ABSTRACT. Since 2005, the Netherlands has been seen internationally as a leader in the area of sustainable procurement. In 2005, the central government resolved to achieve 100% sustainable procurement by 2010. This objective was achieved with flying colours. At the same time, strong criticism of the approach chosen to reach this objective came from both political circles and the business sector. The programme was adjusted several times on the basis of this criticism. The criticism did not stop, however, even after the objective of 100% sustainable procurement had been attained. The Dutch approach has taken a new, even more ambitious course in recent months.

This paper describes the ambitious changes that the Dutch approach to sustainable procurement has undergone since 2005 in chronological order. In order to restrict it to manageable proportions, this paper focuses on the environmental aspects of sustainable procurement. The Dutch approach to international social aspects, such as the ILO standards in procurement and encouraging labour participation through procurement (Social Return) therefore falls outside the scope of this paper.†

The paper divides the development of sustainable procurement in the Netherlands into three parts: the setting up of the approach, criticism and continued development of the approach resulting in 100% sustainable procurement in 2010 and recent developments within sustainable procurement that have ushered in a new phase of the programme.
1. 2005-2008: AMBITIOUS PLANS FOR SUSTAINABLE PROCUREMENT

At the beginning of this century, public debate in the Netherlands, as in many other countries, regularly examined the possibility of using the government’s purchasing power to support environmental and social policy objectives. A number of initiatives were organised by the Ministry of the Environment to encourage sustainable procurement within the various authorities.

3. These initiatives were free of obligation and were restricted to making suggestions about which areas of sustainability the procurement specs for a number of product groups could focus on. There was practically no question of these suggestions being assessed according to procurement law; furthermore, stakeholders were scarcely involved in the activities.

The Dutch programme for sustainable procurement gained momentum in 2005 after a parliamentary motion from the Christian Democratic and Liberal parties called upon the government to ‘include sustainability as an important criterion in 100% of government procurements and investments by no later than 2010’ 4. The adoption of this motion resulted in the Netherlands becoming an international trendsetter when it came to ambitions and actions regarding sustainable procurement5.

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3 PReDO (towards sustainable enterprise using prevention) programme, ran from 2001-2005
4 Parliamentary paper 2004-2005 29800-XI no. 130
5 An international comparison of Dutch sustainable public procurement (SPP) to other countries goes beyond the scope of this paper. A comparison of figures on SPP of EU member states over the period 2006-2007 can be found in PricewaterhouseCoopers, Significant and Ecofys, Collection of statistical information on Green Public Procurement in the EU - Report on data collection results (2009), via the website http://ec.europa.eu/environment/gpp/pdf/statistical_information.pdf. Current figures on SPP for EU member states can be found in Renda et al. The Uptake of Green Public Procurement in the EU27 (2012), via the website http://ec.europa.eu/environment/gpp/studies_en.htm
REASONS FOR SUSTAINABLE PROCUREMENT

The then State Secretary for the Environment, Mr. van Geel, and his successor, the Minister of the Environment, Mrs. Cramer, put forward a number of reasons why the government should switch to sustainable procurement. The first reason mentioned was the opportunity to use the government's purchasing power to exert influence upon the development of various market sectors. Sustainable procurement would therefore encourage sustainable production in the business sector. The government also has an explicit exemplary function: 'society expects [...] the government to take responsibility in this matter' 6, said State Secretary van Geel. His successor, Cramer, talked about 'the sustainable ultimate objective [...] a world in which no one’s choices have a negative impact upon another, either elsewhere or in the future' 7.

Various figures have been mentioned over the years to illustrate the scope of the Dutch government’s purchasing power. In 2006, the annual amount was €30 billion 8, in 2008, this had increased to €40 billion 9 and it is now calculated to amount to approximately €60 billion. Because procurement by Dutch authorities is not centrally coordinated, determining the government’s total purchase volume is an extremely complex task, but no matter which of these figures are quoted, the GDP of the Netherlands is approximately €600 billion 10, and this means that Dutch authorities have significant purchasing power.

THE APPROACH

When Mrs. Cramer became Minister of the Environment in 2007, the sustainable procurement programme had become one of the key priorities of the Netherlands’ environmental policy, and so she set up a separate Programme Management Board for Sustainable Procurement within her department.

The local and regional authorities adopted central government’s approach, albeit with slightly less ambitious objectives:

7 Parliamentary paper 2006-2007 30800 XI no. 14
8 Parliamentary paper 2005-2006 30300-XI no. 134
9 Parliamentary paper 2007-2008 30196 no. 21
10 www.statline.cbs.nl
municipalities wanted to achieve 75% sustainable procurement by 2010 (100% by 2015), the provinces and district water boards aimed for 50% by 2010\textsuperscript{11}.

**Focus on trendsetters**

The programme wanted to focus specifically on the procurement of products and services that the leading businesses in the area of the environment could deliver. ‘This government has chosen to set the most ambitious criteria possible within the confines of the financial and legal options’ said the Minister. ‘This approach may bring about changes in the market, and this will be difficult for late adaptors.’ \textsuperscript{12} ‘The suppliers (the business sector) must therefore in principle bend to the wishes of the clients (the government authorities)’\textsuperscript{13}

**Putting the objective into operation**

In order to achieve the objective of 100% sustainable procurement in 2010, it was decided to draw up environmental criteria for 80 product groups spanning deliveries, services and work that the government procures. Authorities could easily meet the sustainable procurement objective if they used these environmental criteria in any future invitations to tender. The sustainable procurement programme made it as easy as possible for buyers to implement sustainable procurement by handing them ready-made environmental criteria. This meant that authorities did not have to ponder the opportunities or impediments relating to sustainability when procuring: the sustainable procurement programme defined the meaning of sustainable procurement by means of the criteria. All the procuring parties had to do, therefore, was to copy and paste the environmental criteria. Still authorities were free to use their own environmental criteria, as long as they yielded broadly similar environmental benefits. Formulating one’s own environmental criteria was not actively encouraged beyond this point.

