MAPS | Methodology for Assessing Procurement Systems

SUSTAINABLE PUBLIC PROCUREMENT IN NORWAY

2020

Testing the MAPS Module on Sustainable Public Procurement (SPP)

MAPS | Methodology for Assessing Procurement Systems

Sustainable Public Procurement in Norway

Testing the MAPS Module on Sustainable Public Procurement (SPP)

June 2020

Table of Contents

Acronyms

CCAC	Climate and Clean Air Coalition
CPB	centralised procurement bodies
DFØ	Norwegian Government Agency for Financial Management *(Direktoratet for forvaltning og økonomistyring)*
Difi	Norwegian Agency for Public Management and eGovernment *(Direktoratet for forvaltning og ikt)*
EEA	European Economic Area
EU	European Union
GHG	green-house gas
GPE	Global Partnership on Education
GPP	green public procurement
ICT	information and communication technologies
KPIs	key performance indicators
LCC	life cycle cost
MAPS	Methodology for Assessing Procurement Systems
ODA	official development assistance
PCREEE	Pacific Centre for Renewable Energy and Energy Efficiency
PPA	Public Procurement Act
S4YE	Solutions for Youth Employment
SDGs	United Nations Sustainable Development Goals
SMEs	small and medium enterprises
SPP	Sustainable Public Procurement

Executive summary

This report details the results of an assessment of sustainable public procurement in Norway, using the Methodology for Assessing Procurement Systems (MAPS) supplementary module on Sustainable Public Procurement (SPP). Norway underwent an assessment using the "core" MAPS indicators in 2018. For the purpose of the assessment, sustainability is considered as a three-pronged concept, including economic, environmental and social aspects.

Overall, Norway has a strong foundation for sustainable public procurement, notably in the area of the legal and regulatory framework. Weaker points relate to the implementation and uptake of sustainable public procurement throughout Norway's entire public procurement system and to the accountability framework.

Going forward, Norway is recommended to continue working on the strategic policy framework for sustainable public procurement considered in its multi-dimensional perspective. Additional support to contracting authorities and procurers will be crucial to enhance uptake of sustainable public procurement. Additional efforts could focus on bringing sustainability into the audit framework for public procurement.

Pillar I

The Norwegian legal framework largely covers the principles of sustainable public procurement (SPP), presenting an overall advanced system. Given that Norway adopted the EU directives on public procurement, it complies with good practice when it comes to setting the legal framework for SPP introducing sustainability as an objective for public procurement, and permitting various legal instruments that allow practice of SPP. However, the procurement legal framework only covers contract management related to SPP to a limited extent.

Generally, Norway has suitable implementing regulations and support tools for SPP. Additional regulations supplement the procurement law with specific aspects related to sustainability, such as rules on the emissions of vehicles or pay and working conditions in selected industries. A vast offering of guidance and tools make it easier to integrate sustainability considerations in procurement processes. However, challenges remain in making use of life-cycle cost (LCC) methodologies.

Norwegian authorities are currently working on enhancing the sustainability features of their procurement system through a dedicated action plan to increase the share of green and innovative public procurement. While Norway is in the process of developing further policy action on SPP, the assessment in this area is based on the current status of SPP implementation and does not take into account upcoming or planned actions. As a result, Norway shows limited compliance with Indicator 3 that is dedicated to policies and strategies that provide an enabling framework for sustainable procurement. Nevertheless, SPP is part of Norway's latest policy document on public procurement.

Pillar II

Overall, Norway has institutions dedicated to SPP and its procuring entities are well aware of SPP policies, although the implementation of SPP throughout the population of contracting authorities lags behind.

The observations from the assessment highlight that while Norway's budgetary system presents no major gaps for regular public procurement, it appears to be less suited to support SPP. This applies particularly when it comes to allowing flexibility for LCC, and using environmental and social accounting systems.

The institutional set-up of Norway is adequate to drive policies in the field of SPP, and this applies to advisory and policymaking functions of public procurement institutions. Monitoring of SPP remains an area of relative weakness, where efforts could be increased. The mandate of key institutions could also be strengthened to reflect SPP as an increasing priority. Finally, ensuring collaboration between institutions active in the field of SPP deserves greater attention, in particular considering that responsibilities related to SPP are shared among several institutions.

Procuring entities comply well with respect to awareness of SPP, whilst the actual implementation of SPP lags behind. Importantly, environmental sustainability appears to be less implemented than social sustainability, as further evidenced in Indicator 9 on the SPP practices of contracting authorities. It should be noted that Central Purchasing Bodies (CPBs) fare better with respect to SPP implementation, showing high levels of awareness and participation in SPP policy dialogue.

As an overall observation, Norway has a functioning e-procurement system regarding its technical features. Going forward, it is meant to include promising features to support SPP. Information on SPP is widely published and supported by the e-procurement system, although the e-procurement system is not fully exploited for monitoring purposes. In fact, private providers often own data related to SPP implementation and they are under no obligation to report this information to the authorities.

Several challenges emerge in the capacity of Norway's procurement system to accelerate the shift to SPP. Whilst the training offer on procurement also addresses sustainability considerations, this does not seem to be sufficient to address major gaps in the lack of skills in SPP, as reported by contracting authorities. Importantly, monitoring of SPP presents several gaps, as a coherent performance management framework with targets for outputs and outcomes is lacking. Availability of data for monitoring purposes is a further challenge.

Pillar III

Norway has achieved a good level of implementation in the area of sustainable public procurement, both in different contracting authorities and in different pillars of sustainability. Uptake is demonstrated by data, notably in the form of sustainability criteria and specifications, as well as in the form of contract clauses. Social goals like working conditions and pay, or maintaining responsible supply chains, as well as environmental aspects are most often pursued. The main challenge is to increase sustainability considerations in all phases of the procurement cycle – notably during contract management to monitor the implementation of sustainability requirements. In addition, while exemplary good practices exist in some contracting authorities, not all contracting authorities in the country pursue sustainable public procurement to the same extent and require additional capacity to do so.

To support the performance analysis in this pillar, 28 sample procurement procedures were analysed, representing the food, health, transport, ICT and building/infrastructure sectors as well as national and sub-national contracting authorities. The contracting authority in charge of each selected procurement responded to a questionnaire in line with the sample-based assessment criteria in the MAPS methodology.

Engaging suppliers on sustainability has been key to achieving sustainable public procurement goals; the dialogue contributes to better sustainability for Norway's citizens. Norway's public procurement market for sustainability is well developed and responds well to public authorities' requests for increased sustainability. Smaller challenges exist with regards to upholding the same level of dialogue and competition in all sectors and regions, i.e. managing a successful dialogue in some industries and regions. In rare cases, smaller companies might face hurdles to participating in public procurement due to sustainability requirements. Statistics and information about suppliers could be expanded.

Pillar IV

The assessors found mixed results for pillar IV: while stakeholder engagement has been successfully employed to bolster sustainable public procurement, the control and audit framework is relatively weak with regards to sustainability. Sustainability is rarely considered in audits, capacity in this area is lacking.

As a very open and informal society, stakeholders find ample opportunity to input on sustainable public procurement, be it in the case of specific sustainable public procurement processes, or in the case of policy changes. Gaps relate to the involvement of private citizens and the visibility of how feedback is used.

Norway's control and audit framework provides space to include sustainability considerations in public procurement audits. However, specific considerations remain limited. Limited sustainable public procurement audits are conducted in practice. Institutions in charge lack capacity, and if evaluations are conducted, these consider limited areas of sustainability.

Overview over the compliance with different indicators

Red flags raised | Gaps identified | Overall compliance

Pillar I		Pillar II		Pillar III		Pillar IV	
1. The public procurement legal framework covers sustainable procurement principles.	1(a) Coverage of sustainability criteria	4. Sustainable procurement is mainstreamed and well integrated into the public financial management system.	4(a) Budget laws and accounting procedures	9. Sustainable procurement practices achieve stated objectives.	9(a) Sustainability considerations during the planning stage	11. Transparency and civil society engagement foster sustainability in procurement.	11(a) Civil society supports sustainability in procurement
	1(b) Procurement methods	5. The country has institutions in charge of SPP.	5(a) Responsibilities, funding and staffing of normative/regulatory function		9(b) Sustainability considerations during the selection and contracting stage	12. The country has effective control and audit systems that cover sustainability in procurement.	12(a) Audit framework for sustainable procurement
	1(c) Rules on participation		5(b) Certification function		9(c) Sustainability considerations during the contract management stage		
	1(d) Procurement documentation and specifications	6. Procuring entities' policies and strategies embrace SPP.	6(a) Procuring entities' sustainable procurement strategy	10. The private sector contributes to a more sustainable procurement market.	10(a) Dialogue and partnerships between public and private sector support sustainability		
	1(e) Evaluation and award criteria		6(b) Centralised procurement body		10(b) Private sector's organisation and access to the sustainable public		

					procurement market
	1(f) Contract management	7. Sustainable procurement is embedded in an effective information system.	7(a) Publication of procurement information on sustainable procurement		10(c) Key sectors and sector strategies to improve sustainability
2. Implementing regulations and tools support SPP.	2(a) Implementing regulations to define sustainable procurement processes and procedures		7(b) Use of e-Procurement to support sustainability		
	2(b) Model documents for sustainable procurement and standard contract conditions	8. The public procurement system has a strong capacity to develop and accelerate the shift to more sustainable public procurement.	8(a) Training, advice and assistance on sustainable procurement		
	2(c) Tool kit to support sustainable procurement		8(b) Monitoring of sustainable procurement		
	2(d) Sustainable procurement manual				
3. Policy and strategy provide an enabling framework for implementing sustainable procurement.	3(a) Sustainable procurement policy)				
	3(b) Sustainable procurement strategy				

1. Introduction

This report includes the results of an assessment of sustainable public procurement in Norway, using the Sustainable Public Procurement Module of the Methodology for Assessing Procurement Systems (MAPS 2018). The module has been used in its draft form to test the indicator framework. The assessment was conducted by the OECD with the Norwegian Agency for Public Management and eGovernment (*Direktoratet for forvaltning og ikt*, Difi), and expert peer review from United Nations Environment. As of 1st January 2020, parts of Difi have been merged to create a new Norwegian Digitalisation Agency (Digdir); as the majority of the assessment was conducted before this change, the report refers to Difi throughout.

The primary objective of the assessment was to conduct a thorough, external assessment of the way sustainability features in the Norwegian public procurement system, highlighting strengths and weaknesses, and benchmarking the Norwegian system with international good practices and standards. The findings of the assessment feed into Norway's action plan to increase the share of green and innovative public procurement.

