



UNIVERSITY  
OF LATVIA



UNIVERSITY OF LATVIA  
FACULTY OF BUSINESS,  
MANAGEMENT  
AND ECONOMICS

# Towards climate neutrality - Sustainable public consumption



Co-funded by  
the European Union



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# Introduction

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17th – 19th century **manufacturing period**  
*(increase in the use of non-renewable resources)*

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**Human overcrowding** – till the end of 21th century **11,5 billion people**

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**Degradation of resources, limited resources, ecological problems**



# Sustainability

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1955 Russell – Einstein Manifesto

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1972 Club of Rome «Limits to Growth»

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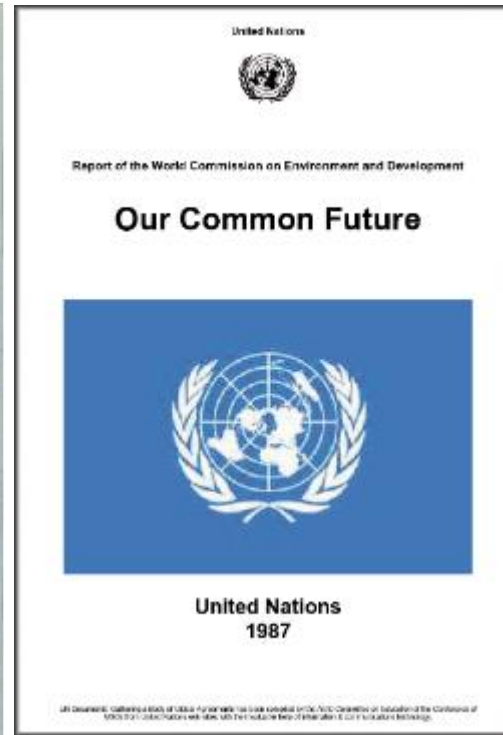
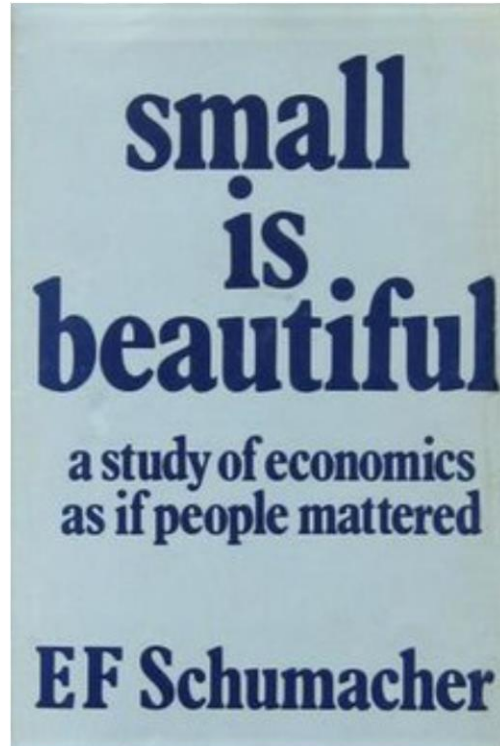
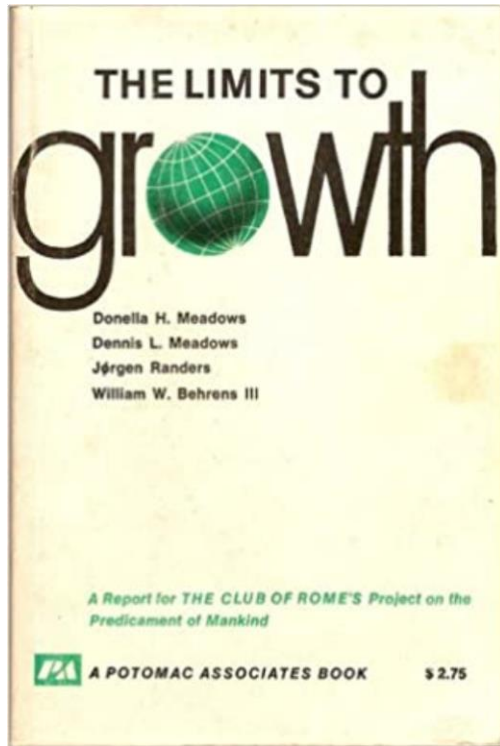
1972 United Nations conference on the human environment

