmark¹ and approx. 8 million tons are emitted outside of Denmark. This must be significantly reduced towards 2030, and the Danish

Government will, therefore, be one of the first countries in the world to set a reduction target for the climate footprint of public procurement. This requires more knowledge and better tools.



Figure 5

The climate footprint of public procurement at home and abroad



Note: The numbers do not add up to 12 due to rounding.

We have not previously known exactly how much greenhouse gas was emitted due to public procurement. There is great variation in what the public sector procures, and it comprises many individual parts which affect the climate and environment in different ways and to different extents.

With *Green Procurement for a Green Future*, the government has calculated the climate footprint of public procurement for the first time. The assessment provides a snapshot of greenhouse gas emissions from total public procurement. For example,

we are able to say what the overall climate footprint was of public food procurement in 2019. However, we do not currently have figures on how much of the public procurement of food goes to beef and beans, for example. Therefore, we do not know how much of the emissions come from the food categories that are more or less detrimental to the climate.

This also means that, at present, we cannot say how many tons of greenhouse gas it would save if we only bought food that is less detrimental to the climate.

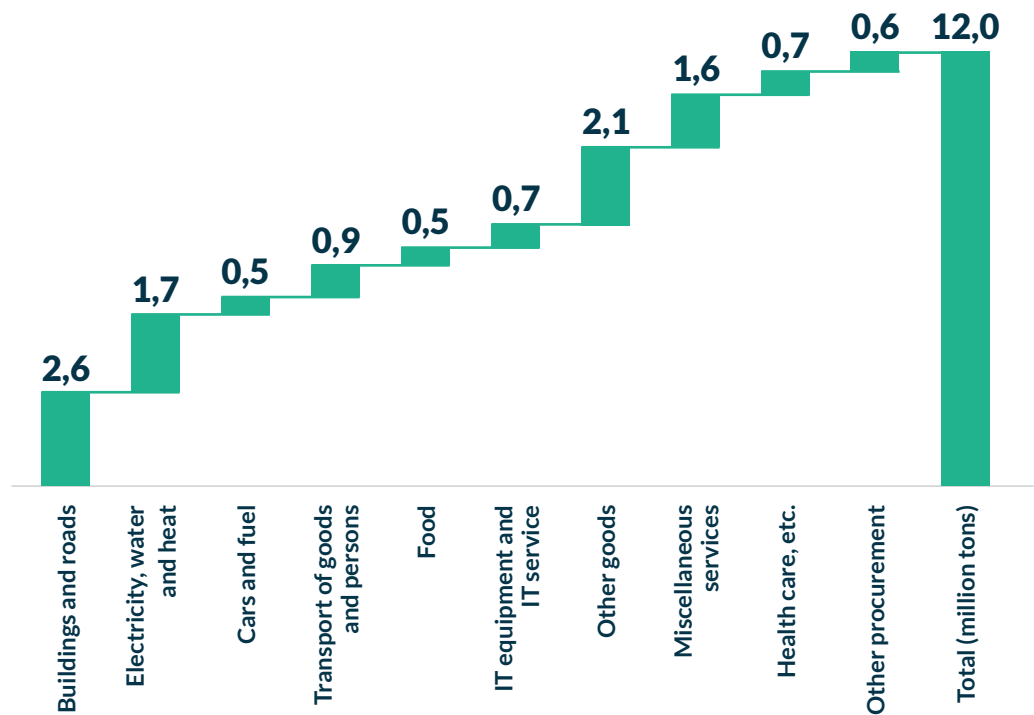
¹ Among other things, the total public procurement of approx. DKK 380 billion includes public corporations and intermediate public payments. Assessment of the climate footprint. The analysis is based on invoice data for the government, municipalities and regions, which corresponds to approx. DKK 185 billion.

The assessment methods used in connection with the climate footprint of public procurement and in connection with the 70 per cent target are not the same. The assessment in connection with the 70 per cent target is based on the climate footprint of production in Denmark, cf. the UN's assessment method. The assessment of the public procurement's climate footprint is based on consumption. This means that reductions in the climate footprint of public procurement only contribute to meeting the 70 per cent target to the extent that the reduction leads to lower emissions from production in Denmark



Figure 6

Emissions according to the procurement area



Note: The numbers do not add up to 12 due to rounding. Other goods include goods that are not covered by the other procurement categories, such as office furniture and printer paper. Other services include services that are not covered by the other procurement categories, e.g. facility management services. Other procurement includes procurement, which could not be attributed to the other procurement categories.

That is also why it is not currently possible to establish how large the total reduction resulting from the initiatives in this strategy will be.

Green procurement for a green future is the first step towards changing that.

It is a crucial part of the green transition of public procurement that we gain more and better knowledge about the climate footprint of individual procurement. Therefore, further work must be done with the calculation model that has been developed to assess the climate footprint.

In the assessment of the climate footprint, there are some areas that stand out by causing significant greenhouse gas emissions. This is due to a combination of the fact that these are areas that generally have a large greenhouse gas emission and that these are areas where the public sector has a considerable consumption.

This basically applies to the following categories:

- Vehicles and other transport
- Food, primarily for public kitchens (including schools, nursing homes, hospitals and canteens)
- Utilities (electricity, water and heat)
- IT, including data centres
- Construction

Some of them are part of long-term infrastructure planning that needs to be addressed nationally. One of the areas is utilities where the first part of the government's climate action plan includes green electricity and heat as key elements. The result of this will be an ongoing reduction in greenhouse gas emissions in the supply area towards 2030, and this reduction also applies to the most significant part of public supply procurement. The second infrastructural area is construction. Here, the direction for the longer term is set with the Strategy for Sustainable Construction, which will be published in 2020.