\textsuperscript{11} Parliamentary paper 2007-2008 30196 no. 20
\textsuperscript{12} Parliamentary paper 2006-2007 30196 no.14
\textsuperscript{13} Parliamentary paper 2007-2008 30196 no. 20
The criteria had to be ready no later than the first half of 2009\textsuperscript{14}. SenterNovem, an implementation body in the field of sustainability and innovation from the Ministry of Economic Affairs, was commissioned to draw up the environmental criteria.

\textit{Development of the criteria}

Eighty product groups that covered the majority of all purchases by the Dutch government were defined. These product groups ranged from office buildings to paper and from coffee dispensers to roads\textsuperscript{15}. Criteria were developed for all these product groups. As mentioned earlier, these environmental criteria were to be as ambitious as possible. In addition to a high level of ambition, there were several other enabling conditions for defining the criteria:

- \textbf{Legal soundness}

  Naturally, the environmental criteria had to comply with the parameters set by European procurement directives. As the environmental criteria had to be used for every relevant purchase, the legal soundness of the criteria must not be in any doubt. A great deal of attention was therefore paid to judicial review throughout the process of developing the criteria. In order to conform to European procurement directives, the criteria must be transparent, non-discriminatory and proportional. These enabling conditions had a major impact on the options for drawing up environmental criteria. To avoid discrimination, no requirements could be set regarding the country of origin of renewable energy (and therefore Dutch technology for producing renewable energy, such as windmills, could not be directly stimulated by sustainable procurement). The attractive idea of embedding an ambitious quality mark such as the European Eco label (this is adjusted regularly to include the latest innovations and environmental opportunities) directly into the criteria – an act that would have made the environmental criteria practically maintenance free – was not possible either: all that was permitted was the requirement for the underlying aspects of a hallmark, thereby not excluding companies that did not have a

\textsuperscript{14} Ibid.

\textsuperscript{15} For a total overview, see the appendix to parliamentary paper 2007-2008 30196 no. 20
particular hallmark but who acted in accordance with the rules of the hallmark\textsuperscript{16}. The proportionality precondition also hindered the formulation of a number of environmental criteria, such as requiring the use of green electricity in the production process or having an environmental management system for receiving deliveries (neither have much impact on the nature of the delivered products and therefore have \textquote{an insufficient connection to the object of the contract}).\textsuperscript{17}

- \textit{\textsuperscript{ ‘Copy-Paste’ criteria}}
  The criteria must be as practical as possible, so that all authorities could apply them to all purchases easily and without a lot of bureaucracy\textsuperscript{18}.

- \textit{Criteria exceeding the statutory minimum}
  The criteria must exceed the statutory minimum: after all, companies must already comply with current legislation and regulations.

- \textit{Sufficient supply and no substantial added costs}
  The criteria could not be so ambitious as to result in a shortage of supply if they were applied by every government authority. It was also proposed that the use of the criteria should not lead to \textquote{substantial added costs}\textsuperscript{19}. This was based upon the Total Cost of Ownership: a higher initial purchase price being compensated in the long-term by lower user costs.

- \textit{A restricted number of criteria, based on the most relevant environmental aspects}
  This precondition appeared from 2008 in the Ministry of the Environment\textquotesingle s public documents concerning sustainable procurement\textsuperscript{20}. In early 2008, parliament urged a focus on product groups where major changes could be made quickly, such as ground, road and water and construction. For the first time in parliament, more attention was paid to the criteria\textquotesingle s focus on the objective/result, and less to the means by which this objective

\textsuperscript{16} Factsheet \textquote{Keurmerken en duurzaam inkopen - wat zegt I&M?}'
\textsuperscript{17} The legal framework for sustainable procurement is described in the Sustainable Procurement Manual
\textsuperscript{18} Parliamentary paper 2006-2007 30800-XI no.14
\textsuperscript{19} Factsheet \textquote{duurzaam inkopen door overheden}, appendix to parliamentary paper 2007-2008 30196 no.21
\textsuperscript{20} Parliamentary paper 2007-2008 30196 no.33
was to be achieved\textsuperscript{21}. As we shall see, this discussion was to continue for years to come.

It would be excessive to describe the entire process of criteria development in this article. In essence, an inventory was compiled of relevant sustainability aspects within a product group by an external environmental consultancy, and this was used by SenterNovem as a basis for the final criteria. A meeting was organised in which stakeholders could comment on the proposals and make suggestions. After this, a written public consultation round was organised in which stakeholders could submit any further comments. The criteria, including environmental and technical foundations, were assessed by a panel of procurement lawyers, a panel of procurement and policy officers who assessed the criteria on practical feasibility, and a steering group, consisting of representatives from various administrative levels such as central government and local and regional authorities.

The criteria focused on both the supplier and the actual product or service, with the majority of criteria falling into the latter category. They were also divided into a minimal number of knock-out requirements that each supplier had to comply with and award criteria that a supplier did not necessarily have to comply with, but which would distinguish him from other tenderers.