This MAPS assessment was conducted as a testing exercise to support the development of the supplementary modules: Norway is the first country to be assessed using the supplementary module on sustainable public procurement. Lessons from the application are going to be used to improve and finalise the module.

This assessment was conducted by a MAPS assessment team coordinated by the OECD with members also from Difi and United Nations Environment. From Difi, Christine Kihl, Martin Standley, Ingrid Kolderup, Jonas Karstensen, Trygve Olavson Laake and Dag Strømsnes contributed to the assessment. Farid Yaker contributed as a peer reviewer from United Nations Environment. Paulo Magina, Lena Diesing and Costanza Caputi from the OECD Public Procurement Unit of the Public Governance Directorate, co-ordinated and finalised the overall assessment. In addition, various members of the Norwegian administration, civil society, media and academic institutions were open and frank interview partners in this assessment. A full list of interview partners is provided in the annex to this report.

2. Analysis of Country Context

2.1. Three pillars of sustainability in Norway

Sustainable Public Procurement (SPP) is a strategic approach that promotes the integration of the three pillars of sustainable development, i.e. economic development, social development and environmental protection. It is defined as a "process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in

terms of generating benefits not only to the organisation, but also to society and the economy whilst minimising damage to the environment"[1] .

Norway has an open economy highly dependent on international trade. The discovery of oil in the 1960s resulted in strong economic expansion in the following decades. The importance of traditional industries like metal refineries declined; today Norway's most important economic sectors are oil and fisheries. In parallel with the economic boom resulting from natural resource extraction, environmental awareness rose.[2] These factors have resulted in Norway developing a considerable sustainability conscience that expanded into its current international role in this regard. The challenge to sustainable development largely depends on Norway achieving its economic, social and environmental objectives through the integration of environmental, sectoral and economic policies, and through an effective combination of economic, regulatory and other policy instruments.

Environmental protection

Norwegian public opinion is highly sensitive to environmental issues, and the government regularly promotes international co-operation on environmental protections. There are a wide range of laws regulating various aspects of environmental policy and the use of natural resources, including specific laws on building regulations, pollution controls, wildlife and freshwater fish, municipal health, environmental protection, nature diversity, product control and environmental information, and motorised vehicles.[3]

Norway's share of renewable-resource use is among the highest in the world. Air and water quality are among the best in the world, largely due to the country's low population density and the fact that Norway's main energy source is hydroelectric power, which is in turn due to the natural abundance of water in the country. However, energy demand and usage per capita are relatively high compared to OECD countries.[4] The government is committed to promoting energy efficiency and has progressively tightened standards, leading to commendable improvements.[5]

---

[1] United Kingdom Department for Environment, Food and Rural Affairs (2006), Procuring the Future. Sustainable Procurement National Action Plan: Recommendations from the Sustainable Procurement, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69417/pb11710-procuring-the-future-060607.pdf

[2] Norwegian Environment Agency (2015), Norway, https://www.environment.no/Topics/Norway

[3] Sustainable Governance Indicators (2019), Norway, https://www.sgi-network.org/2018/Norway/Environmental_Policies

[4] The World Bank Data / OECD/IEA Statistics, Energy Use (kg of oil equivalent per capita), https://data.worldbank.org/indicator/EG.USE.PCAP.KG.OE?end=2015&locations=NO-AU-DK-FI-DE-SE-GB-US-FR-NL-BE-LU-IT-PL-CZ-ES-NZ-KR-JP-MX-CA-CL-TR-AT-EE-GR-HU-IS-IE-IL-LV-LT-SI-SK-CH&start=2005

[5] IEA (2017), Energy Policies of IEA Countries: Norway 2017 Review, https://webstore.iea.org/energy-policies-of-iea-countries-norway-2017-review; OECD (n.d.), Norway, https://www.oecd.org/env/country-reviews/2450976.pdf

The country has an advanced system for waste-management and is currently developing a national strategy for circular economy. Norway has invested strongly in carbon-capture technologies, but these initiatives have proven difficult to take out of the research phase.[6]

Moreover, Norway is a major oil and gas producer, and it is therefore directly and indirectly contributing to increased global CO_2 emissions.[7] Norway's overall CO2 emissions are below the OECD average. Gains have been made in increasing energy efficiency and the expansion of clean energy sources. Some areas, however, have not seen reductions.[8] In the past, the government's plans for achieving its climate goals have sparked national and international controversy as Norway relied strongly on the purchase of international CO_2 quotas.

Norway committed to being climate neutral by 2030 and a "low emission society" by 2050.[9] In light of the United Nations Sustainable Development Goals (SDGs), Norway has made a commitment to reduce emissions by at least 50-55 % by 2030, compared with the 1990 level.[10]

Social development

Norway has been a pioneer in the field of social welfare and is often called a welfare state.

At present, 40 % of the members of the Storting (Norwegian parliament) are women. Gender equality and rights for women and girls, access to education and health for all, and a human rights-based approach, are crucial factors for reducing extreme poverty and creating equal opportunities for all. People with disabilities, indigenous peoples, and marginalised groups are all priorities for the Norwegian Government. Examples of Norwegian priorities and partnerships in these areas include:

- Increasing official development assistance (ODA) for education, with a special focus on girls' education, education in emergencies and education quality
- Maintaining a high level of investments in global health, in particular efforts to improve maternal health and reduce child mortality
- Working in partnerships, including with the private sector, Every Woman Every Child, the vaccine alliance GAVI, and the Global Partnership on Education (GPE).[11]

Public health care in Norway is free (after an annual charge of around 2000 kroner for those over 16), and parents have 46 weeks paid parental leave. Norway has an unemployment rate of 4.8% (5.2% for men and 4% for women), with 68% of the population aged 15–74 employed. Approximately 9.5% of the population aged 18–66 receive a disability pension and 30% of the labour force are employed by

[6] Sustainable Development Goals Knowledge Platform (n.d.), Norway: Voluntary National Review 2016, https://sustainabledevelopment.un.org/memberstates/norway
[7] Sustainable Governance Indicators (2019).
[8] OECD (2019), OECD Economic Surveys: Norway 2019, https://doi.org/10.1787/c217a266-en
[9] Ibid.
[10] https://www.regjeringen.no/en/aktuelt/norge-forsterker-klimamalet-for-2030-til-minst-50-prosent-og-opp-mot-55-prosent/id2689679/
[11] Sustainable Development Goals Knowledge Platform (n.d.)

the government, the largest share in the OECD.[12] The hourly productivity levels, as well as average hourly wages in Norway, are among the highest in the world.[13]

Economic development

Much of Norway's economic activity rests on the use of its natural resource base. Its abundant energy resources support growing oil and gas exports and a range of energy-intensive industries. Fisheries and related industries form the backbone of coastal settlements, and forestry contributes to rural employment in Southern and Central Norway.

Norway has managed to translate economic growth from these natural resources – particularly its petroleum and gas reserves – into high and rising living standards, with a GDP per capita of $89,741, one of the highest in the world.[14] Although the cost of living is also high in Norway, when adjusted for purchasing power parity it still has one of the highest median incomes in the world.[15]

The Norwegian economy continues to perform well, despite low oil prices, a testimony to policies that insulate the country from volatile petroleum markets.

2.2. Challenges related to sustainability in Norway

UN reports and various international indexes show that Norway ranks high in terms of global implementation of the SDGs.[16] At the same time, it is evident that going further in implementing the SDG 2030 Agenda will be demanding for Norway, too. The Norwegian Government has identified a number of targets that pose particular challenges for domestic follow-up in Norway. Among the targets that are likely to remain the focus of political attention and policy development are those relating to sustainable consumption and production, health and education, equality, employment, as well as migration. The Government is giving priority to ensuring quality education and employment, especially for young people and those at risk of marginalisation. Challenges that have been identified at the national level include:

- Reducing non-communicable diseases and promoting mental health
- Increasing high-school completion rates
- Eliminating all forms of violence against women and girls
- Reducing the proportion of young people not in employment, education or training
- Ensuring sustainable infrastructure
- Sustaining income growth of the bottom 40% of the population at a rate higher than the national average

[12] Statistisk sentralbyrå [Statistics Norway] (2019), Dette er Norge 2019 [This is Norway 2019], https://www.ssb.no/befolkning/artikler-og-publikasjoner/dette-er-norge-2019
[13] OECD National Accounts Statistics / OECD Compendium of Productivity Indicators, https://stats.oecd.org
[14] World Economic Forum (2017), Inclusive Development Index: Ranking of National Key Performance Indicators, http://reports.weforum.org/inclusive-growth-and-development-report-2017/inclusive-development-index/
[15] Ibid
[16] Sustainable Development Goals Knowledge Platform (n.d.)

- Improving urban air quality
- Halving food waste and reducing waste generation
- Reducing all forms of violence, related death rates, and combating organised crime.[17]

2.3. The Sustainability Framework in Norway

International commitments

Norway has made a number of international commitments in support of several sustainability initiatives, primarily to align with and promote the United Nations Sustainable Development Goals.[18] These include (but are not limited to):

- The Survive and Thrive Global Development Alliance
- Climate and Clean Air Coalition (CCAC)
- Enhanced clean-up efforts in Norwegian coastal areas
- Global Partnership for Sustainable Tourism
- IHO Hydrography Capacity Building Programme for Coastal States
- Increased Norwegian support to fight IUU fishing
- Islands Diesel Replacement program ("the Islands program")
- Lighthouses Initiative
- Nansen Initiative
- Norway combatting marine pollution and micro-plastics in partnership with UNEP
- Norway launching Global Action Network on Sustainable Food from the Ocean for Food Security and Nutrition
- Norway supporting the small-scale fisheries sector in developing countries
- Norwegian commitment to fight transnational fisheries crime
- Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE)
- Programme to combat marine litter and micro-plastics
- Solutions for Youth Employment (S4YE)
- The Nansen Programme - Strengthening the Knowledge Base for, and Implementing an Ecosystem Approach to, Marine Fisheries in Developing Countries
- Towards Greener Development: On a Coherent Environmental and Development Policy (White Paper).

While Norway is committed to a number of socially focused sustainability initiatives such as the Solutions for Youth Employment and the Survive and Thrive Alliance, the overarching emphasis of these initiatives and commitments is ocean, marine and coastal preservation. Norway is also signatory to the Addis Ababa Action Agenda on Financing for Development and the 2015 Paris Agreement on climate change.