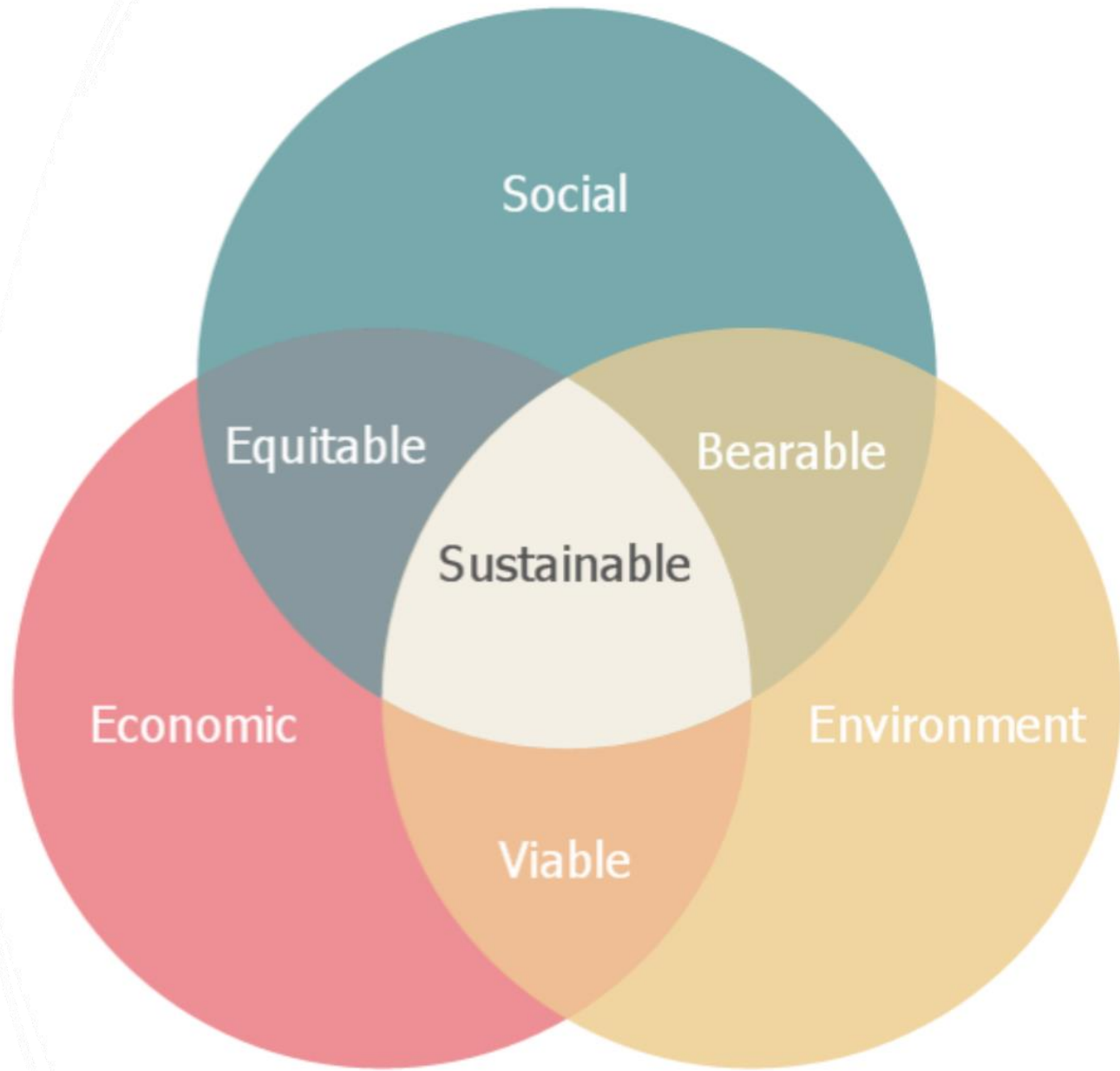
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1973 Ernst Friedrich Schumacher «Small is beautiful»

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In 1987 The concept of “**sustainable development**” was first published in Gru Harlem Bruntland's report “Our common future».