The criteria came in various forms. Some criteria were, partly due to the nature of the product group, technically specific or ‘means-oriented’. In a number of cases, a goal-oriented criterion was formulated, for example, the lowest possible CO\textsubscript{2} emission, whereby the tenderer could decide how best to comply with this objective. For a small number of product groups, use could be made of an integral measuring tool, such as greencalc\textsuperscript{+}, that could translate a complete range of complex environmental aspects into measurable figures. This system, however, is only available for a limited number of product groups. \textsuperscript{22}

\textsuperscript{22} Examples of these criteria in English can be found at http://www.agentschapnl.nl/en/onderwerp/criteria
Parliament kept a close eye on the criteria development process. There were many detailed questions from the lower house about, for example, the content of a concept criterion for external consultancy services, or about the exact length of the reply deadline for the written consultation round.

**Monitoring**

The progress of the sustainable procurement programme was to be monitored every two years, in 2006, 2008 and in 2010, the year by which the 100% objective was to be attained by central government. The 100% objective would be deemed to have been achieved if the available minimum demands were included in all invitations to tender in the year in question. The more flexible and ambitious award criteria were not counted. Neither were contracts that did not fall under one of the 80 product groups. So the objective did not focus on all the opportunities to include sustainability in the procurement process for all purchases. A choice was made for an unambiguous, measurable interpretation of the aim to achieve 100% sustainable procurement.

The interim monitoring in 2008 showed that 50% of procurement by central government at that time was sustainable. This, however, gives a distorted view, because at the time of monitoring, only some of the 80 product groups were ready. Full and accurate results could not be seen until the 2010 monitoring.

**Implementation**

In the years that followed, in addition to drawing up criteria, the sustainable procurement programme also paid due attention to the implementation of sustainable procurement. Support systems were set up to assist organisations with sustainable procurement in the form of best practices, an online coach, meetings and training courses and a knowledge network (partially online) in which purchasers from all layers of government could exchange tips and tricks. Various activities aimed at budget holders and administrators were also developed to increase the internal

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23 Appendix to the Lower House proceedings 2007-2008 1106, 2365
24 Parliamentary paper 2008-2009 30196 no. 52
support base for sustainable procurement within government bodies.\footnote{25} For many purchasers, sustainable procurement was still an unknown factor. Despite this, they were being confronted with an objective for sustainable procurement that affected most of their purchase packages and which had to be put into effect by 2010. The various implementation meetings were well-attended, and there were many constructive exchanges of ideas about sustainable procurement. However, emotions sometimes ran high about the effectiveness and feasibility of the aim to achieve 100% sustainable procurement by 2010.

The criteria for all 80 product groups were ready in April 2009. In a press conference, Minister Cramer said that she was extremely proud of the work that had been accomplished. At the same time, she admitted that the criteria may still have a few ‘teething troubles’.\footnote{26}

2. **2008-2010: ON THE WAY TO ACHIEVING 100% SUSTAINABLE PROCUREMENT**

The selected approach created a system requiring active maintenance. Because the criteria must always exceed the statutory minimum, any adjustments to legislation and regulations would lead to adjustments to the criteria in a number of cases. Above all, sustainability is by its very nature a dynamic concept: today’s ‘hot topic’ with regard to sustainability will be outdated by tomorrow. The criteria had to develop alongside technological innovations and changes in the market supply. Cramer spoke of the start of ‘\textit{the phase of maintenance and continuous tightening of the criteria. Not only will the knock-out requirements be tightened regularly, in many cases, wishes will be converted into requirements so that they may attain a more exclusive nature.}’ It was felt that this continuous tightening of the criteria

\footnote{25} Parliamentary paper 2008-2009 30196 no. 44
\footnote{26} ‘\textit{Duurzaam Inkopen: Happy End?’ Forum news magazine, VNO-NCW (2009, July)
would lead to a gradual increase in the environmental impact of sustainable procurement.

Technological and policy changes would not be the only factors which would necessitate adjustments to the criteria in the years ahead. Government bodies started applying the criteria and businesses were increasingly confronted with the criteria when submitting a tender. This confrontation was not always seen in a positive light. The selected approach was criticised by both the business sector and political circles from 2008 onwards. This criticism had a major impact on the sustainable procurement programme. What did this criticism look like?

Limited focus on product groups that could yield the greatest environmental benefits

The 80 product groups varied widely as to their relevance and potential impact on the environment. In addition to obvious product groups such as energy and roads, the programme included product groups with a more dubious environmental impact, such as professional literature and subscriptions. Was it really necessary to focus on all 80 product groups within the sustainable procurement programme? In parliament, it was stated that no coordinating evaluation and assessment framework existed for sustainable procurement. The government was called upon to state which product groups could yield the greatest gains in sustainability.27 The Court of Audit repeated this call a few months later in a study into the progress of the sustainable procurement programme28. VNO-NCW, the influential Dutch employers’ organisation, advocated adopting a much more selective approach; one which would prioritise the product groups, offering the business sector clear opportunities in the future29.

Regulatory burden of sustainable procurement

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27 Parliamentary paper 2008-2009 3700 XI no. 53
28 Letter from the Court of Audit to the Minister from Housing, Spatial Planning and the Environment (VROM), reference 9003924 R, 8 June 2009
29 Letter from VNO-NCW to the Minister of Economic Affairs, van der Hoeven, 7 April 2009 (VNO website)
Various parties from the political 30 and business sectors repeatedly referred to the increase in the administrative burden that sustainable procurement would entail for businesses. There was talk in parliament of preventing excessive bureaucracy31. In June 2009, the Dutch Advisory Board on Regulatory Burden (ACTAL) advised the Minister to obtain a clearer picture of the regulatory burden for businesses, and even to compensate for this increased burden32.