[17] Ibid.
[18] Ibid

National sustainability strategies

The Norwegian Government has developed a coherent sustainability and development policy based on four key pillars:

1. Enhance the role of government as a driving force for greener development and as a bridge-builder between different groups of countries in international processes;
2. Intensify the government's efforts to promote greener development by contributing to low-carbon development, with particular emphasis on renewable energy and sustainable management of natural resources;
3. Be a driving force in the establishment of global systems for maintaining ecosystem services; and
4. Continue to facilitate adaptation by developing countries to the climate change that is inevitable.

The core of this national policy is to integrate policies for international development assistance, trade, national social justice and the environment; in particular policies that mitigate climate change, promote sustainable natural resource management and the limit the further loss of bio-diversity.

The legal and regulatory framework as facilitator for Sustainable Public Procurement

As a member of the European Economic Area (EEA), Norway transposed the 2014 European Union directives on public procurement in 2016 / 2017. This reform created space for pursuing sustainable public procurement to much greater extent than previously. The two most relevant pieces of legislation relevant in the context of sustainable public procurement are the Public Procurement Act (LOV-2016-06-17-73) and the Public Procurement Regulation (FOR-2016-08-12-974) (for the public sector); the Utilities Regulation (FOR-2016-08-12-975); the Regulation on Concessions Procurement (FOR-2016-08-12-976) and the Defence and Security Regulation (FOR-2013-10-04-1185). The Act sets out the general principles applicable, and the Regulations set out the more detailed rules for each sector.

Overall, the Norwegian system provides ample room for sustainable public procurement. In fact, the Public Procurement Act (PPA)[19] makes it mandatory for public authorities to consider the reduction of harmful environmental impacts and the promotion of climate-friendly solutions when conducting procurement. The PPA further requires public authorities to have appropriate measures to promote the respect of fundamental human rights in public procurement when there is a risk of such violations.

Furthermore, SPP considerations apply throughout the legal framework including rules on participation, procurement methods and the integration of sustainability in the procurement cycle. Namely, sustainability criteria can be included throughout the entire procurement process, from qualification requirements, to technical specifications, award criteria and contract performance clauses. A specific provision encourages setting the weighting of the award criterion “environment” at 30%, if used.

[19] Public procurement law, https://lovdata.no/lov/2016-06-17-73/§5)

3. Assessment

3.1. Pillar I - Legal, Regulatory and Policy Framework

The MAPS core methodology, Pillar I, assesses the existing legal, regulatory and policy framework for public procurement. It evaluates the adequacy of the structure of the legal framework, its clarity, and the precedence of the different instruments to minimise inconsistencies in application. In the vast majority of the cases, the use of the modules follows closely the structure of the core methodology.

This assessment of sustainable public procurement (SPP) reviews (1) whether the existing legal framework includes adequate and clear provisions to effectively support the implementation of SPP, (2) the extent to which sustainability has been integrated in regulatory instruments and tools that supplement the law and help making sustainable procurement operational, and (3) whether the country's SPP policy and strategy provide an enabling framework for transforming the national public procurement system into a more sustainable one.

The Norwegian legal framework largely covers the principles of sustainable public procurement. Many aspects related to sustainability are directly derived from the implementation of the European directives on public procurement[20]. Regarding the regulatory instruments and tools to promote SPP, Norway also presents an overall advanced system, with many support tools such as model documents and toolkits available for public buyers. In fact, Norwegian authorities are currently working on enhancing the sustainability features of their procurement system through a dedicated action plan to increase the share of green and innovative public procurement.

Indicator 1. The public procurement legal framework covers sustainable procurement principles

This indicator assesses whether the existing legal framework includes adequate and clear provisions to effectively support the implementation of SPP.

Given that Norway adopted the EU directives on public procurement, it complies with best practice when it comes to setting the legal framework for SPP introducing sustainability as an objective for public procurement, and permitting various legal instruments that allow conducting SPP. This includes rules on participation, procurement methods and the integration of sustainability throughout the procurement cycle in qualification criteria, specifications, award criteria and contract clauses. However, the procurement legal framework covers contract management related to SPP only to a limited extent.

Findings

Overall, Norway largely complies with Indicator 1. Gaps exist in areas, in which the Norwegian system could be improved to support SPP further but do not represent major barriers to the implementation of sustainable procurement practices.

[20] EU Directives 2014/23/EU, 2014/24/EU and 2014/25/EU

Sustainability is well anchored in the legal framework covering economic, environmental and social dimensions. Sustainability *per se* is not defined in the legal framework and does not feature as a standalone principle of procurement legislation, similarly to other principles such as competition and equal treatment. Nevertheless, the Public Procurement Act (PPA)[21] requires public authorities to adjust their procurement practices so that they help to reduce harmful environmental impact and promote climate-friendly solutions, when relevant. The PPA further requires public authorities to have appropriate measures to promote respect of fundamental human rights in public procurements where there is a risk of violation of such rights. Not least, sustainability criteria can be included throughout the entire procurement process, from qualification requirements, to technical specifications, award criteria and contract performance clauses.

Regarding appropriate procurement methods to support sustainability, no gaps have been identified. Namely, procurement methods to stimulate sustainable procurement are permitted and encouraged by the legal framework, ranging from framework agreements to procedures that facilitate dialogue with the market. Provisions for reserving contracts for sheltered workshops or people with disabilities are included in the legal framework, pursuant to EU directives. Provisions on procurement documentation and specifications are in line with the assessment criteria. Innovation and functional specification are permitted under the Norwegian legal framework, allowing positive spill over effects on sustainable public procurement. The use of labels (eco and social) for goods and services is permitted under EU rules, as contracting authorities are allowed to request certified labels or equivalent in tenders. The public authority must however accept equivalent labels as well as alternative means of proof in certain cases.

Rules on participation are compliant with the assessment criteria, particularly with regards to limiting subcontractors from the supply chain, and ensuring that sustainability criteria are linked to the subject-matter of the contract. Furthermore, from a legal standpoint, it is possible to exclude suppliers that have breached environmental or social laws, and that have failed to perform on sustainability related factors in a contract. In practice, however, the application of these provisions present a number of challenges, and need further clarification from the jurisprudence.

Evaluation and award criteria allow for price and non-price attributes, as well as the consideration of life cycle cost (LCC). The following can be applied as award criteria: lowest price, lowest cost including life cycle cost or a combination of lowest price or lowest cost and quality. The use of LCC is foreseen by the law, provided that public authority specifies how LCC should be calculated and evaluated. Bidders should be able to provide data for the calculation with reasonable effort. The consideration of externalities arising from environmental impacts associated with the goods, services or works is also legally permitted, provided that calculations are verifiable. In practice, there are still a number of challenges with LCC implementation, in particular when it comes to including externalities (see Indicator 9).

As assessed in the core MAPS, the contract management function is defined and responsibilities are assigned, albeit with no distinct provisions on SPP distinguish it from contract management for regular public procurement. This has implications when it comes to capturing sustainable procurement outcomes e.g. in the case of LCC, where no specific provisions apply.

[21] Public procurement law, https://lovdata.no/lov/2016-06-17-73/§5

Substantive gaps

A number of minor gaps have been identified with respect to a legal framework conducive to sustainable public procurement, as follows:

Sustainability principle or definition

The fundamental principles of sustainability are included in the legal framework; however, the concept of 'sustainability', especially in its broader concept and its three dimensions, is not spelled out as a specific concept or principle in the public procurement law. The inclusion of such a principle would provide an even stronger mandate to carry out SPP.

Exclusion criteria

According to the assessment criterion, it shall be possible to apply exclusion criteria to suppliers that have breached environmental or social laws, in particular if the breach constitutes professional misconduct according to national legislation, and to suppliers that have failed to perform on sustainability related factors in a contract, subject to due process.

The legal framework allows such exclusions, however, the extent to which a contracting authority will actually exclude a supplier based on previous breaches of sustainability laws or contract clauses is open to interpretation and unlikely. To qualify for exclusion grounds, a severe breach of contract must have occurred, which ensued contract termination or other sanctions. Importantly, as per the law, the burden of proof lies with the contracting authority, making it difficult to exclude suppliers on sustainability grounds, since there is no registry with information on contract performance available. In addition, suppliers can take action to avoid rejection and restore their integrity as contractual partners, for instance by documenting that appropriate measures have been taken to address issue, as per regulation FOA § 24-5[22].

Award criteria

The Norwegian legal framework foresees a rule to weigh the 'environment' 30% when it is used as award criterion, as per FOA § 7-9[23]. This is not a mandatory rule, but it regulates that when using an environmental award criteria, the weighting should be high enough not to outweigh the environmental criteria by a low price. Indeed, compared to environmental specifications, award criteria may turn out to have little effect if the overall price offered is low. Thus, the buyer is invited to weigh award criteria high enough to have an effect on the environmental objective at hand. However, this provision has been subject to debate and various interpretations from contracting authorities, with some contracting authorities misinterpreting it as a mandatory rule. Thus, the objective of the legislation may require further clarification in guidance.

Life cycle costs

Gaps in the area of life cycle costs (LCC) are mostly linked to the lack of clarity regarding how LCC externalities can be taken into account. Indeed, the legal framework currently allows taking externalities into consideration for LCC, however, such LCC calculations pose several challenges to contracting authorities. Indeed, this is a generalised concern across countries and especially in the EU,

[22] Forskrift om offentlige anskaffelser [Regulation on Public Procurement], https://lovdata.no/forskrift/2016-08-12-974/§24-5

[23] Forskrift om offentlige anskaffelser [Regulation on Public Procurement], https://lovdata.no/forskrift/2016-08-12-974/§7-9

where the public procurement rules authorise LCC, however pose a number of conditions that are hard to meet. This was expressed both by contracting authorities during the fact-finding interviews, and by policymakers that have witnessed discussions around calculation of LCC in the context of the EU Clean Vehicle Directive. The lack of standardised methodology for such an approach was mentioned as one of the barriers. Availability of data is another common challenge.

Contract management

This area presents a number of gaps, as per the assessment methodology. The assessment criterion specifies that contract management for sustainable procurement shall include an evaluation of sustainability outcomes that covers the entire lifespan of the procurement, in particular when LCC was applied. This aspect of contract management is not taken into account in the Norwegian legal framework. In fact, no specific provisions on contract management for SPP are included in the procurement law. Similarly, overall enforcement of contract clauses is not governed by the procurement legal framework but by contract law. As a broad observation, the legal framework for contract management is not specifically addressing sustainable public procurement. While this has not raised any particular issues from contracting authorities, it is worth exploring how legal provisions in this area could further support SPP.

