

II/ D.4.4 - Report on strategies for cooperation with suppliers

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In the framework of the project activities Task forces will work to involve suppliers and key actors of the markets into several initiatives aimed to promote a proactive collaboration between the production – side and the public purchasing organizations that are implementing green procurement in the 6 target regions within Primes.

The aim of the partners is to foster the implementation of GPP among the beneficiaries relying on the potential of early dialogue with suppliers to generate reciprocal influence among purchasing organizations and the local markets, thus positively affecting the development of new possibilities for green procurement in all the target regions.

At early stage of the project all partners have implemented an analysis of their markets in order to understand possibilities and main barriers for the implementation of GPP since national markets of the 6 target regions involved in the process (Denmark, Latvia, Croatia, France, Sweden and Italy) are very different under the point of view of GPP. Within Primes there are situations, like in Sweden, where GPP is a priority since long time and, therefore, the market is able to provide procurers with competitive and innovative solutions that meet high environmental standards and low-carbon approaches (like LCC) while there are other situations, like in Croatia or in Latvia, where the national strategy for green procurement is still under development and the possibilities of implementation of green tenders can be very challenging for public procurers, due to low availability of green products and services in the local markets and their high costs.

Provided that public procurement represents over 19% of the GNP in Europe, the public sector has a high potential to influence the development of the market and a growing request for green products and services can positively affect suppliers to meet the needs of the public sector, thus stimulating technological innovation in the market. Nevertheless, within Primes the majority of the project beneficiaries are little and medium-sized purchasing organizations, with limited possibilities to be

addressed by the industry sector with specific solutions to their needs nor to positively contribute to stimulating technological innovation in their local markets.

Through the promotion of a proactive dialogue between Primes beneficiaries and suppliers, Task Forces will foster the exchange of information about green products and services already available in the local markets, which can be an opportunity to implement GPP; in the meanwhile, task forces will raise awareness among the procurers on the possibilities offered by innovative green technologies, low carbon products and energy-related services – that might not be available at local level - to increase energy efficiency in their organization, rationalizing energy consumptions and generating money savings.

Indeed, promoting energy efficiency is a priority within the aim of Primes because many of the project beneficiaries are Local Administration committed to the Covenant of Mayors, thus looking for effecting solutions to implement their Action Plans and reach their targets of CO2 reductions.

As a second step, Task forces will support beneficiaries to meet the opportunities offered by new and innovative forms of collaboration with suppliers (like green procurement of services on the basis of energy performance criteria) that might be difficult to implement on their own due to the complexity of these procedures, which require technical and administrative skills that some Municipalities may lack.

In the long run, dialogue with suppliers and proactive initiatives of collaboration will positively affect the development of the local markets on the principles of green economy and will drive to a general lowering of the level of the prices of green products and services also in partners' regions recently approaching GPP.

During the first reporting period, partners have started to carry out some initial initiatives foreseen in their plans which, therefore, are at early stage of implementation. Nevertheless, results of these first activities have allowed partners to get some feedbacks on their strategies on which to base further development of their actions during the life of the project:

Mobilisation of suppliers

Since the beginning of the project, partners have identified key actors of their markets (trade associations, suppliers associations) and looked for the existence of local facilitators (public and private working groups for promotion of green procurement) that can have an important role for the implementation of the project activities, being able to support partners in the mobilization of a wide number of local

suppliers through the existing networks. Since early stage of the project partners have started to contact key organizations and to implement activities for mobilization of suppliers and during the first Steering Committee meeting in Vaxjo (January 2014) have shared their strategies for collaboration with suppliers identified at the beginning of the project.

Target region	key stakeholders and partners' strategies
Zealand	The 4 leading Danish trade organizations will be addressed. Trade organization can contact innovative suppliers and stimulate the offer of new products; moreover, they can explain their members parameters to be used when participating to green tenders and how they can take advantage. This is possible if Municipalities are able to publish procurement plan in advance.
Latvia	Establish contact with the Chamber of Commerce and existing networks between the local industry and municipalities. LEIF will develop new networks as well as new database of existing companies and will promote dialogue during Energy days.
Northern Croatia	Establish contact with the Chamber of Commerce. In general, dialogue and collaboration with supplier can be promoted by the fact that each city has to publicly announce the yearly procurement plan in advance, therefore local authorities have already invited their suppliers to prepare themselves for tenders. The TF plans to have one meeting with suppliers on a yearly basis.
Rhône-Alpes	RAEE will establish early contacts with trade organisations like the Chamber of Commerce and CDAF, CAPEB and APPEL. The trade associations will also be target of the dissemination campaigns.
Blekinge and Kronoberg	The TF is already cooperating with existing trade organizations in the southeast region (ex: SSNC), which have a deep knowledge about existing and innovative green products. This cooperation will also increase the knowledge of the municipalities of the existing products on the market
Liguria	Contacts with trade associations, locally based or nation-wide based (ex: CONFINDUSTRIA) through the GPP regional network. TF will organize specific meetings with suppliers and between suppliers and municipalities, also with the support of the subcontractor
All	Partners will use tools, data-bases and web-sites (like PROCUREMENT FORUM and TOPTEN.INFO) aimed to available at national and European level in order to keep updated on best products available and contact suppliers

Project activities are at initial stages but, so far, partners have set contacts with some key facilitators of their regions, most of all existing networks for promotion of GPP (in particular, ESS is collaborating with Kronoberg County Council and the regional GPP steering group in the implementation of activities and interventions with Swedish beneficiaries and Liguria is working with the Regional network for GPP) and have contacted suppliers and energy distributors. Suppliers have already been involved in some of the project activities and further meetings among suppliers and beneficiaries have been scheduled by partners in the early autumn.