Venn diagram

# Sustainable development

Sustainable **development** is development that meets the needs of the present without **compromising the ability of future** generations to meet their own needs (Our Common future, 1987).



# Agenda 2030 – Sustainable development goals



# Green Deal

- **In 2050, Europe will be the world's first climate-neutral part.**
- **Reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.**



# Green public procurement



**GPP is defined in the EC’s Communication as “a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared that would otherwise be procured” (EC (2008) 400, p.4);**

**Government expenditure on works, goods and services represents around 14% of EU GDP.**

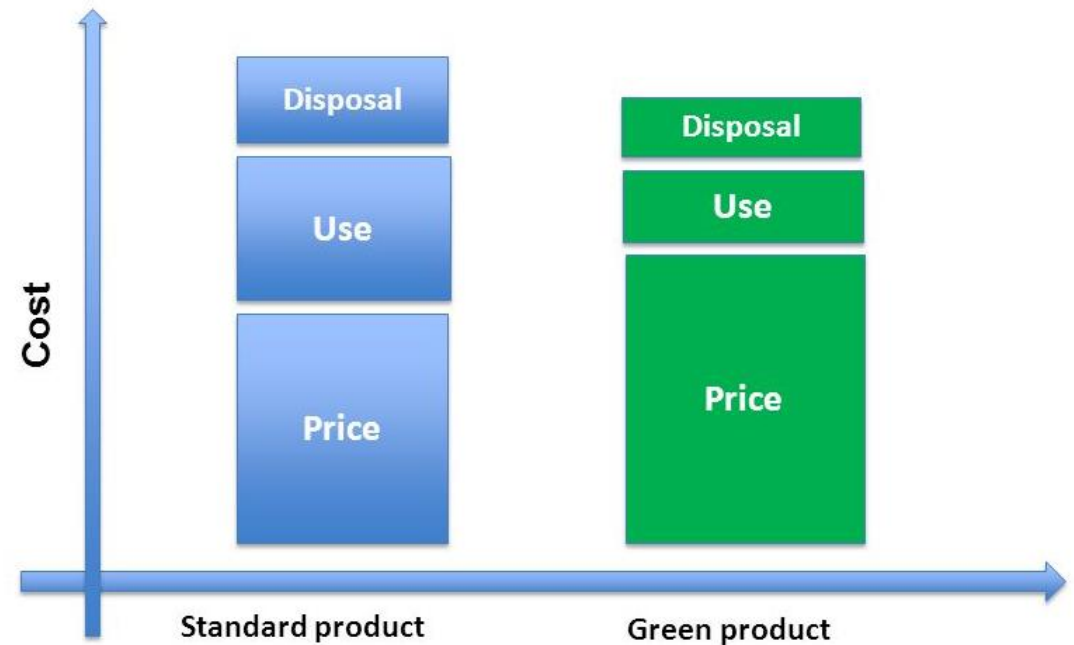
**Focus on life- cycle costs.**

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

# GPP principles

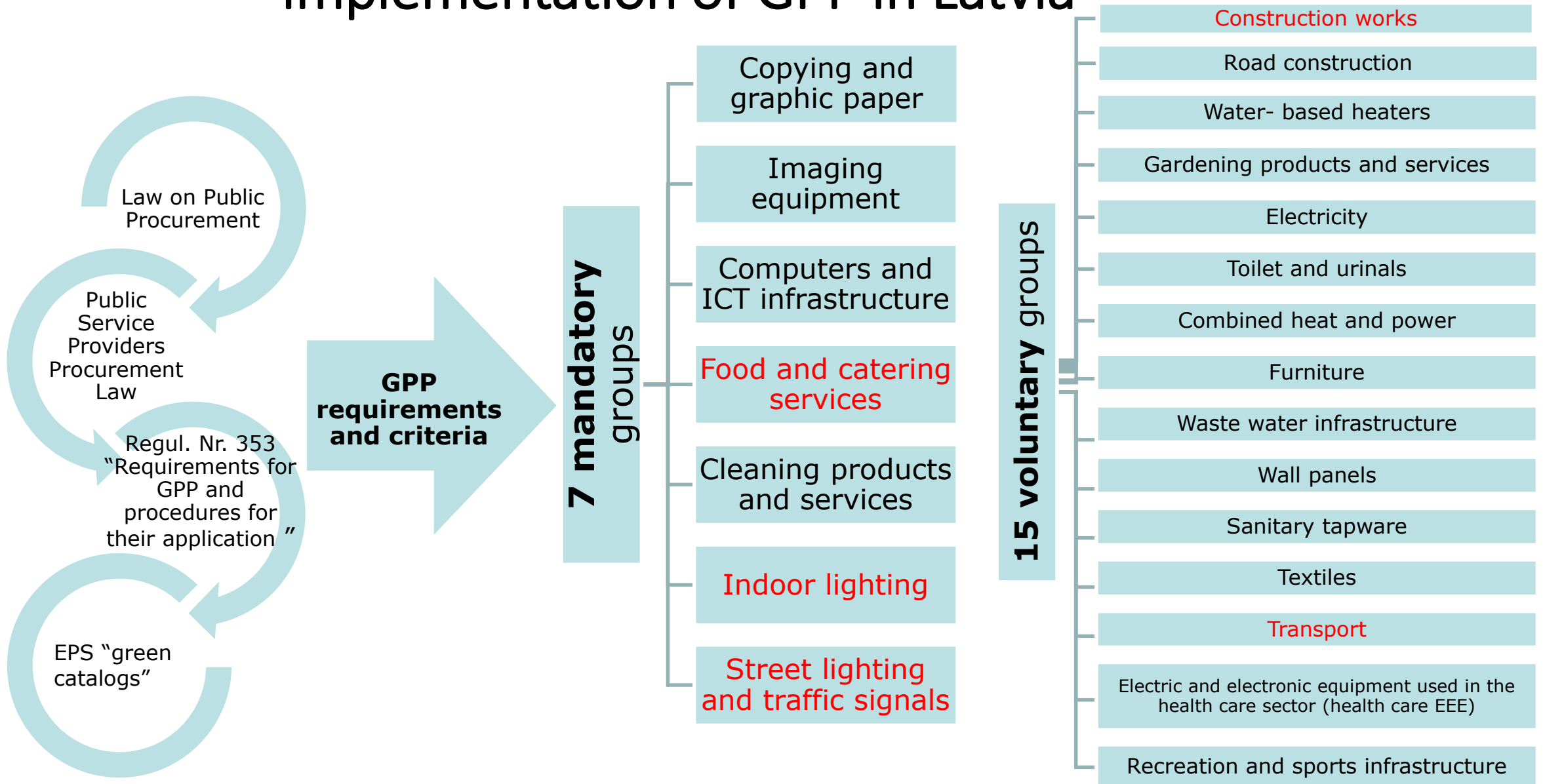
The following principles of the green procurement shall be taken into account:

1. More environmentally friendly procurement;
2. Prevention of **damage**;
3. **Life cycle thinking**;
4. Environmental impact comparison;
5. Information on environmental protection measures.