Recommendations

Based on the above, a number of actions could be put in place by Norwegian authorities to further support the integration of the principle of sustainability in the legal framework. Specifically, Norwegian authorities could explore whether explicitly defining the concept of sustainability in the law would be feasible and add value in the procurement context.

Furthermore, authorities could clarify the provision related to exclusion criteria through dedicated legal guidance. They could explore whether setting up registries of information on contract performance could help contracting authorities making appropriate use of exclusion criteria as a legal tool against suppliers with a poor track record.

Authorities could also ensure that legal clarity is given in the use and application of the 30% weighting rule, particularly in light of envisaged modifications, such as the introduction of more stringent requirements in this area.

Importantly, Norwegian authorities could consider introducing standard methodologies to facilitate LCC calculation, particularly for expressing externalities in monetary terms. Ensuring legal clarity in this area is likely to facilitate the uptake of this practice. Making use of and adapting available EU LCC tools could be an effective way to support these goals.

Not least, authorities could consider the expansion of the legal underpinning of the contract management function with respect to SPP. This would entail ensuring the evaluation of sustainability outcomes over the lifespan of the procurement, particularly when LCC are applied.

Indicator 2. Implementing regulations and tools to support SPP

This indicator assesses the extent to which sustainability has been integrated in regulatory instruments and tools that supplement the law and help making sustainable procurement operational.

Overall, Norway has suitable implementing regulations and support tools for SPP. Additional regulations supplement the procurement law with specific aspects related to sustainability, such as rules on the emissions of vehicles or pay and working conditions in selected industries. A vast offer of

guidance and tools makes it easier to integrate sustainability considerations in procurement processes. Challenges remain in making use of LCC methodologies.

Findings

Norway largely complies with Indicator 2, showcasing a broad offer of tools and guidance to support public buyers in introducing sustainable practices. Gaps refer to areas in which the Norwegian system could be optimised but do not represent major barriers to the implementation of sustainable procurement practices.

A number of regulations have an impact on sustainability in public procurement, and supplement procurement law with more specific provisions. Notable regulations include the regulation on climate- and environmental procurement of vehicles[24], which implements the EU Clean Vehicles Directive defining obligatory specifications of maximum emission of CO2. The regulation on pay and working conditions in public contracts[25] also has a bearing on social sustainability by setting requirements for contracting authorities on conditions they must request from suppliers. Similarly, the Norwegian legal framework has introduced a regulation on the obligation to request apprentices in public contracts[26]. This regulation applies for selected industries, where apprentices are lacking.

Comprehensive model documents on sustainability are available and easily accessible to procurement practitioners. Specifically, the Agency for Public Management and e-Government (Difi) has developed sustainable criteria that are accessible and customisable via an online platform, the so-called criteria wizard[27]. These model documents comprise concrete formulations of qualification requirements, technical specifications, award criteria and contract performance clauses. They cover product groups with large environmental impact, such as building and construction, transportation, waste collection and food and meal services. Difi foresees to expand these model documents to additional product categories.

Furthermore, several standard contract clauses with an impact on the sustainability dimensions of contract execution have been developed by Difi and are ready to use for contracting authorities. Namely, Difi developed standard contract clauses for the protection of human rights in the supply chain, and for pay and working conditions. It also offers standard contract clauses for apprentices in public contracts and contract clauses to limit the maximum number of suppliers in the supply chain in building and construction contracts and cleaning service contracts. Beyond model documents and standard contract clauses, additional tools are available to procurers that allow the anchoring of sustainability in the practice, such as LCC calculation tools or tools to conduct risk assessments.

Difi has developed comprehensive online procurement guidelines detailing each step in the procurement cycle, aimed at ensuring the correct implementation of procurement regulations and laws. Sustainability considerations are integrated at different stages in the guidelines. For instance, as

[24] Forskrift om energi- og miljøkrav ved anskaffelse av kjøretøy til veitransport [Directive defining obligatory specifications of maximum emission of CO2], https://lovdata.no/forskrift/2017-12-11-1995/§5

[25] Forskrift om lønns- og arbeidsvilkår i offentlige kontrakter [Regulations on pay and working conditions in public contracts], https://lovdata.no/dokument/SF/forskrift/2008-02-08-112

[26] Forskrift om plikt til å stille krav om bruk av lærlinger i offentlige kontrakter [Regulation on the obligation to request apprentices in public contracts], https://lovdata.no/dokument/SF/forskrift/2016-12-17-1708?q=forskrift%20lærlinger

[27] Kriterieveiviseren [Criteria Wizard for Sustainable Public Procurement], https://kriterieveiviseren.difi.no/en

part of the needs assessment process, buyers are asked to consider what could help to reduce environmental impacts and to safeguard human rights. The guidelines refer to the sustainability clauses and tools available to buyers.

Substantive gaps

The findings demonstrate overall compliance with this indicator, particularly when it comes to sustainability criteria and availability of model documents. Nevertheless, two specific areas have potential for improvement, as discussed below.

Implementing regulations

Since different regulations apply in the sustainability field, the legal basis is somewhat fragmented in the area of the implementing regulations, which could make it more challenging for contracting authorities to maintain the full picture on applicable rules. As per MAPS SPP methodology, implementing regulations should be clear, comprehensive and part of consolidated set readily available in single accessible place. It should be clear to public procurement stakeholders that Difi has the role to consolidate all regulations pertaining to public procurement and sustainability. Although this did not emerge as an issue from the fact-finding interviews, it may be worth exploring options for maximum consolidation of sustainability regulations.

In fact, a survey on the public authorities' compliance with the Regulation on pay and working conditions by the Office of the Auditor General of Norway in 2016 revealed that about 50 percent of the public authorities did not comply fully comply with the Regulation[28]. This could imply lack of awareness of legal provisions in this field.

LCC

Norway presents systems to allow for reliable LCC calculations based on net present value but the uptake and use of these systems remains limited. Namely, to facilitate the use of LCC, Difi provides dedicated tools to support contracting authorities in calculating LCC[29]. Furthermore, the standard NS 3454 can be used to estimate future costs in the building and construction field. This standard is available for purchase by a private standardisation body. However, despite the availability of this type of support, fact-finding interviews confirmed that barriers in the use of LCC are still present, and range from the lack of available comprehensive and harmonised methodologies to lack of specific competencies to apply LCC.

Recommendations

To address the gaps identified, Norwegian authorities could take the following steps to address the shortcomings discussed above. In particular, Norwegian authorities could explore the option of consolidating as much as possible existing sustainability regulation for public procurement into an

[28] Riksrevisjonen (2016), Riksrevisjonens undersøkelse av myndighetenes arbeid mot social dumping ved offentlige anskaffelser [The Office of the Auditor General's investigation of the authorities' work against social dumping in public procurement], https://www.riksrevisjonen.no/rapporter-mappe/no-2015-2016/myndighetenes-arbeid-mot-sosial-dumping-ved-offentlige-anskaffelser/

[29] Calculator tool that shows the effects on CO2 emissions and costs related to fuel and electricity consumption for vehicles (https://www.anskaffelser.no/verktoy/analyseverktoy/effektkalkulator-personbiler). Life cycle cost analysis (LCC) tool to estimate future cost for simple procurements like ICT equipment, vehicles and other simple product groups https://www.anskaffelser.no/verktoy/analyseverktoy/verktoy-beregne-livssykluskostnader

overarching one. Alternatively, Norwegian authorities could ensure that public procurement stakeholders are aware that all regulations pertaining to procurement and SPP are accessible on its website, and disseminated through Difi.

Furthermore, they could gather a solid understanding on the key barriers to the uptake of LCC and take actions accordingly. This could involve gathering a group of experts to develop a comprehensive LCC methodology, providing structured or ad-hoc support in this area.

Indicator 3. Policy and strategy provide an enabling framework for implementing sustainable procurement

The MAPS core assessment, Indicator 3, assesses whether horizontal policy objectives and obligations deriving from international agreements are consistently reflected in the public procurement legal framework. It also undertakes an initial review of the country's policy and strategy to implement SPP.

This indicator provides a more in-depth assessment of the country's SPP policy and SPP strategy.

While Norway is in the process of developing further policy action on SPP, the assessment in this area is based on the current status of SPP implementation and does not take into account upcoming or planned actions. As a result, Norway shows limited compliance with Indicator 3. Overall Norway has introduced SPP in its latest policy document on public procurement, as detailed below, and is planning on developing a targeted action plan to increase the share of green and innovative public procurement.

Findings

The policy document Whitepaper *Smartere innkjøp – effektive og profesjonelle offentlige anskaffelser* – Smarter procurement - efficient and professional public procurement (Meld.St. 22 (2018-2019))[30] outlines the broad policy vision for public procurement in Norway. Concerning sustainability, it defines the government's policy objectives related to social considerations, environmental and climate-friendly procurement, social responsibility, apprenticeships, work-related crime, as well as innovation.

Currently, there is no overall strategic plan or policy document for SPP beyond the Whitepaper on public procurement. Nevertheless, the Norwegian Government intends to prepare an action plan to increase the proportion of climate and environmentally friendly public procurement and green innovation. The planned action plan is likely to specify objectives, targets and measures, and responsibilities to achieve greater sustainability in public procurement.

It is conceivable that the planned action plan will contain monitoring arrangements and responsibilities, however, Norwegian authorities could not confirm at this stage, since the work on this action plan has not begun. The action plan will most likely be linked to Norway's Climate Strategy for 2030 and other relevant strategies. However, no conclusive assessment can be made at this stage.

[30] Meld. St. 22 (2018-2019), Smartere innkjøp – effektive og profesjonelle offentlige anskaffelser [Smarter purchasing - efficient and professional public procurement] https://www.regjeringen.no/no/dokumenter/meld.-st.-22-20182019/id2641507/

Substantive gaps

Gaps have emerged in the assessment of Indicator 3, mostly related to the fact that substantial work on SPP is currently in progress. It can be expected that strong levels of compliance will be achieved once Norway has introduced its action plan to increase the share of green and innovative public procurement, but this is not the case at present.

SPP policy

While SPP is featured in Norway's procurement 2019 Whitepaper,[31] the scope of this procurement policy document is much wider than SPP tackling many different focus areas, such as digitalisation, professionalisation, etc. As such, Norway does not currently have a dedicated SPP policy.

