



## ENERGY EFFICIENCY SERIES

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# GREEN PROCUREMENT TO SPEED EFFICIENCY

## ***Cities' power to shift the market to efficiency***

Public authorities carry significant power to influence markets. In 2015, public procurement of goods and services [accounted for as much as 12% of GDP](#) in OECD countries. These public entities - including cities! - can stimulate critical demand for sustainable goods and services which otherwise would be difficult to get onto the market. With that power comes a responsibility to procure sustainably.

Sustainable public procurement implies cities will choose products and services based on their ability to be cost-effective throughout their lifecycle (i.e. not just via upfront costs) and generate economic, environmental, and social benefits for society. Energy efficiency is an important component of sustainable public procurement because it helps limit global average temperature rise to 1.5°C. Beyond this climate consideration, procuring efficient solutions also brims with economic, environmental, and social benefits for cities.

## ***Economic benefits***

### **CHEAPER**

Energy efficient products tend to be the cheapest option in the long run: they generate lower energy bills and require less maintenance than their less efficient equivalents. Buying desktop PCs and displays with an efficiency performance 60% higher than the Energy Star Standard allowed **Italy's Consip SpA12** to save € 2,300,000 on electricity during the length of the equipment's procurement contract.

### **PROMPTS INNOVATION**

To push energy efficiency as a key procurement criteria helps cities stimulate innovation in sectors that, from a technological perspective, have evolved only marginally over decades. This in turn can trigger action from other stakeholders, both businesses and individuals.

# € 2,300,000

*in savings for Italy from buying PCs and displays with an efficiency performance 60% higher than the Energy Star Standard (during the length of the equipment's procurement contract).*





# \$ 5,500,000

*saved per year in Madagascar by governmental distribution of over 500,000 energy saving lamps.*

## ***Environmental benefits***

### **REDUCE POLLUTANTS**

Energy efficient products - particularly vehicles - reduce outdoor concentrations of air pollutants, consume less energy, and emit less greenhouse gases throughout their lifetime. **China** can save 1,057 terawatt hours of electricity (equivalent to the annual production of 403 mid-sized coal plants) by 2030 by raising the energy efficiency of 9 appliances to that of the most efficient model currently on the market.

### **SAVE RESOURCES**

With their longer shelf life, energy efficient products allow for more sustainable resource management.

## ***Social benefits***

### **ACCESSIBILITY**

Cities can drive down the upfront cost of efficient products, thereby making them more accessible to lower-income families.

### **STABILIZE GRIDS**

Cities can reduce the risk of power black-outs by reducing overall load on the grid. Distribution of over 500,000 energy saving lamps in **Madagascar**

allowed the government to save \$5.5 million per year in reduced peak load and fossil fuel imports. The [Lumitsits program](#) also generated an annual savings of \$33 per household on electricity bills in a country in which 75% of the population lives on less than \$1.90 per day.

## ***Getting procurement right***

If procurement criteria are too stringent, few products will comply, which can lengthen procurement time. If criteria are too loose, low-quality products with short lifetimes may proliferate. Europe's [Topten.eu](#) service has created [product-specific procurement guidelines](#) that include estimates of energy savings in kWh/year and monetary terms. The guidelines also supply technical criteria that can be directly inserted into procurers' tenders and are calibrated to the most energy-efficiency products in local markets. The guidelines are based on independent, market-based research in 20 countries in Europe, Asia, and Latin America. Adapting these guidelines to the local circumstances of other cities is a relatively straightforward task. If, as a city, you are interested in developing guidelines specific to your local context, please contact Jenny Calder ([jcalder@wwf.fr](mailto:jcalder@wwf.fr)).

## ***Tools and resources***

Join a city network on public procurement via the [Global Lead City Network on Sustainable Procurement](#).

Find out more about how to implement sustainable public procurement via:

- [ICLEI \(2016\), The Procura+ Manual: A Guide to Implementing Sustainable Procurement](#)
- [European Commission \(2016\), Buying Green! - A Handbook on Green Public Procurement](#)

See what best practice other cities are putting in place via the [Sustainable Public Procurement Platform](#).