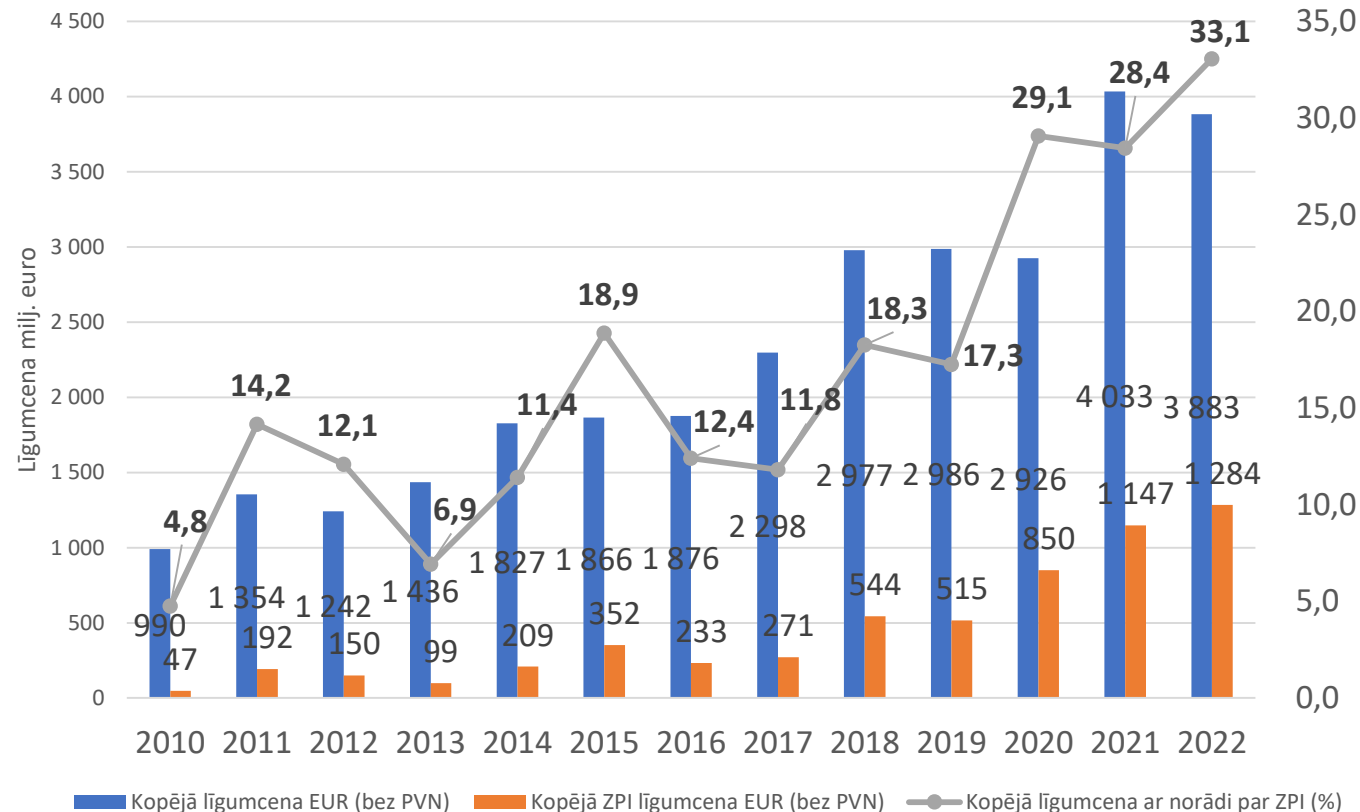




# Legal framework for the implementation of GPP in Latvia



# Dynamics of GPP contract prices within the Public procurement Law



**47% construction works**  
 (393 mlj. EUR)  
**24% food and catering**  
 services (200 mlj. EUR)  
**13% transport** (104 mlj.  
 EUR)  
**5% ICT** (37 mlj. EUR)  
**5% Cleaning products** (35  
 mlj. EUR).

# GPP in construction procurement



## «Green Deal»:



The building sector **consumes 40% of total energy.**



The **amount of renovation** of public and private buildings **must be doubled!**



The **prices of different energy sources** should stimulate the energy efficiency of buildings.

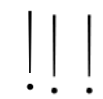
## Application of GPP in construction:



In 2022 **33% of construction work purchases by GPP** (393 million without VAT);



**GPP incompletely** applied in procurement;



In New amendments in CoM No 353 it's planned

**14 mandatory criteria of GPP in construction.**

# GPP in Transport procurement

## «Green Deal»:



Transport accounts for 25% of the EU's greenhouse gas emissions, and the amount is increasing.

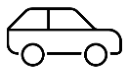


The goal is to reduce these emissions by 90% by 2050!