In the meanwhile, partners have involved in project activities regional and national purchasing organizations which will support beneficiaries to mobilize suppliers and involve them into initiatives for collaboration. For example, LEIF has involved in project activities the National purchasing Bureau and has

obtained support to Primes activities from the Ministry of Environment. The TF of Liguria, through the regional network of GPP, is involving the Regional purchasing Authority and LIG has contacted the national purchasing authority (CONSIP), which manages the public e-procurement market place and is in contact with suppliers at national and European level.

Moreover, in order to identify relevant suppliers at local level, partners will rely on existing contacts among suppliers and Municipalities, in particular in regions (like Croatia), where procurement plans are set 1 year in advance and suppliers are already in contact with procurement offices.

Awareness rising among beneficiaries and promotion of dialogue with suppliers

The strategy of the partners is to promote dialogue with suppliers through the organization of several meetings, at local or regional level, where procurers from the beneficiaries can meet suppliers and being informed about possibilities of green procurement ongoing so far and innovative solutions.

During these meetings, partners will stimulate public procurers to learn about the benefits of green products and services to understand their technical specification and energy qualities compared to the standards. This will rise awareness about the potential for energy saving provided by green products and – most of all – will help procurers to identify possibilities of money savings, despite initial prices, in the view of the LCC of the green products.

During the first reporting period the French task force has been very active in the implementation of this activity and, so far, has organized 3 meetings to promote dialogue among project beneficiaries and suppliers: on 18 March a meeting with a gas distributor was attended by over 50 people among the municipal staff of Local administrations of the region (aim of the meeting, organized during a training sessions, has been the promotion of green gas, which is now a priority of intervention in France due to the recent liberalization of the gas market) and during this workshop 20 Municipalities decided to create a specific working group in order to plan procurement for green gas. 2 other meetings, on 20 and 21 May, involved the representatives of the “Lighting cluster “in Rhône-Alpes (association of suppliers for lighting) during training sessions dedicated to green lighting that were attended by operators in charge of building management for High Schools and by the staff of the Regional Council (which manages the High schools).

Experiences of RAEE and feedbacks coming from other partners have revealed that, in order to implement fruitful occasions of dialogue, it’s important to plan the meetings with suppliers and schedule the topic of the discussion in order to meet the specific needs that the procurers are undergoing in that moment.

Awareness rising on green products and services at general level may be useless/dispersive in the view of

the implementation of GPP because procurers won't be interested to categories of goods/services that are not foreseen in their procurement plans.

Possibilities to positively affect the market and overcome barriers due to higher costs of GPP.

A challenging barrier to GPP in beneficiary municipalities is the cost of green products and services which, in many cases, is higher than standard products. Due to the little size of the Municipalities it's difficult for them to rise the interest of suppliers to meet their needs but, as identified by the project, a possible solution is the instrument of Joint procurement. Through Joint procurement the beneficiaries will be able to rise wider interest of suppliers to their needs of green procurement - due to the higher economic value of the tender - and to obtain lower prices thanks to economies generated by procurement on big scale and, also, through money savings in the administrative costs for the release and the awarding of the tenders. On the same aim, at European level there are several instruments and tools promoting innovative forms of collaboration with suppliers, both in the phase of pre-procurement and through specific forms of energy performance contracts, that can be used by Municipalities to overcome economic barriers - as reported by several municipalities, lack of funding is one of the most challenging barriers to GPP as well as to the implementation of interventions for energy efficiency (most of all in the building and lighting sector). Nevertheless, as reported by the feedback of several beneficiaries, it's difficult for local staff to implement procurement through these instrument due to the complexity of the procedures and the need of specific technical and administrative skills that they may lack.

So far, many beneficiaries have expressed their interest for the implementation of these forms of procurement (for example through collaboration with ESCOs) and, to this aim, during the life of the project Task forces will promote and support beneficiaries with these procedures.

Feedbacks of the partners on their strategies for cooperation so far:

- in order to be effective, activities involving suppliers can't be planned on a general basis or too in advance: meetings with suppliers must be dedicated to awareness rising on specific products or services (best solution is to organize specific focus/workshops). Moreover, meetings with suppliers must be planned according to the time-schedules of the beneficiaries' procurement plans, once categories for procurement have been identified. In this way suppliers can inform procurers on specific green products and services available for their ongoing needs and rise awareness to the benefits that procurers can get in their own organization in the short run.
- The level of the green criteria inserted in green tenders must be challenging for the suppliers, in order to promote innovation, but it's important to screen in advance the potential of the market to meet the

requirements of the tenders or suppliers won't be able to answer the requests of the purchasing authorities and the tenders might go deserted.

-Beneficiaries must be aware on the availability of green products and services at wide and European level and must be able to adapt their procurement plans to meet the new opportunities offered by the local markets (like gas liberalization in France) as soon as possible, in order to increase their opportunity to influence suppliers to meet their need of green procurement since the earliest stage of the new market.

Promotion of dialogue and collaboration with suppliers - activity plan

Mobilization and involvement of suppliers	During the whole life of the project, also through collaboration and support with key-actors of the market and facilitators
Rise awareness about available products /services for implementation of GPP among beneficiaries	During the whole life of the project
Rise awareness on new possibilities for GPP at wider/EU level and stimulating innovation in the local markets to meet the needs of beneficiaries for GPP	During the whole life of the project Partners must be ready/able to exploit the new opportunities offered by their local market (ex: opening of new market sectors) and re-schedule their strategy accordingly.
Organization of meetings with suppliers and promotion of collaboration in the pre-procurement phases	To be scheduled according to procurement – plans of the beneficiaries/ during identification of categories for green procurement
Promote interventions to overcome economic barriers that affect the implementation of GPP (ex: JP, EPC)	- during the whole life of the project