Avoiding Greenwash

*How to verify green commitments in tenders and contracts*

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Agenda

1. Defining the problem
2. Solution 1: Pre-procurement
3. Solution 2: Tender evaluation
4. Solution 3: Contract management
5. Questions and comments
What is greenwash?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Reality</th>
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<tbody>
<tr>
<td>“We recycle 100% of our waste”</td>
<td>Waste is unsorted or goes to a facility which is not regulated/inspected</td>
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<tr>
<td>“Timber is responsibly sourced from well-managed forests”</td>
<td>Timber cannot be traced to a legal source and does not have third-party certification</td>
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<td>“We are reducing our emissions by using hybrid vehicles for delivery”</td>
<td>Only the final leg of the route is done in hybrid vehicles, and overall emissions are increased</td>
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<td>“We will use only local produce for the catering contract”</td>
<td>Produce is grown out of season or in resource-intensive greenhouses</td>
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Types of greenwash

Exaggeration – where a bidder or contractor suggests the environmental benefits of its actions are greater than they are

Substitution/Distraction – where a bidder or contractor uses one purported environmental benefit to distract from a bigger environmental detriment

False claims – where a bidder or contractor makes a false statement about their environmental impact (knowingly or unknowingly)
Why it matters

- Greenwash means higher environmental impacts – and their true level is unknown meaning progress cannot be accurately benchmarked

- Taxpayers’ money is wasted on pointless measures

- Trust in the public sector decreases – making it more difficult to achieve support for green policies

- Companies gain an unfair competitive advantage and those which actually do invest in environmental improvements may stop doing so
Solution 1: Pre-procurement

- Knowing the market and understanding environmental impacts of each product/service is first step in avoiding greenwash

- Procurers may not have specialist knowledge of the supply chain, or may lack environmental literacy

- Familiarity with GPP criteria and verification techniques including third-party labels/certification is needed in advance of the tender procedure

- Sending the message to bidders that green claims are important and will be verified/enforced
Pre-procurement

- Preliminary market consultation can be carried out at any point before a tender
- This may include relevant internal or external sustainability experts – NGOs may be invited to present or discuss potential approaches
- Contractors and subcontractors should be asked about their approach to environmental impacts
- GPP criteria should be introduced and the need for labels/certificates if these will be used in tender
Pre-procurement (ctd)

- Draft *specifications/award criteria* may be given to internal or external sustainability experts for review.

- **Choice of procedure and timescales** are important – some procedures allow more flexibility/interaction with bidders which can help to verify green claims.

- **Choice of type of contract** (supply/service) or framework and **length of contract/framework** will also influence the level of green investment which bidders are willing to make.
Solution 2: Tender evaluation

- Specifications, selection and award criteria may all include environmental aspects (see GPP criteria)

- The evaluation panel may include a sustainability expert, or they may be asked to review scoring

- Bidders can be asked to clarify their tenders and to explain any specific green claims. Failure to submit supporting information, or submission of misleading information, may be grounds for rejection of a tender

- Samples, site visits or testing may all be carried out within a tender evaluation process
Tender evaluation - labels

- One or more labels/certifications may be mentioned in the tender documents (e.g. “timber must have FSC certification or equivalent”)

- If bidders offer an alternative label, they should submit evidence of its equivalence, e.g. a copy of the relevant criteria from the labelling organisation

- Only in exceptional circumstances may bidders rely on a self-declaration/technical dossier – this applies where the bidder has been unable to obtain a label for reasons which are not attributable to it
Using ecolabels - examples

- Only paper carrying the FSC label will be accepted
- Bidders will be awarded additional marks if they have the EU Ecolabel or equivalent for all of their products
- Tenders will be rejected if they do not have an ecolabel
- Paper carrying the FSC label or equivalent will be accepted
- Bidders will be awarded additional marks if they have the EU Ecolabel or equivalent for the products covered by this tender
- Tenders may be rejected if they do not have a third-party ecolabel which meets the relevant criteria, unless this is due to factors which are not attributable to the bidder.
Solution 3: Contract management

- **Contract delivery** stage is most important for GPP

- Specific obligations should be passed on to subcontractors and suppliers, but main contractor will normally have **overall responsibility/liability**

- 2014 EU procurement directives support transparency in subcontracting chain and use of supply-chain management systems

- Where a subcontractor violates EU, national or international laws, contractor can be required to replace them
Monitoring and sanctions

- Green commitments should be a standing agenda item for contract review meetings
- An environmental management system (e.g. ISO 14000, EMAS) may help with contractor reporting
- Contract terms may also provide for penalties or incentives linked to environmental performance
- Open dialogue with contractors about any new/unforeseen environmental risks or problems
- NGOs may help with communicating successes and ensuring lessons are learnt for future contracts
Further resources

- All presentations and *Green Public Procurement: A Guide for NGOs*
  http://www.sustainable-procurement.org/ngonetwork/

- *Buying Green Handbook* (3rd edition, 2016) and GPP criteria on EU GPP subsite
  http://ec.europa.eu/environment/gpp


- Many online tools and criteria – most can be accessed via the Sustainable Procurement Resource Centre
  www.sustainable-procurement.org or SCP clearing house wwwscpclearinghouse.org

- Ask for help on the Procurement Forum
  www.procurement-forum.eu or via GPP Helpdesk
Thank you!
Time for
Questions/Comments