Clean vehicles directive

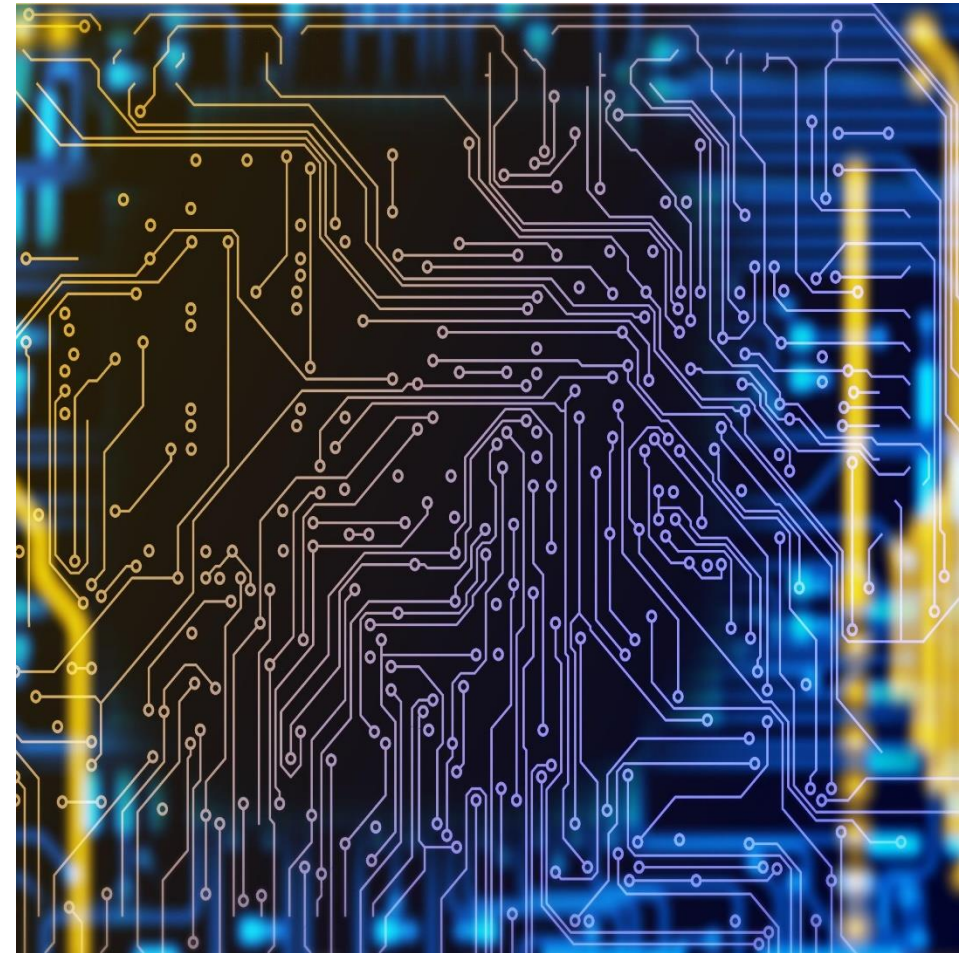
## Inclusion of GPP in transport procurement:



In 2022, 97% (104 million EUR without VAT) of vehicle purchases applied to GPP;



It is planned to be transferred to the **mandatory group** (Annex 1 of CoM reg. no. 353).



# Conclusion

- The concept of "**sustainable development**" creation is largely related to **the 20th century** identified development constraints about perception shifting and focusing on the interrelationship between environmental, economic and social well-being.
- The United Nations World Commission on Environment and Development adopted the **concept of sustainable development «Our Common Future»** (1987).
- The EU wants to be climate-neutral by 2050. The European Green Deal is the EU's flagship initiative.
- It is not only about reducing GHG emissions, it is about transforming the economy and society. It is about drastically changing the key systems that define the way we live and work, produce and consume. It is a multi-level and multi-stakeholders effort.
- In 2015, the United Nations General Assembly adopted a resolution Transforming Our World: A Sustainable Development **Agenda for 2030**.
- The application of GPP in the **EU is currently voluntary**. At the beginning of 2020, the EC issued a statement to promote the implementation of the European Green Deal, the development of mandatory minimum GPP criteria, which EU Member States will have to apply in their mandatory public procurement.
- In the case of the Republic of Latvia, if **GPP is set as mandatory** in 7 groups of goods and services, then it is applied.
- Governments still focus on the principle of the lowest price and are not able to **calculate long-term cost savings by applying life cycle cost analysis**, which is one of the most important factors in green procurement. **GPP needs to be used more smartly and more widely** to address environmental and social issues and to build public welfare.





Thank you  
for your attention!

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