The level of ambition is too low

Leading companies in particular pointed to the limited ambition of the sustainability criteria; they felt insufficiently stimulated by them. The limited level of ambition was mainly due to the strict judicial assessment of the concept criteria. The Court of Audit wrote to the Minister, referring to various tenders from ministries who had drawn up their own sustainability criteria. These had not led to legal problems, despite being more ambitious.33

Means-oriented criteria instead of goal-oriented criteria

In April 2008, long before the 80 product groups were ready, parliament had already urged Minister Cramer of the Environment to make the criteria as ‘goal-oriented’ as possible (focused on the performance or result instead of on means or instruments) leaving the supplier free to develop or formulate innovative solutions independently. The minister said that she entirely agreed with the aim of creating goal-oriented criteria and took up the call herself34. However, the criticism of the criteria’s means-oriented approach would re-emerge in the debate on sustainable procurement over the years.

30 Parliamentary paper 2008-2009 3700 XI no. 53
32 Letter from ACTAL to the Minister of Housing, Spatial Planning and the Environment (VROM), reference SvE/JvB/2009/078, 8 June 2009
33 Letter from the Court of Audit to the Minister of Housing, Spatial Planning and the Environment (VROM), reference 9003924 R, 8 June 2009
‘All too often, actions are based upon the idea that sustainability can be attained by simple fixed formulas and blueprints... All too often, the current approach comes down to detailed provisions, setting out the measures to be taken to achieve the objective, and does not result in government purchases that encourage innovation in the market, but instead leads to the exclusion [...] of certain products or materials...’ ‘A new approach [must] only adhere to targets, so that no producer is discriminated against from the start because of the imposition of such provisions’, said employers’ organisation VNO-NCW, who would have much more to say on the subject, in a letter to the government 35. Is sustainability then supposedly too dynamic a concept to be captured by the static means of criteria that force suppliers into a straightjacket? Great opportunities for innovation lie within the sustainability portfolio, but these were being blocked by detailed criteria which dictate ‘how something must or must not be done’36. The call to use sustainable procurement to stimulate innovations in the market was heard increasingly from 2008 onwards. In March 2009, DHV, an environmental consultancy, stated that despite the endeavour to create goal-oriented criteria, only a limited number of the criteria were specified as being goal-oriented 37.

The approach is not sufficiently process-oriented

Most of the environmental criteria consisted of minimum requirements and permit criteria that focused emphatically on the nature of the product or service being procured. The business sector repeatedly advocated a shift in the approach to make it focus more on influencing business processes. ‘Business experience with sustainable procurement has taught us that sustainable procurement will not be brought about by a top down process of buyers demanding specific product regulations, but by giving buyers the space to find sustainable solutions together

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35 Letter from VNO-NCW to the Minister of Economic Affairs, van der Hoeven, 7 April 2009 (VNO website)
37 DHV, ‘De Impact van duurzaam inkopen. Verkenning van de effecten op markt en milieu’ (2009, March)
with suppliers. The guiding principle lies in following a process-oriented approach. This is a guiding principle that is formed in interaction with the field. Such an approach requires buyers to continuously change both their attitude and the process. Such a new approach frees government buyers and suppliers from being saddled with static criteria handed down from the top. The current approach also fails to contribute to the objective of the positive effect of sustainable procurement spreading to the market: the current government approach offers that perspective scarcely or not at all\textsuperscript{38}, stated the employers’ organisation VNO-NCW in the aforementioned letter to the government. In a letter to Minister of the Environment Cramer, ACTAL advocated conducting a study into the possibility of linking the interpretation of the concept of sustainable procurement to business operations instead of to the product\textsuperscript{39}. This suggestion was prompted by the fact that supplying information about business operations is administratively less cumbersome for companies than supplying product information. VNO-NCW’s criticisms on this point seem to be of a more fundamental nature.

Involvement of stakeholders too limited

A final, but no less important objection from the business sector involved the limited involvement of the business sector (and other stakeholders) in the sustainable procurement programme. Employers’ organisation VNO-NCW said the following: ‘It is a fact that the business sector knows more about sustainable enterprise than the government... the government is wasting huge opportunities because it does not make enough use of the business sector’s knowledge. In the current situation it would appear that the government is developing all the knowledge about sustainable enterprise again on its own from a position of distrust’\textsuperscript{40}.

Some time later, the independent Commissie Regeldruk Bedrijven (Committee for Regulatory Burden on Businesses) asked Minister

\textsuperscript{38} Letter from VNO-NCW to the Minister of Economic Affairs van der Hoeven, (2009, April 7)

\textsuperscript{39} Letter from ACTAL to Minister from Housing, Spatial Planning and the Environment (VROM), reference SvE/JvB/2009/078, (2009, June 8)

\textsuperscript{40} Letter from VNO-NCW to the Minister of Economic Affairs van der Hoeven, (2009, April 7)
Cramer to work continuously with the business sector within the sustainable procurement programme. An independent knowledge platform consisting of parties from both business and government was to be set up, with the task of formulating generally accepted sustainable criteria for buyers. The committee did not consider the sustainability criteria to have any authority unless ‘the parties are in agreement with each other’. The business sector therefore considered a broad support base for the criteria to be of major importance.

**ADJUSTMENTS TO THE APPROACH TO SUSTAINABLE PROCUREMENT**

Many of the aforementioned objections had already been expressed by parliament and the business sector in the months before the official announcement that all 80 product groups were ready in April 2009. Several weeks before the announcement, a discussion had taken place between Minister Cramer and Mr. Wientjes, president of employers’ organisation VNO-NCW. Wientjes threatened to resign as chairman of the committee for regulatory burden on businesses ‘if the business world is to be deluged by the full extent of this torrent of regulations’\(^{41}\). Several days later, Minister Cramer received letters criticising the approach and consequences of the sustainable procurement programme from both ACTAL and the Court of Audit. Criticism of the approach seemed to reach boiling point after the official announcement of all criteria. Cramer decided to make substantial adjustments to several points in the sustainable procurement programme, and with this, the programme entered a new phase. What did these adjustments look like?