In order to be able to work even more purposefully in the long term to reduce the climate footprint and the environmental impact of public procurement, there is a need for better data in the procurement area. For example, we must be able to distinguish between procuring an electric car from a diesel car and beef from lentils. Therefore, the government wants to initiate a collaboration with the municipalities and the regions to ensure a detailed and uniform data basis for the entire public sector procurement.

Once we know what we are procuring, we must link it with the emission factors, i.e. how much greenhouse gas is being emitted in connection with production, transport, consumption, etc. Emission





Box 5

Conclusions of the report on the possibilities in the Public Procurement Act to prioritise green considerations

- The Public Procurement Act provides a fairly broad framework for prioritise green considerations in procurement.
- The content of public procurement can, therefore, be determined relatively freely in the procurement policy.
- Requirements can be set for the tenderers, products, production processes, etc., as long as the requirements are linked to the specific procurement, i.e. the subject of the contract.
- For example, a specific task may need to be performed in a certain climate/environmentally friendly way or transported in a special way.
- In addition, by using the voluntary grounds for exclusion in the Public Procurement Act, contracting authorities can exclude companies that have breached the existing obligations in the environmental field.
- The restrictions of the Public Procurement Act in relation to climate and the environment primarily consist of the prohibition against making requirements that are not directly related to the subject of the contract. This means that in a tender, for example, a supplier must not be required to join a specific climate charter, or that suppliers must have a general environmental policy or must present general environmental accounts.

factors reach across national borders and, therefore, it requires extensive assessments of greenhouse gas emissions in different industries in different countries.

With this work, the government is leading the way and ensuring the necessary development to be able continuously to follow the development in green public procurement. In this way, the government also supports an ambitious effort for green procurement in the EU which, among other things, entails mandatory criteria and targets for green public procurement as well as the monitoring of green public procurement.

It is important that the knowledge we gain through the work of continuously calculating the climate footprint of public procurement becomes available to the greatest extent possible, so that public institutions can use it locally to make procurement decisions on an informed and green basis.

It is also important that knowledge about the climate footprint and about green procurement in general is shared and used actively. Therefore, the government will strengthen the knowledge sharing and dissemination of tools through a digital portal and provide enhanced guidance in the framework conditions for green procurement.

Concrete initiatives

With *Green Procurement for a Green Future*, the government is taking the first step towards better and more accessible knowledge about the climate footprint of public procurement and about green procurement in general. This consists of:

Annual calculation and projection of the climate footprint

There will be annual calculations and projections of the total climate footprint of public procurement as well as further development of the calculation in connection with the annual climate footprint calculation. The further development consists partly of a projection of the climate footprint towards 2030, and partly of the development of the model in order to be able to calculate what the effect will be of converting to greener procurement in the long term. The first calculations and projections will be completed in the second half of 2021 in order to be able to set a reduction target, and annual calculations and projections will then be carried out from the spring of 2023 and onwards.

Digital solution for finding the right tools

The Procurement Officer online knowledge portal will be transformed into an automated solution, so that users are presented with relevant tools by answering questions rather than having to identify the tools themselves. The solution will be

disseminated through the existing, central advisory options available in the public sector.

Digital solution for calculating the total costs of procurement

To support the spread of procurement based on total cost principles, the government is initiating work to further digitise total cost of ownership tools so that procurement officers can calculate costs in a user-friendly way throughout the life of the product.

Guidelines in the green possibilities of the Public Procurement Act

The government will ensure that legal guidelines are prepared to help public procurement officers use the possibilities of the Public Procurement Act in order to safeguard green considerations in connection with the procurement of both goods and services.

Guidelines on the requirements for life extension

Guidelines will be prepared for public procurement officers as to how they can set requirements for extended warranty and repair options in order to ensure a longer life for products, e.g. electronics, appliances, furniture and means of transport. The guidelines will contain specific proposals for requirements that can be used in the tender material.

That is how we can get the necessary knowledge to be able to make green choices when procuring in the public sector.



Box 6

Assessment of government, municipal and regional procurement

Størrelsen af det offentlige indkøb

Public procurement can be assessed in several ways. One way is an assessment based on the national accounts (i.e. national budget statistics) and another way is an assessment based on invoice data, i.e. the bills that the public sector pays to external suppliers. Invoice data is much more detailed than data from the national accounts, as invoices typically contain information about the procurement in the form of product descriptions, quantity statements, etc.

If the public procurement is assessed based on the national accounts, it amounts to approx. DKK 380 billion in 2019. This assessment is based on specific expenditure items from the national accounts.

If public procurement is assessed based on government, municipal and regional invoice data in the state, the total public procurement amounts to approx. DKK 185 billion. The assessment of the volume of the public procurement is calculated based on invoice data in this strategy.

The difference between the two assessments is partly due to the fact that a number of items are included in the national accounts method, such as procurement in public enterprises, rent, internal public payments and VAT when public procurement is assessed based on the national accounts.

Procurement in public enterprises alone amounts to approx. DKK 100 billion. This is procurement from companies such as Energinet, HOFOR, DSB and Ørsted that all have their own green strategies. In addition, rent, internal public payments and VAT amount to just over DKK 50 billion in total.

When these items are deducted, the assessment of government procurement based on invoice data approximately corresponds to the assessment based on national accounts data



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