In terms of the policy-making process, interviews have confirmed that stakeholders have been given the opportunity to participate in policy developments related to sustainable public procurement, notably Parliament hearings and consultations. However, it emerged that there was little follow-up and communication once decisions had been taken. Such a process would allow greater buy-in on the uptake of the final decision-making, even if it does not go in favour of the original position held by stakeholder groups.

SPP strategy

Norway presents a gap with respect to having an SPP strategy in place at the time of the assessment. As discussed, currently Norwegian authorities are planning to introduce an action plan to increase the proportion of climate- and environmentally-friendly public procurement and green innovation but no concrete elements of this plan are available. From discussions held, it appeared that the planned action plan would focus mostly on environmental sustainability and GPP, instead of covering the full spectrum of sustainability.

Recommendations

To address the gaps identified, Norwegian authorities could take a number of steps to address the shortcomings discussed above. Namely, the authorities could continue ongoing work to develop an SPP policy and action plan taking into account this assessment of SPP using the MAPS module.

Furthermore, when conducting stakeholder consultations, authorities could provide feedback and follow up with stakeholders that have contributed to consultations on SPP. This could entail an explanation of decisions taken, particularly in case a specific recommendation by a stakeholder was rejected.

With regards to the planned action plan, Norwegian authorities could consider developing an action plan that addresses wider sustainability goals including social considerations and human rights in public procurement. Furthermore, they could ensure that the upcoming action plan specifies objectives, targets, and measures, and is developed in consultation with stakeholders.

3.2. Pillar II - Institutional Framework and Management Capacity

The MAPS Pillar II assesses how the procurement system as defined by the legal and regulatory framework in a country is operating in practice through the institutions and management systems that are part of the overall public sector governance in the country. It comprises five indicators and a total

[31] Meld. St. 22 (2018-2019)

of fourteen sub-indicators. Capacity, a central term in throughout the MAPS and in this pillar is defined in the MAPS Methodology as: "The ability to meet obligations and objectives based on existing administrative, financial, human and infrastructure resources."[32]

SPP is particularly dependent on inter-ministerial collaboration, cutting-edge management techniques and pertaining competencies. Pillar II of this assessment focuses on linkages with the public financial management system, regulatory functions, procuring entities and systems to manage and improve SPP.

The 5 indicators of Pillar II focused on (i) how well the public procurement system is mainstreamed and integrated into the public financial management system, (ii) whether the country has institutions in charge of SPP, (iii) whether procuring entities' policies and strategies embrace SPP, (iv) how sustainable procurement is embedded in an effective information system, and (v) if the public procurement system has a strong capacity to develop and accelerate the shift to more sustainable procurement.

Overall, Norway has institutions dedicated to SPP and its procuring entities are well aware of SPP policies, although the implementation of SPP throughout the population of contracting authorities lags behind. The public financial management system could be strengthened to take sustainability into account. Information on SPP is widely published and supported by the e-procurement system, although the e-procurement system is not fully exploited for monitoring purposes. Capacity building and training could be further geared towards sustainability.

Indicator 4. Sustainable procurement is mainstreamed and well integrated into the public financial management system.

This indicator focuses on specific linkages between SPP and the public financial management system.

Overall, the observations from the assessment highlight that while Norway's budgetary system presents no major gaps for regular public procurement, it appears to be less suited to support SPP. This applies particularly when it comes to allowing flexibility for LCC, and using environmental and social accounting systems.

Findings

Norway's compliance with Indicator 4 is limited. As indicated in the core MAPS assessment of the Norwegian public procurement system conducted in 2017, the overall procurement planning and budgetary cycle does not present major gaps, with the exception of lack of timely information on payments for all actors involved. However, when it comes to budget laws and financial procedures supporting LCC by providing flexibility between investment budgets and recurrent budgets, fact-finding interviews revealed some gaps.

The *Bevilgningsreglementet* ("allocation regulations") laid down by the parliament govern the budgetary process. Transfer of funds between budgets must usually be submitted to the parliament, unless another parliamentary decision can be provided/used.

Furthermore, Norway has no environmental and social accounting systems in place, which would allow for ex-post life cycle assessments of procurements.

[32] MAPS 2018, Glossary.

Substantive gaps

Fact-finding interviews revealed gaps with respect to the budgetary process supporting SPP. The overall budgetary process reportedly works well in practice, although some stakeholders consider that it could be improved with regards to enhancing flexibility for LCC. Indeed, providing flexibility for LCC, in particular when different departments are involved in the procurement process and when investments span over a long timeframe often presents a challenge. This may involve the lack of incentives to generate savings over long periods. However, opinions on the specific gaps and challenges were divided among stakeholders.

With regards to environmental and social accounting systems, this element of SPP is missing in the Norwegian context. It must be noted that stakeholders have not raised this as a particular concern, nor have they expressed intentions to develop such accounting systems. Since this topic did not emerge in the fact-finding interviews, it is conceivable that stakeholders lack awareness about potential benefits of an environmental and social account system. Namely, environmental accounting refers to the measurement and communication of costs of a company's economic impact on the environment [33] . Specifically, environmental accounting provides a "framework for organising information on the status, use, and value of natural resources and environmental assets", going beyond collecting statistics on environmental aspects. [34] Similarly, social accounting or social responsibility accounting focuses on the communication of social and environmental effects of organisations, including on health and safety, either to stakeholder groups or to society. Social accounting is also relevant in the context of measuring social impacts[35]. Reinforcing the use of such systems would also support LCC, as they require the estimation of life cycle environmental and social impacts of procurement.

Recommendations

To strengthen the link between the budgetary process and SPP, Norwegian authorities could put in place two priority actions:

First, they could conduct a detailed assessment of practical barriers to SPP resulting from the budgetary process. This should include an analysis of the incentives for public buyers to generate savings over the lifetime of a good or service across organisations or entities.

Second, Norwegian authorities could raise awareness about environmental and social accounting systems with a view of understanding whether it could provide benefits in the Norwegian context.

---

[33] The OECD defines environmental accounting as follows:
- national accounting: physical and monetary accounts of environmental assets and the costs of their depletion and degradation;
- corporate accounting: the term usually refers to environmental auditing, but may also include the costing of environmental impacts caused by the corporation.
https://stats.oecd.org/glossary/detail.asp?ID=814

[34] INTOSAI (2010) Environmental Accounting: Current Status and Options for SAIs, https://www.environmental-auditing.org/media/2920/2010_wgea_environmental_accounting_a4_web.pdf

[35] European Commission, OECD (2015) Policy Brief on social impact measurement for social enterprises: Policies for social entrepreneurship, https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/policy-brief-social-impact.pdf

Indicator 5. The country has institutions in charge of SPP.

This indicator assesses whether the legal and regulatory framework clearly and adequately specifies the institutions in charge of sustainable public procurement and it reviews their responsibilities, funding arrangements and staffing.

Overall, the institutional set-up of Norway is adequate to drive policies in the field of SPP. This applies to advisory and policymaking functions of public procurement institutions. Monitoring of SPP remains an area of relative weakness, where efforts could be increased. The mandate of key institutions could also be strengthened to reflect SPP as an increasing priority. Finally, ensuring collaboration between institutions active in the field of SPP deserves greater attention.

Findings

Norway partially complies with Indicator 5. The country presents strong institutional features to support SPP, notably with respect to the advisory function performed by Agency for Public Management and e-Government (Difi) and the institutionalisation of the certification function.

Responsibilities, funding and staffing of normative/regulatory function

Most of the responsibilities concerning the implementation of SPP are part of the mandate of Difi, which has the overall responsibility for public procurement policy. Key responsibilities in the regulatory and policymaking for public procurement, however, are part of the competence of the Ministry of Trade, Industry and Fisheries (*Nærings- og fiskeridepartementet*). The Ministry of Climate and Environment (*Klima- og miljødepartementet*) also plays a role in policymaking for SPP.

The responsibility for providing advice on SPP lies with Difi. Namely, its permanent mandate (*Virksomhets og økonomiinstruks*)[36] states that Difi has both a role as a knowledge collector, and as a professional advisor in the directorate's subject areas, i.e. public procurement. The primary target groups for Difi's work are ministries, state-owned enterprises, and the municipal sector. Additional stakeholders for Difi's mandate entail business, NGOs and citizens. In addition to its permanent mandate, Difi receives a yearly 'mandate letter' (*Tildelingsbrev*)[37] from by the Ministry of Local Government and Modernisation (*Kommunal- og moderniseringsministeren*) and the Ministry of Trade, Industry and Fisheries, to which it reports.

As per its mandate letter, one of Difi's main priorities in 2019 is to ensure that the public sector carries out effective and sustainable procurements. To this end, Difi is tasked to facilitate procuring entities with good procurement skills, and support them in organising their procurement in an expedient and efficient manner. This also entails providing public entities with expertise on how to conduct innovative procurements, and facilitate the integration of various requirements that contribute to sustainability (e.g. environmental considerations, social responsibility, and wage and working conditions). All tasks related to communication, raising awareness, outreach and best practice exchange are part of Difi's role to ensure that public entities carry out procurement in an effective and efficient manner, taking into account sustainability considerations.

[36] Ministry of Local Government and Modernisation (2018), Virksomhets og økonomiinstruks [Business and financial instructions] https://www.regjeringen.no/contentassets/7f9b178a808649dfad4bc4ae2401ae07/instruks_difi.pdf

[37] Ministry of Local Government and Modernisation, Tildelingsbrev 2019 – Direktoratet for forvaltning og IKT https://www.regjeringen.no/contentassets/7f9b178a808649dfad4bc4ae2401ae07/2019_difi.pdf

With respect to inter-agency and inter-ministerial collaboration on SPP, broadly this responsibility falls on Difi, as it can be derived from the overall mandate as 'a knowledge collector, and professional advisor in the area of public procurement and sustainable public procurement'. Beyond this, there is no formal structure where sustainability actors from different ministries or agencies come together to discuss sustainability related issues. While no major barriers or challenges were reported on the lack of inter-agency/ministerial collaboration, it could be beneficial to set up an institutionalised mechanism to ensure such collaboration, as sustainability touches upon various institutions such as the Ministry of Climate and Environment.

As identified in the MAPS Norway core assessment, Difi monitors public procurement to a limited extent, as this function is not specifically mentioned in Difi's mandate letter. However, the mandate letter assigns Difi the responsibility of having knowledge of the state of play in public sector, which is understood as an overall responsibility for monitoring and evaluation.

