
Press Release

For immediate publication

Smart purchasing to save costs and drive eco-innovation

Freiburg, 28 July 2010 • Calculating the real cost of a purchase over a product's lifetime and how much it can contribute to municipal climate change strategies has now been made easier for public sector representatives in Europe.

Calculate Life-cycle costs and greenhouse gas emissions

More than 100 public procurers from Germany and the United Kingdom have been trained to use the new Life-cycle Costs and Carbon Dioxide Emissions (LCC-CO₂) Assessment Tool, developed by researchers partnering in the EU's Intelligent Energy for Europe funded project SMART SPP. Procurers, requisitioners, carbon managers and energy managers can find out the real cost of a good or service – particularly if it is one that is not yet widely available on the market (so-called emerging technologies) – and its associated carbon dioxide emissions, and include these in procurement decisions.

In these times of economic difficulty, the Tool can also serve as an instrument for public sector users to make real financial savings as it not only gives them a chance to assess the environmental savings that can be made, but also the real cost of products across their life-cycles. Life-cycle costs cover purchasing, operating (energy, spares, maintenance) and end of life costs, such as removal and disposal, of a product. By making more informed choices, local governments (for instance) can make material and energy resource savings, reduce waste and pollution and potentially also make financial savings by purchasing products and services that have been produced in a more environmentally-conscious way.

Opening up green markets

Equivalent to 16 percent of the EU's gross domestic product (a staggering 2,000 billion Euros annually), the potential of public procurement has only been marginally exploited. Tapping into the public purchasing power of the EU public sector for sustainability and innovation purposes is one of the avenues that will open up green markets and encourage eco-innovation among producers, thereby boosting their competitiveness. The European Commission wants public services to drive innovation using procurement, and urges authorities to become more innovative themselves. With a new research and innovation strategy expected this September, the European Commission promises to lay out a detailed plan for using public sector purchasing power to foster innovation¹.

Taking an integrated approach

The LCC-CO₂ Assessment Tool is one of several tools that exist to encourage sustainable procurement, however it is one of few which integrate both economic and greenhouse gas emission aspects. Feedback on the tool so far has been very positive: "Excellent tool, very keen to progress to adoption." says Wendi Wheeler, Energy Manager, Redcar and Cleveland Borough Council, United Kingdom. Vicky Reevel, Purchasing Manager, Sunderland, United Kingdom, also said: "A comprehensive tool and yet relatively easy to use."

Words: 449

¹ See EurActiv 24/04/10: <http://www.euractiv.com/en/enterprise-jobs/innovation-hampered-risk-averse-public-authorities-news-373313>



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Background:

1. Each year European public authorities spend the equivalent of 16 percent of the EU Gross Domestic Product on the purchase of goods, such as office equipment, building components and transport vehicles; services, such as buildings maintenance, transport services, cleaning and catering services and works.
2. Innovation in the area of environmental goods and services is central to the successful implementation of the “Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan” developed by the EU Commission. Under this plan, tools will be developed to monitor, benchmark and boost eco-innovation and its uptake in the EU.
3. SMART SPP is a European project that promotes the introduction of new, innovative low carbon emission technologies and integrated solutions onto the European market. The project is supported by the Intelligent Energy Europe funding programme. The Life-cycle Costs and CO₂ Emissions Assessment Tool is available in English, Portuguese, Spanish, Danish and German at <http://www.smart-spp.eu/guidance>

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