*Restriction of regulatory burden becomes a precondition of sustainable procurement*

From June 2009 onwards, the restriction of regulatory burden for businesses was regularly mentioned as an important precondition for the programme. Whereas in the past Cramer had used a

\(^{41}\) *‘Duurzaam Inkopen: Happy End?’* Forum news magazine, VNO-NCW (2009, July)
distinctly ambitious and idealistic tone in letters to parliament, from this point on it seemed that a decision to use more pragmatic arguments had been taken. ‘Our ambitions ... are great, but our approach must be pragmatic and realistic... In the case of product groups that only have a limited potential, the regulatory burdens are not always balanced by increased sustainability. I do not wish to ignore this, partly because of the importance I attach to support from the business sector’42, said Cramer in a letter to the lower house in the summer of 2009.

A more limited number of product groups and criteria
As a continuation of the efforts to limit the regulatory burdens of sustainable procurement as much as possible, a decision was taken that summer to reduce the number of product groups. Cramer wanted to focus on the categories that yielded the greatest benefits with regard to sustainability. The number of product groups was reduced from 80 to 45. Several product groups were combined, so this reduction looks more drastic that it actually was. Criteria were also scrapped within the product groups, because their environmental gains were either unclear or not significant enough (for example, this applied to all criteria that required an environmental management system), because the regulatory burden was too onerous or because certain environmental aspects could be influenced more effectively by policy instruments other than procurement43.

More attention for innovation within sustainable procurement
As we have seen, the critics thought that creative and innovative tenders were not being sufficiently stimulated because the criteria had not been formulated in a sufficiently goal-oriented manner. Since 2008, the aim of achieving goal-oriented criteria has been a precondition for sustainable procurement. Cramer stated several times that there would be further research into how to make criteria as goal-oriented as possible. This was certainly no easy task, especially if criteria were based on the underlying aspects of environmental hallmarks (which are often particularly means-

42 Parliamentary paper 2008-2009 30196 no. 64
43 Ibid.
oriented) or focused on excluding the use of specific materials that are harmful to the environment. Because of this, criticism of the criteria’s limited focus on targets was often repeated in the years that followed.

In addition to striving towards goal-oriented criteria, Minister Cramer also started up a number of new initiatives to encourage innovation through purchasing. Five so-called ‘scaling-up’ projects (such as the purchase of 2,500 electric cars by central government) were selected to provide concrete encouragement for innovation and trendsetting among government suppliers. Explicit cooperation was also sought with the Ministry of Economic Affairs’ innovation-oriented procurement programme, which focuses on the purchase and application of technologies that are still in need of further development, or recently developed technologies for which the government can become the first user.

In search of a process-oriented approach

Satisfying the business community's request to incorporate a process-oriented approach into the sustainable procurement programme proved to be no simple task. Because of the proportionality principle (a criterion must always bear a direct relation to the subject of the assignment), legal opportunities to apply criteria to business processes were limited. In any case, documents reveal a diffuse picture of what is exactly meant by a process-oriented approach, and which actions were required to facilitate such an approach.

Reducing the number of product groups and criteria meant the removal of all criteria focused on environmental management because of the uncertain benefits for the environment that such systems yield relative to their administrative burden. The Ministry of the Environment stated that sustainable business operations do not in themselves guarantee the delivery of sustainable products. A car factory with perfectly sustainable day-to-day business management may, for example, still produce environmentally polluting SUVs. According to this line of reasoning, criteria focused on business operations could never replace criteria focused on an actual product or service.

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44 Letter from Minister of the Environment, Huizinga to ACTAL, (2010, June 1), appendix to parliamentary paper 2009-2010 30196 no. 105
In early 2010, Minister Cramer wrote a letter to parliament saying that she was going to investigate how future criteria for government use could be formulated to give some idea of where the threshold for sustainable procurement would be in e.g. five years’ time. With this approach, she wanted to indicate a line of development to the business sector and challenge them to prepare for it. ‘The business sector sees this approach as a first step towards forming the process-oriented approach that it has been advocating for some time’ said Cramer. At the end of 2010, the Minister of the Environment laid a link between the future-oriented criteria and the aim of devising goal-oriented criteria. At the same time, there was a search for a ‘more process-oriented formulation of criteria, which would also set requirements for suppliers’. This signalled a return to the course of criteria focused on business operations. For the time it went no further than studying the possibilities for such process criteria.

Increasing stakeholder involvement

Cramer radically adjusted the process for developing criteria. From now on, stakeholders were to be given a leading role. ‘The point of departure is that business can say how the criteria should be further developed’, wrote Cramer to Mr. Wientjes, president of VNO-NCW and the Committee on Regulatory Burdens for Businesses. From now on, a working group consisting of stakeholders from leading and mid segment businesses, buyers and NGOs was to be involved whenever criteria had to be actualised. Central government ran only the secretariat of this working group. In order to ensure a much broader support base for the criteria than previously, the working group decided what the actualised criteria would look like. Naturally, the criteria had to meet the precondition that Cramer had set (the aforementioned enabling conditions, supplemented by efforts to achieve goal-oriented criteria and cause as little increase as

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45 Parliamentary paper 2009-2010 30196 no.95
46 Parliamentary paper 2010-2011 30196 no. 117
47 Letter to the president of the Committee for Regulatory Burden on Companies (Commissie Regeldruk Bedrijven) about sustainable procurement, (2010, March 30), appendix to parliamentary paper 2009-2010 30196 no. 105
possible to regulatory burdens. The government-run secretariat monitored these enabling conditions.