Specifically, as per Difi's annual tasks for 2019, the agency is required to report on defined key performance indicators (KPIs) on green public procurement (GPP) as well as on work related crime. The KPIs for GPP are the following:

- Public enterprises that make demands on the environment in procurement
- Reduced green-house gas (GHG) emissions from public procurements

The monitoring of these indicators will be based on several sources, which include a survey to contracting authorities, self-reporting in the e-procurement system Doffin, and statistics on the use of sustainability criteria. The reduction of GHG emissions will be based on pilot procurements that will make use of sustainability criteria.

Regarding work related crime, Difi has a mandate to ensure that its own procurement complies with laws and regulations and it conducts follow-up on procurement contracts. It is also tasked with reporting on the results of the follow-up of contracts, and on how public entities are organised to ensure compliance with social standards. This is a new task added to the *Tildelingsbrev* of 2019. Other governmental contracting authorities have similar reporting obligations, but they report to their own ministries.

The policy and regulatory functions for public procurement are part of the competencies of the Ministry of Trade, Industry and Fisheries, which includes the responsibility for drafting of SPP policies. Namely, the ministry released a new Whitepaper in 2019 on public procurement (Meld. St. 22 (2018–2019): *Smartere innkjøp – effektive og profesjonelle offentlige anskaffelser*[38]). In this paper, the Ministry stated that it will develop an action plan to increase the share of green and innovative public procurements and to continue to use public procurement strategic to combat work related crime in public contracts. It will also continue to integrate the safeguarding of human rights in guidance on procurements where there is a high risk for breaches on human rights.

Multiple institutions have responsibility for taking the lead in developing SPP strategies (implementation plans, improvement plans). The Ministry of Climate and Environment leads SPP efforts in areas related to climate and environment, but does not have sole responsibility in this area. In fact, other aspects of SPP are divided among several other ministries that are in charge of relevant regulations. Difi advises on topics related to public procurements.

[38] Meld. St. 22 (2018-2019)

The publication of eco-labels and social labels is left to the market, with no dedicated authority in charge for such a task. This may be linked to the fact that Norwegian authorities consider it more effective than carrying out this function in-house. Nevertheless, Difi provide guidance and help to public procurers in requesting eco-labels through its online support.

Certification function

Institutional aspects related to certification of environmental or other sustainability standards did not emerge as an issue for SPP implementation in the Norwegian context.

The legal framework allows the use of certification and sustainability standards and the procurement rules clearly refer to international standards and international technical references[39]. The legal framework also allows the use of test reports[40], third-party sustainability standards like labels[41], as well as third party environmental management systems[42], when undertaking SPP. It is the responsibility of the issuing organisation to ensure testing and compliance with the label. No public institutions issues sustainability standards.

In Norway, three main certification institutions have gained a reputation for their work in the area of sustainability. The foundation *Miljømerking i Norge* was founded by government authorities in 1989 and issues the Nordic Swan, an established sustainability (eco) label in the Nordic market and beyond. Furthermore, Standard Norge[43], a private organisation, in which both the private and public sector are involved, has responsibility for setting standards in the all areas except electro-technology and telecommunication. *Miljøfyrtårn* is a foundation established by several municipalities, trade organisations and labour organisations and it operates a national environmental certification scheme[44].

Substantive gaps

Overall, gaps in the institutional set-up of SPP relate to areas, where the mandate for Difi, i.e. main body in charge for SPP could be strengthened, such as having a permanent mandate to promote and implement SPP and extend the monitoring function. Collaboration between institutions on sustainability also presents potential for improvement.

Mandate for implementation of SPP policy

In Norway, several functions related to the normative and regulatory function of SPP may be hampered by the lack of a permanent mandate for Difi to perform its role in sustainable procurement. For instance, Difi's role to advise and take the lead on SPP topics is constrained by the fact that it relies on a yearly mandate to do so. In fact, Difi's current annual mandate advises it to promote SPP (*Tildelingsbrev*), but this task is not anchored in its permanent mandate (*Virksomhets og økonomiinstruks*). Indeed, the current mandate to pursue sustainability is likely to be dependent on the political priorities of the government, as it is renewed each year. Past experience has demonstrated that this may not provide a solid enough foundation for carrying out a long-term SPP strategy.

[39] https://lovdata.no/forskrift/2016-08-12-974/§15-1
[40] https://lovdata.no/forskrift/2016-08-12-974/§15-4
[41] https://lovdata.no/forskrift/2016-08-12-974/§15-3
[42] https://lovdata.no/forskrift/2016-08-12-974/§16-7
[43] https://www.standard.no/en/
[44] https://www.miljofyrtarn.no

Monitoring and reporting

As outlined above, the role of Difi with respect to monitoring and reporting is bound to its yearly assigned tasks, and currently covers only specific indicators for GPP. Reporting on work-related crime is conducted within each organisation but not disseminated more widely. Beyond that, there is no broad mandate for monitoring SPP. In particular, this should entail measuring the uptake of SPP and its sustainability impacts. Current monitoring arrangements take into account on social considerations in procurement only to a limited extent.

Inter-agency/-ministerial collaboration and cooperation on SPP

As discussed above, there is no formalised inter-agency or inter-ministerial collaboration on SPP in Norway beyond actions taken by Difi. While this fact did not raise major concerns during the fact-finding interviews, setting up a structured collaboration on sustainability could ensure that policy efforts are coherent among various institutions involved in the sustainability field, and synergies from different policy actions are reaped.

This is particularly relevant as there is some overlap in competencies with respect to SPP: Difi has responsibilities with operational aspects of SPP; the Ministry of Trade, Industry and Fisheries has overall responsibilities for legal matters in public procurement; the Ministry for Climate and the Environment has competence for sustainability and SPP policy only for matters related to climate and environment; other ministries and bodies play a role in different aspects of SPP, such as the Ministry of Transport (Clean Vehicles Directive) and the Ministry of Oil and Energy.

Recommendations

To address the gaps identified above, Norwegian government could consider strengthening Difi's mandate to include implementation of sustainable public procurement on a permanent basis. This would ensure that SPP has policy continuity independent from political priorities. Furthermore, there could be a clearer division of tasks between ministries defining and overseeing SPP policy.

Furthermore, Norwegian authorities could consider enlarging the scope of monitoring of SPP to take into account all aspects related to sustainability. The authorities could also explore whether such monitoring and reporting functions would necessitate further institutionalisation, such as the explicit inclusion in Difi's permanent mandate.

Finally, Norwegian authorities could assess the benefits of setting up an institutionalised inter-agency and inter-ministerial collaboration on the topic of sustainability, bringing together key stakeholders on a regular basis.

Indicator 6. Procuring entities' policies and strategies embrace SPP

This indicator focuses on procuring entities and their stance, policies, and strategies on SPP. It is composed of two sub-indicators, the first one dedicated to procuring entities and the second one to centralised procurement bodies (CPB). Both sub-indicators assess (1) whether procuring entities/CPBs are aware of the national policies, strategic plans, and legislation on SPP; (2) whether procuring entities/CPBs assess the implications of SPP in terms of risks and opportunities for the entity; and (3) whether actions are taken to implement SPP at the entity level consistent with national priorities. With regards to CPBs, the assessment also considers their role in the policymaking process.

Information on the practices of procuring entities with respect to SPP is based on survey data coming from self-reporting on the e-procurement system Doffin, as well as an ad-hoc public procurement survey conducted in 2018 by Difi and Rambøll Management Consulting ('2018 Maturity Survey')[45]. While the survey asks about the use of SPP, in some cases the survey questions do not directly respond to the assessment criteria. As such, some of the assessments can only be inferred from the survey responses. Interviews during the OECD's fact-finding mission shed further light on practices of contracting authorities, and complement the assessment. It should be noted, however, that these represent a small share of the overall population of contracting entities.

Procuring entities comply well in respect to awareness of SPP, while the actual implementation of SPP lags behind, particularly for smaller entities. Environmental sustainability appears to be less implemented than social sustainability, as further evidenced in Indicator 9. Assessment of risks related to SPP is only partially conducted. CPBs fare better with respect to SPP implementation, showing high levels of awareness and participation in SPP policy dialogue. They also systematically carry out risk assessments and implement sustainable procurement in their framework agreements.

Findings

Findings suggest that procuring entities are largely aware of national policies in the field of SPP, though they lag behind with respect to policy implementation. Risks and opportunities regarding SPP appear to be taken into account, although this may not occur in a structured or formalised way. CPBs are generally advanced and mature organisations with respect to SPP.

Procuring entities

From the interviews conducted, contracting authorities demonstrated high levels of awareness across a range of sustainable procurement topics, ranging from environmental to social criteria, LCC, as well as respect for labour conditions and human rights in the supply chain. Indeed, sustainability considerations appeared to be high on the priority of the interviewed organisations, and various approaches are taken by each of them to integrate SPP in their regular procurement practices. Strong political support for sustainability, in particular regarding the transition to a low carbon economy, appeared to be one of the main drivers for these developments. Nonetheless, it should be noted that the fact-finding interviews are likely not be representative for a wider pool of contracting authorities including small ones. Thus, it can be considered that these considerations generally apply for large contracting authorities able to invest in SPP (expertise, time and potential additional short-term costs). Furthermore, the discussions revolved primarily around practices implemented and less about specific awareness of national policies, and legislation. Nevertheless, no lack of knowledge or awareness emerged from the fact-finding mission.

[45] Self-evaluation ("maturity analysis" or "procurement survey" PILLAR II) of 262 contracting authorities, conducted by Difi and supported by Rambøll Management Consulting carried out in 2018. The survey had two parts: a general report, and a report focused on environmental aspects: Rambøll Management Consulting/Difi (n.d. A), Modenhet i anskaffelser Hovedundersøkelse [Maturity in Procurement Main Survey], https://www.anskaffelser.no/sites/anskaffelser2/files/difi_modenhet_i_anskaffelser.pdf; Rambøll Management Consulting/Difi (n.d. B), Undersøkelse om klima og miljø i anskaffelseri kommune, fylkeskommune og stat [Survey on climate and the environment in procurements in municipal, county and state], https://www.anskaffelser.no/sites/anskaffelser2/files/klima-miljo-stat-_kommune-_ylkeskommune.pdf

Survey data confirms a picture in which contracting authorities are largely aware of SPP, albeit not giving specific insights into knowledge of national policies, strategies and objectives. According to 2019 Doffin self-reporting survey data, a vast majority of respondents (92%) responded that the environmental criteria used were based on the organisation's goals or national environmental goals. This implies a sound awareness about SPP policies. At the same time, limited compliance with the regulation on pay and working conditions points to a more nuanced picture regarding awareness on social sustainability. In fact, based on a survey of the Office of the Auditor General of Norway, approximately 50 percent of public authorities did not comply fully comply with the Regulation[46].

Regarding the assessment of risks and opportunities in SPP, the 2018 'maturity analysis' provides insights into how contracting authorities may be perceiving SPP: indeed, the survey revealed that 27% of the public organisations stated that buying green meant a significantly higher cost; 49% asserted that it helped promote innovation; another 71% stated that it contributed to low-carbon solutions. Based on these data, it appears that contracting authorities are considering risks and opportunities related to SPP, albeit it is not clear whether they do so in a structured way.

In the area of human rights and social conditions it emerges that a small share of contracting authorities are taking a more structured approach when it comes to risk assessment. Namely, the 2018 'maturity analysis' shows that only 20 % of the respondents conduct risks analysis of breaches on human rights or pay and working conditions in relation to their procurements. While this represents a minority, conducting risk analyses in a systematic way demonstrates a sound understanding of SPP policy. It should be noted that the government has invested in providing support tools for conducting risk assessment, which are aimed in particular at small contracting authorities. However, little information is available on the uptake and impact of the tools, i.e. whether they affect the approach to SPP.

With respect to taking appropriate action to implement SPP, the interviews suggested that contracting authorities have placed sustainability high on their agenda, and are taking various steps to implement this policy. In some instances, contracting authorities have a dedicated sustainability expert on staff to support the procurement department. Increasing attention is also being paid to contract management and follow-up, with some initiatives on pooling resources for e.g. auditing the supply chain, although this area generally presents the greatest challenges. Participation in good practices exchange via regional or international networks was also mentioned as an initiative to strengthen SPP.

The '2018 Maturity Survey' indicates a more nuanced picture with respect to the uptake of SPP. Namely, only 35% of the respondents said they have a plan for implementing GPP/climate friendly procurement practices. Similarly, only 32% answered that they have appropriate measures to respect human rights in procurements where there is a risk of breaches of such rights. On a more positive note, 56 % of the respondents say that they stipulate requirements on human rights in their procurements.

Centralised procurement body

Norway's centralised procurement body (CPB), the *Statens Innkjøpssenter* within Difi, is tasked to manage joint agreements on the purchase of goods and services for and on behalf of Government agencies in the civil sector.

Beyond *Statens Innkjøpssenter*, other organisations perform the function of centralising procurement on behalf of contracting authorities, such as *Sykeshusinnkjøp* in the health sector or the procurement

[46] Riksrevisjonen (2016)

department of the City of Oslo. Together, these CPBs are among the most active contracting authorities in the field of SPP, as assessed during the fact-finding interviews. This is coupled with strong awareness of SPP being part of Norway's current Whitepaper on public procurement[47].

CPBs are using a mix of tools to integrate SPP in their procurements, as most appropriate for the product category. Generally, these span from environmental requirements, to social considerations in the supply chain, particularly for high-risk products. Sustainability goals are often translated into concrete actions at the level of product categories, where the organisations asks themselves how they can best integrate the sustainability concept for the product at hand.

For instance, *Statens Innkjøpssenter* makes use of the full range of SPP policy tools, by stipulating requirements on social responsibility (i.e. respect for fundamental human rights, ILO's core conventions and national labour legislation at the production place) and on climate and the environment. In some instances, it requests eco-labelled products. Furthermore, it uses environmental performance as an award criterion, for instance by introducing an award criterion on the lowest possible environmental impact through the distribution of the deliveries. *Statens Innkjøpssenter* is also following up contract requirements regarding respect for fundamental human rights and the ILO's core conventions in the procurement of consumables. For this purpose, a self-assessment questionnaire for suppliers is used to follow-up compliance with human rights and labour conditions in the supply chain.

From the discussions held, CPBs make the choice for the integration of SPP in a given framework agreement based on risk assessments. In some organisations, this practice is conducted systematically. In fact, as elaborated during the fact-finding interviews, CPBs make use of risk assessment as a means to identify appropriate strategies for conducting SPP. Risk assessments often guide the choice for introducing a particular dimension of sustainability to the tender, e.g. social or human rights conditions for at risks product groups.

Specifically, *Statens Innkjøpssenter* makes use of risk assessment as part of its routines management processes for all procurement processes and contract management. Indeed, risk assessment is on the agenda at all stages of its procurement processes and risks are thoroughly discussed in project management groups. Sustainability and human rights are an integral part of the risk assessment process. Furthermore, risk assessment is a key factor in its contract management. Regarding its framework agreement on consumables, it has identified an opportunity to reduce the use of disposable plastic in co-operation with suppliers. *Sykeshusinnkjøp*, the CPB for hospitals, also uses risk assessment to identify which types of sustainability considerations are most appropriate for the procurement at hand.

Finally, with respect to participation in policy design, CPBs appear to be sufficiently involved in the process. Namely, *Statens innkjøpssenter* regularly holds a dialogue with the relevant Ministry Department and meetings with a council of relevant deputies from all the agencies ("Advisory-board") regarding its portfolio of framework agreements. Furthermore, it provided input to the white paper on policy on procurement to the Parliament, regarding the effects of centralisation of procurement, including its benefits. When new legislation and regulations are proposed, *Statens innkjøpssenter* is expected to contribute in its capacity as an expert body. Similarly, the CPB for hospitals contributes to Parliament hearings on procurement matters, and is invited to public procurement working groups.

Substantive gaps

[47] Meld. St. 22 (2018-2019)

While there is strong general awareness and many good practices on SPP, gaps are still present in various aspects of embracing SPP, particularly when it comes to smaller and less resourced entities. Gaps apply in a very limited extent to CPBs.

Procuring entities

Awareness regarding SPP as a national priority, in particular with respect to environmental sustainability and climate change, is generally high. Based on the sample of contracting authorities interviewed as part of this assessment, however, it appears that larger contracting authorities have more resources and capacity to invest to keep up to date on sustainability and to take action, indicating a greater need of smaller contracting authorities for support (see also findings on capacity). Furthermore, gaps may be identified in the awareness of social sustainability, as lack of full compliance with the Regulation on pay and working conditions indicates limited awareness.

As reported in surveys and interviews, many, particularly smaller, contracting authorities do not conduct risk assessments to a sufficient extent. Indeed, as highlighted by surveys, the majority of contracting authorities only sometimes or rarely conducts analyses to identify environmental impact of purchases, or risk analyses related to human rights and social issues. Thus, it appears that the notion of risk and opportunity assessment in the context of SPP is not yet fully developed, despite the availability of dedicated tools.

When assessing whether procuring entities take appropriate action to implement SPP in support of national policy objectives, a picture with mixed levels of advancement seems to emerge in Norway. A small share of contracting authorities demonstrate advanced practices, while a plurality does not include sustainability in their procurement practices, at least on a regular basis. Social considerations that represent a legal obligation fare better across the board, but are still not yet applied consistently. Environmental sustainability seems to be the least implemented, although during interviews contracting authorities shared practices in this field, and highlighted the importance of reducing carbon emissions.

Importantly, another area of national policy that is not yet fully taken into account pertains to the 30% weighting of the environment when used as an award criterion, as already discussed in Indicator 1. Overall, it seemed that this practice is not taken on board by many contracting authorities, although full data is not available. Beyond this legal clause, Difi advises on various techniques to take into account SPP, such as using technical specifications or contract performance clauses, as most appropriate.

Centralised procurement body

No gaps were identified with the practices of CPBs in the field of SPP. The following gaps refer to areas in which CPBs could further strengthen their performance.

A challenge mentioned by the CPBs refers to lack of visibility and awareness of their own actions in the sustainability dimension with their clients and the broader public.

With contract follow-up being a comparatively new area of focus in the field of SPP, it is conceivable that CPBs do not have extensive experience in this field, and may thus benefit from exchanging with peers, as well as pooling resources in this area.

Recommendations

To further strengthen contracting authorities' embrace of SPP, and address some of the gaps identified, Norwegian authorities could consider introducing several actions. Namely, Norwegian authorities

could target support and awareness raising about the goals and policies of SPP to small contracting entities, which are not specialised in the field of sustainability. Particular attention should be paid to ensuring that any awareness-raising campaign reaches this target group. Authorities could at the same time explore whether limited compliance to the Regulation on pay and working conditions may be linked to lack of awareness.

Furthermore, authorities could provide guidance and raise awareness to contracting authorities on how to effectively assess risks and opportunities in the context of SPP. Another focus area of awareness raising and guidance represents the use of 30% weighting of environmental award criteria. Guidance on the implementation of this specific rule should be embedded into wider guidance on the various options for implementing SPP.

With regards to actions for enhancing the CPB's performance in SPP, authorities could consider running dedicated visibility campaigns on CPBs activities dedicated to SPP, aimed at CPBs' clients and the wider public. This is likely to generate goodwill and recognition for their policy efforts. Furthermore, the experience collected could also be beneficial for other entities to take inspiration. Finally, Norwegian authorities could consider putting in place mechanisms for experience-sharing and pooling of certain resources (e.g. framework agreements on contract follow-up and audit).

Indicator 7. Sustainable procurement is embedded in an effective information system

The indicator reviews whether sustainability aspects are fully integrated into the existing information systems. It analyses (a) whether information on sustainable procurement is published and (b) how the e-procurement is used to support sustainability.

As an overall observation, Norway has a functioning e-procurement system regarding its technical features and is meant to include promising features to support SPP. However, the same cannot be stated with regards to the availability of data for the purposes of analysis, such as uptake of SPP, or supplier participation in SPP procedures.

Findings

The core MAPS assessment identifies Difi's portal *anskaffelser.no* and the e-procurement platform Doffin as the key features of the Norway's system for delivering information on procurement. Both these systems play an essential role with regards to SPP. Namely, Difi's portal is the repository of legal background, strategies and tools that allow for the implementation of sustainability in public procurement. Relevant guidance is available on the portal as a 'one-stop shop'.

Furthermore, Doffin provides relevant information regarding SPP, in that contracting authorities can self-report the use of environmental criteria in their tenders when making use of the platform. However, this type of self-reporting is not mandatory. Difi is working on acquiring access to tender documents and creating a routine monitoring system for SPP based on Doffin. Such statistics and other available data sources will be published on Difi's website.