100% SUSTAINABLE PROCUREMENT IN 2010?

2010 was the year of reckoning, when it would become clear whether or not the central government’s aim of 100% sustainable procurement had been reached. A monitor from 2010 showed that 99.8% of procurement by central government had been sustainable. A minimum limit of €50,000 was applied. This meant that the knock-out requirements had been applied to practically all purchases of any scope for which criteria had been drawn up. Other authorities scored around 85%, and by doing so exceeded their own objectives (municipalities 75%, other authorities 50% in 2010).

Despite all the criticism and various adjustments to the policy for sustainable procurement, it turned out that the approach had been adopted well by government buyers. The objective had been amply achieved. There are many ways in which one can detract from this result: there were many procurement categories for which no criteria were drawn up, and the more ambitious selection and permit criteria (the wishes) were not counted among the percentages. Still, Minister Cramer had accomplished a great deal in a relatively short time. Before 2008, sustainability had scarcely been considered in government procurement; just two years later most government buyers were applying sustainability criteria to procurement and tenders. Cramer’s approach put sustainable procurement firmly on the map. The fact that both parliament and business interfered so emphatically with both the programme’s content and approach shows that Cramer’s initial approach was not optimal, but at the same time it is indicative of the impact that the programme had on society.

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48 Assessment framework for Sustainable Procurement Criteria, appendix to parliamentary paper 2009-2010 30196 no. 105
49 Sustainable Procurement Monitor 2010, appendix to Parliamentary paper 2010-2011 30196 no.141
3. 2010-TODAY: IN SEARCH OF FUTURE PERSPECIVES FOR SUSTAINABLE PROCUREMENT: A MORE STRATEGIC AND INTEGRAL APPROACH

The continuous criticism of the approach taken by the sustainable procurement programme seemed to subside somewhat in the course of 2010. Experience of the new way of developing criteria in a number of product groups was gained through a working group of stakeholders. This led to positive results in many cases.

Developments within rail, ground, road and water construction

An interesting new development presented itself during the actualisation of the product groups Ground, Roads and Water Construction. Government and market forces decided to develop a uniform approach to all ground, road and water construction product groups; one which would fit much better with the procurement practice for these product groups. Within this new uniform approach there was scope for integral area development: identifying the opportunities for sustainability when laying down infrastructure as widely as possible. For example, when building a new road, include the opportunities for sustainable lighting, cables, pipes and sewers from the outset. It is very important to include sustainability as early as possible (planning phase) in the purchasing process, and continue to embed it in each successive phase of the purchasing process, and thereafter during the realisation, utilisation and dismantling. The criteria are therefore drawn up as functionally as possible and focus on a limited number of environmental goals. Various levels of ambition were determined for each environmental goal, with accompanying functional criteria. The purchasing government body determines in the early planning phase of the project which environmental goals they consider relevant, and which level of ambition they will apply to them. This method employs a much more pragmatic approach to embedding sustainability within procurement. In addition to this, a long term vision is being worked on jointly: what can the sector contribute to a sustainable society in 2040; which innovation projects have priority and which ambitions does the
The Sustainable Ground, Road and Water Construction approach was developed through intensive consultation between market and government parties in 2010-2011. The first experiences with this approach are currently being gained.

NEW CRITICISM

Cramer’s term as minister ended in 2010. Sustainable procurement became part of the portfolio of the State Secretary for the Environment, Mr. Atsma. Atsma faced very different external circumstances to Cramer: the economic crisis was at its peak and the government was about to make radical spending cuts. All activities involving extra costs for the government were being examined in an extra-critical light. Nevertheless, Atsma still took account of sustainable procurement: he continued along the path that the programme had been following, but sustainable procurement is no longer one of the key priorities of environmental policy.

As we have seen, Minister Cramer adjusted several points of her approach in the light of criticism from civil society. Applying focus by reducing the environmental criteria, paying attention to innovation, striving to reduce regulatory burden as much as possible and building in greater stakeholder involvement were the response to many of the points of criticism. The business sector, however, still perceived a number of problems. They still criticised the means-oriented nature of the criteria, there was a lack of future perspectives that the government wanted to reach with sustainable procurement – points on the horizon – and the absence of an approach focused on business operations had not yet been adequately dealt with. In 2010, criticism mainly remained bubbling under the surface, but matters erupted at the beginning of 2011, in the wake of a new report from ACTAL, the Dutch Advisory Board on Regulatory Burden.

ACTAL’s report reiterated the points of criticism that had not yet been addressed. It claimed that the criteria, which were still much too means-oriented, amounted to little more than box ticking, and

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50 It goes beyond the scope of this paper to mention all aspects of the approach to Sustainable Ground, Road and Water Construction Works. For a complete picture of the approach, see [www.duurzaamgww.nl](http://www.duurzaamgww.nl)
were unable to do justice to the complexity and versatility of the concept of sustainability. The ministry was not providing a future vision to which the business sector could attune their long-term sustainability investments. The current approach was more likely to curb innovation than to encourage it. Furthermore, the criteria did not pay any attention to rewarding sustainable business processes. Quite the reverse: sustainable procurement would lead to an increase in substantive compliance burden costing hundreds of millions.\textsuperscript{51}

After a long period of peace within the programme, ACTAL’s report had suddenly touched a raw nerve. The report was taken up by various national media. ‘Sustainable procurement is expensive but yields nothing’ said the quality newspaper \textit{NRC Handelsblad} on its front page.\textsuperscript{52} In the \textit{Telegraaf} newspaper, a member of parliament for the liberal party – which was one of the parties which had taken the initiative for 100% sustainable procurement – said that the sustainable procurement policy was ‘bankrupt’.\textsuperscript{53}

In the same month, employers’ organisation VNO-NWC wrote in another letter to members of parliament that it was absolutely necessary to abandon the course of developing environmental criteria. ‘Real gains in sustainability lie in adjusting business processes or specifications in the production chain...The government must grant tenders on the basis of objective, performance and function and leave the market free to work out how to achieve these goals’ repeated the VNO-NCW.\textsuperscript{54}

It seemed that several organisations were aiming to stop the use of environmental criteria or even the entire sustainable procurement programme. This was soon met with clear opposition from various civil society organisations, which stated that the ACTAL report denied the social relevance of sustainable

\textsuperscript{51} Recommendation from ACTAL to State Secretary Atsma of Infrastructure and Environment, 6 January 2011, \url{www.actal.nl}

\textsuperscript{52} \textit{NRC Handelsblad}, (2011, January 8)

\textsuperscript{53} \textit{De Telegraaf}, (2011, January 8)

\textsuperscript{54} Letter from VNO-NCW to the permanent committee for infrastructure and environment of the Lower House of the States General (2011, January 18) \url{http://www.vno-ncw.nl/publicaties/dossiers/Pages/Content_overzicht.aspx?dossier=112&list=Brieven}
procurement and that investments in sustainability would lead to lower costs in the long-term.\textsuperscript{55} However, these organisations also thought that the sustainable procurement programme should change its approach.

Atsma announced in parliament that he had been approached by the employers' organisation, VNO NCW and the organisation CSR Netherlands, with a request to allow them to draw up a new approach for the sustainable procurement programme\textsuperscript{56}. Atsma agreed to this. Eventually, four parties from business and the association for professional buyers sat down together to devise a new approach for sustainable procurement. The business sector seized the opportunity to take the initiative and steer the sustainable procurement programme in a new direction.

**ADVICE FROM THE BUSINESS SECTOR**

In June 2011, the business sector presented its recommendations on the new approach.

It was no surprise that these recommendations advocated adopting criteria that encouraged making business processes more sustainable. As we have seen, the recommendation also stated several times that the approach should give all necessary scope to innovative tenders by setting functional specifications and formulating goal-oriented criteria. It is striking that the VNO-NCW's appeal to call a total halt to the formulation of environmental criteria was not included in the recommendations. Sustainability had to be encouraged in the specifications by a combination of criteria set for the supplier (focused on business processes) and criteria set for the actual product or service. The recommendation recognised a number of positive effects of the current policy, such as the new approach to actualise criteria by means of a working group of representative stakeholders.

The recommendation called upon the government to use the procurement instrument more as a strategic tool to achieve

\textsuperscript{55} o.a. 'Actiel onderzoek naar duurzaam inkopen miskent complexiteit duurzaamheid', press release from MVO Nederland, 11 January 2011, en 'Niet overheid, maar bedrijfsleven oorzaak falend duurzaam inkoopbeleid', press release from Stichting natuur en Milieu (2011, January 9)

\textsuperscript{56} Proceedings of the Lower House, 2010-2011 30196 no 132
sustainability goals. First, it was necessary to determine which sustainability goals the government wanted to achieve. These sustainability goals would then serve as a point of departure for drawing up goal-oriented environmental criteria. These goals would also function as ‘points on the horizon’; a future vision to which businesses could attune their sustainability-related investments.

This is a different approach to the one taken by Cramer, who selected product groups according to the greatest environmental impact, but who did not focus any further on specific environmental goals or themes.

Another new aspect of the recommendation was the call not to limit sustainable procurement to the specification phase (putting environmental criteria in tender documents) but to embed sustainability in every phase of the procurement process, from the very first moment in which procurement requirements are considered up until the contract phase and evaluation of the assignment. Especially in the very first phase of the procurement process there is a great deal of scope for sustainable alternatives (do I need a car or can I find a cleaner alternative? Is it better to source this product as a service (leasing)? etc). Great value is attached to a dialogue with the market in every phase of the procurement process, through, for example, market analyses and consultations. After all, the market knows most about the available options for sustainability, and the buyer should make optimum use of this.

The aforementioned recommendations concurred to a significant extent with the approach that was still being developed for sustainable ground, road and water construction. The recommendations also advised learning lessons from the experiences gained by this approach.

When sustainability has to be considered in each phase of the purchasing process, a purchaser must have more than just ready-made sustainability criteria. This new approach requires a much more assertive and pro-active attitude from the buyer. For example, not every buyer is used to or capable of consulting intensively with the market, or to assessing various tenders that deliver a functional specification. The recommendation therefore
called explicitly for further investment in the professionalisation of buyers.57

The recommendation from the business sector did not so much advocate a turnaround, as a far-reaching extension and deepening of the scope of the sustainable procurement programme. Atsma was impressed with the advice and stated that he was willing to adopt all elements of it, as long as they were legally feasible and would not lead to extra regulatory burdens58. The business sector was satisfied ‘Atsma puts sustainable procurement back on the right track’ wrote VNO-NCW, the employers’ organisation which had been so critical in the past.59

**CHALLENGES FOR THE FUTURE**

The biggest challenge for the coming months and years would be to turn the business sector’s recommendations into concrete adjustments to the sustainable procurement programme. An important aim within this is to extend the sustainable procurement programme’s focus, from applying criteria to considering sustainability in each phase of the purchasing process. In this way, the criteria become one of various instruments that can be used to effect sustainable procurement. Sustainability changes from being a separate item that buyers can cut and paste into their plan at the very last moment, to a regular aspect of procurement quality; one that is included from the very first moment that procurement requirements are thought about up until the phase of contract and supplier management. Obviously this is a major gain for the topic of sustainable procurement, but one which also requires a significant cultural

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57 It would exceed the scope of this paper to give an exhaustive summary of the recommendation. Other topics that address this recommendation include the interest of EMVI, TCO, better monitoring and further restriction of regulatory burdens. ‘Advies duurzaam inkopen.11 aanbevelingen voor een ambitieuze aanpak mét de markt.’ VNO-NCW, MKB Nederland, MVO Nederland, NEVI, De Groene Zaak. Appendix to parliamentary paper 2010-2011 30196 no. 141
58 Parliamentary paper 2010-2011 30196 no. 141
59 ‘Atsma zet duurzaam inkopen weer op het goede spoor’ Forum, VNO-NCW (2011, June)
change in the way in which government handles procurement. It is not without reason that the recommendations advocate investing more in the knowledge and skills related to sustainable and professional procurement among government buyers. Atsma recently proposed that ‘...greater and more long-term efforts are necessary’ with regard to the further professionalisation of purchasing. ‘Quick wins in the short term are not enough in themselves to reach this goal’ Many of the skills that purchasers need in order to take a more professional approach to sustainability do not concern professional purchasing in general (think for example of conducting a market consultation). There is currently no ministry in the Netherlands responsible for policy that is in charge of stimulating professionalism for all government purchasers.

Two elements from the recommendation that had often been mentioned in preceding years, but which remained unsolved - namely a process-oriented approach and goal-oriented criteria - would be explored still further in the months that followed. The legal impediments to an approach that would reward business processes would still apply in full force. In October 2011, Atsma wrote to parliament that more time was necessary to make the criteria goal-oriented and functional because ‘this requires intensive cooperation with the stakeholders’. It was possible that valuable lessons could be learnt from the new approach within ground, road and water construction.

As well as substantial objectives, it would appear that another operational objective is necessary. After all, the 100% sustainable procurement that had already been achieved by central government in 2010 only pertained to incorporating criteria (and then only the minimum requirements) in plans. A new operational objective would have to take into account the aim to incorporate sustainability in each phase of the purchasing process.

Obtaining administrative commitment to this new objective is closely connected to a new operational objective. The success of the old objective of 100% sustainable procurement was linked to an important degree to the fact that administrators from practically every layer of government had associated themselves with it. Buyers who did not participate had to explain themselves.

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60 Parliamentary paper 2011-2012, 30196 no. 147
61 Parliamentary paper 2011-2012, 30196 no. 147
Ideally, administrators should also participate in the new course of sustainable procurement.

The basis for the new approach to sustainable procurement still appears to be the environmental criteria. As long as governments do not yet meet the required level of professionalism, they will still need cut-and-paste criteria in many cases in order to effect sustainable procurement. Unless the criteria can be formulated to be fully maintenance-free, maintenance will, in principle always be necessary to keep them up-to-date. The question in that case is: how long will the Ministry of the Environment continue to manage the criteria? Are there any other conceivable ways in which to maintain the criteria? For example, could the business sector be given more control over the content of the criteria than is currently the case? A certain degree of management still seems necessary in view of the many enabling conditions that the criteria have to comply with and the fact that there are outspoken critics and defenders of some of the themes. Another possibility would be to connect to developments around the European Union’s Green Public Procurement (GPP). The GPP criteria are still strongly means-oriented and have a more limited stakeholder involvement than the Dutch criteria. Connecting to the GPP would in many cases mean taking a step backwards with regard to the maturity of sustainable procurement in the Netherlands.

Stringent spending cuts are also necessary. The means that were at Cramer’s disposal to roll out her approach across every layer of government were very different to those available in today’s economic climate. Atsma proposed that the Ministry of the Environment could take a step back within the sustainable procurement dossier, because sustainable procurement is increasingly becoming standard practice within contracting authorities. However, sustainable procurement will remain first and foremost an instrument that the government will have to apply. In view of the above challenge, it will be difficult to work out which parties will roll out the new course in sustainable procurement. Sustainable purchasing in the Netherlands is far from being a closed chapter.

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CONCLUSION

As we have seen, despite all the criticism the Dutch approach, whereby sustainability criteria were presented to government purchasers in easy to digest portions, was very successful. In the years before 2006, there had been a lot of talk about the effectiveness of and necessity for sustainable purchasing without any tangible results. Thanks to Cramer’s approach, the Netherlands became a global leader in the area of sustainable procurement, and she achieved her ambitious goals within just a few years. All at once sustainability became a fixed part of government procurement in the Netherlands.

Sustainable procurement now seems to be entering a strategic phase, during which the way that procurement can be used to contribute to specific sustainability objectives will be explored. The basis that has been laid will be expanded and deepened in the years to come: sustainability will have to be considered in every phase of the procurement process and much more will be required by way of professionalism and individual effort from government purchasers. The criteria will still have an important role, especially for government authorities with a more limited professional experience when it comes to procurement.

Other lessons learnt in the last few years include the importance of social support for the approach and criteria (in particular from the organised business community), the important of leaving room for innovative and creative tenders, and the importance of formulating a future vision that businesses can attune their investments to. Finding an approach that responds to all the criticism is a process that continues up until the present day.

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