At present, comprehensive statistics, spanning over multiple years and covering the full range of sustainability, are not available. Nevertheless, Difi conducted a public procurement survey in 2018 ('2018 Maturity Survey')[48] and it regularly publishes analysis on procurement outputs and outcomes (e.g. climate footprint, analysis of pilot procurements).

[48] Rambøll Management Consulting/Difi (n.d. A); Rambøll Management Consulting/Difi (n.d. B)

In its annual report, Difi indicates the activities it has conducted in the field of sustainable procurement. For the year 2018, information on SPP covered mostly efforts in the area of environmental sustainability, as well as the use of the criteria wizard implemented in 2018. In addition to the annual report, Difi published a number of case studies to showcase SPP, and particularly the use of its criteria as well as the benefits and opportunities provided by SPP.

Providing additional information and reporting on GPP is part of the work plan for 2019. In addition to the annual report, Difi will provide a dedicated report on GPP, which will include comprehensive information such as practices, statistics, examples, etc. Such a report is planned to be released on an annual or biennial basis, and will provide an overview of GPP implementation.

Use of e-Procurement to support sustainability

Overall, as assessed in the core MAPS assessment, Norway is relatively advanced regarding digitalisation of public procurement. Norway's e-procurement infrastructure is designed around the pan-European PEPPOL standard. Indeed, technical features of the e-procurement system have not been raised as potential issues or barriers to the conduct of SPP. Upcoming developments appear to be promising for SPP, notably the automatic evaluation that goes beyond price. The most mature systems are in the post-award process (ordering, catalogue) regarding automatically presentation of information about environmental, social and ecological on product and service level. The Electronic Commerce Format (EHF), a standard document standard that allows seamless communication between supplier and customer, supports this process. However, no user feedback on such system has been gathered by the assessors at this stage.

Furthermore, Difi is tasked with the establishment of an open database for transactions performed in the procurement process. It currently does have not one common database, which would allow it to track the entire sustainable procurement process, and carry out various analyses to address multiple policy questions. Instead, private providers may have some of this information stored on their tendering platforms. Currently, the information available to private platform providers is not accessible to Difi.

Not least, no lack of familiarity or other barriers related to supplier participation to the e-procurement system emerged from the core MAPS assessment nor from the fact-finding interviews. Digitalisation of procurement is often an important factor in the reduction of administrative burden and typically is considered beneficial for SMEs. However, there is no specific data on the participation of SMEs in sustainable public procurement tenders.

Substantive gaps

Overall, Norway presents gaps in the availability and access to information on SPP. Often, information is available and stored by private providers without the possibility of public use. Furthermore, statistical measurement of SPP is at an early stage. Some self-reporting information is available, but more work is needed in the area. This should include information on supplier participation in SPP tenders, notably SMEs.

Publication of information on sustainable procurement

Difi currently lacks comprehensive statistics on sustainable public procurement, which include outputs and outcomes. This gap has been recognised, and concrete measures are foreseen in this area. In fact, Difi has plans to develop such statistics, but there are no detailed information on what statistical information it plans to collect and make available on its website. Furthermore, it appears that the

foreseen actions are focused on environmental sustainability instead of the broader concept of sustainability.

Difi's annual report does not specifically address the question of institutionalisation of SPP, beyond providing a picture from survey data on practices by contracting authorities.

Use of e-Procurement to support sustainability

There is no data tracking the participation of SMEs to sustainable public procurement in a procurement market that is increasingly conducted via electronic means, as per the assessment criterion. Interviews during the fact-finding mission suggested that SME may be at a disadvantage in some cases regarding e.g. environmental certifications or similar, as these pose a higher upfront cost. At the same time, SMEs may be more nimble to provide specialised SPP services. Having clear data would allow having a clear view on supplier participation to SPP and making sound policy decisions based on such evidence.

Difi lacks substantial information and analysis on the sustainable procurement process, which could be gathered in digital format from the e-procurement system, and would allow in-depth analysis of trends, levels of participation, efficiency and economy of SPP as well as compliance with requirements. This information is generally stored by private providers that own the tendering platforms. Current rules do not provide Difi access with information from the e-procurement systems that can be valuable for gathering insight on the SPP process.

Recommendations

Norwegian authorities could focus ongoing and upcoming work on reporting to include the broad concept of sustainability, as well as a focus on outputs and outcomes of SPP. Reporting on SPP could also take into consideration institutional aspects of policy implementation.

Taking the opportunity of developing a reporting system of GPP/SPP, Norwegian authorities could create a digital environment that would allow tracking the full sustainability process and deriving insight for policy decisions. Further, they could consider integrating a dimension that looks into SME participation to SPP opportunities. Setting up such a framework would entail reviewing the role of private sector e-procurement service providers in providing data and intelligence for use by the authorities.

Indicator 8. The public procurement system has a strong capacity to develop and accelerate the shift to more sustainable procurement

This indicator focuses on the strategies and ability of the public procurement system to develop and accelerate the shift to sustainable public procurement. This indicator includes an assessment on whether sustainability considerations are fully integrated in the country's public procurement training and professionalisation strategy. It also analyses whether the established monitoring system takes into account the following: (1) the institutionalisation of SPP; (2) the intermediate outcomes of sustainable procurement; and (3) the impacts of sustainable procurement. Monitoring of implementation versus set targets is indispensable to confirm whether SPP policies work, to develop strategies and adapt goals as necessary.

Several challenges emerge in the capacity of Norway's procurement system to accelerate the shift to SPP. While the training offer on procurement also addresses sustainability considerations, this does not seem to be sufficient to address major gaps in the lack of competencies in SPP, as reported by

contracting authorities. Importantly, monitoring of SPP presents several gaps, as a coherent performance management framework with targets for outputs and outcomes is lacking. Availability of data for monitoring purposes is a further challenge.

Findings

Training, advice and assistance on sustainable procurement

In Norway, several training providers offer procurement trainings and programmes, which include SPP modules. For instance, the Norwegian union on procurements and logistics (NIMA) and Difi provide a certificate (Innkjøpskortet) as a proof of qualification in public procurements. SPP in procurement law is among the learning goals. However, coverage of benefits related to SSP is included to a limited extent. Currently, the certificate is undergoing changes, and will be relaunched later in 2019. The new programme is meant to include a first module on basic knowledge, and a second one on SPP.

Furthermore, KS, the municipality sector's organisation, offers a certification course in public procurement for procurers from the municipalities. This course also includes a section on SPP. Not least, specific entities such as the municipality of Oslo also offer courses in public procurement for their buyers. One day of the course curriculum in the Oslo municipality is about SPP. Other municipalities or state agencies may offer similar training for their procurers, however, there is no full overview of the training offer on SPP by decentralised entities.

The training programmes appear to appropriately cover the legal and regulatory provisions and tools relating to SPP, as coverage of legal and regulatory provisions did not emerge as a topic of concern during the interviews.

Evidence from the 2018 Maturity Survey suggests that lack of competencies on SPP represents a key barrier to SPP implementation. However, a different picture emerged from some of the interview conversations during the fact-finding mission. In fact, several contracting authorities interviewed had a dedicated sustainability expert on staff, or demonstrated experience with the topic. Such anecdotal evidence would point at a nuanced picture, in which large and well-staffed organisations have the capacity to invest in the necessary sustainability-related competencies, while the vast majority of contracting authorities lag behind.

Difi has a wide offer of tools and guidance for contracting authorities to seek support on SPP topics. Namely, Difi's webpages provide advice and information on many topics related to SPP, including dedicated tools for environmental and social sustainability (see Indicator 2 on SPP toolkit). Difi's environmental criteria ('criteria wizard') are continuously updated on the webpage.

During interviews, one of the more challenging areas emerged to be contract follow up, and guidance typically does not focus on this particular aspect of SPP. This includes identifying effective ways of monitoring contract performance on sustainability requirements via audits or similar. Furthermore, it is difficult to assess to what extent guidance reaches all levels of contracting authorities in a decentralised public administration. In fact, some contracting authorities expressed interest in having a 'helpdesk' or similar service for specific questions.

Monitoring of sustainable procurement

To date, Norway has not adopted SPP targets on a national scale. Targets typically refer to the level of ambition in SPP implementation, e.g. determining that 50% of tenders shall include environmental criteria. As such, there is no system to monitor the progress of SPP versus set targets, nor the level of institutionalisation of SPP versus defined targets. This applies also to targets or monitoring on

intermediate or long-term outcomes. In fact, Difi does not measure procurement values, nor savings achieved through value for money comparisons and LCC. Similarly, the monitoring does not include the number and value of contracts with certain categories of supplier to measure diversity or the share of locally manufactured products. Instead, monitoring by Difi has so far focused on a survey of contracting authorities launched in 2018. A non-mandatory self-reporting questionnaire is also available via Doffin on SPP criteria used.

Advanced measurements are conducted only for selected pilots and case studies. Often, however, such measurements are used for the purposes of communication and dissemination, and do not allow for tracking the broader impact of policy actions.

Nonetheless, the White paper of 2019 states that the Governments intends to prepare an action plan to increase the proportion of climate- and environmentally-friendly public procurement and green innovation. It is not clear, however, whether specific targets will be set by the forthcoming action plan and what kind of monitoring system is foreseen. Importantly, Difi is working on enhancing monitoring of SPP, in particular by acquiring access to tender documents and creating routine monitoring of SPP via Doffin.

As discussed in Indicator 5, the overall responsibility for monitoring and evaluation is derived from Difi's overall mandate (*Virksomhets og økonomiinstruks*) and Difi has the responsibility of generating statistics.

Substantive gaps

Norway presents several gaps with respect to Indicator 8 on the public procurement system's capacity to develop and accelerate the shift to more sustainable procurement.

Training, advice and assistance on sustainable procurement

According to a 2017 study conducted by PwC, the overall training offer remains fragmented and does not address SPP with dedicated programmes. Interviews during the fact-finding mission confirmed that more could be done to address SPP in the public procurement training offer. Demand for SPP is growing, but training and academic institutions are somewhat lagging behind in meeting this demand. Strong interest in sustainability themes emerged from the interview conversation with academic institutions, particularly from young graduates or students currently approaching university studies. Although foreseen, funding for PhD level research in SPP appeared to be stalling.

Lack of specific competencies in the field of sustainability is one of the key challenges and barriers for the broader uptake of SPP which emerged from the '2018 Maturity Survey'. Indeed, the wider population of contracting authorities struggles with dedicated competencies in this area. Only 9% of the respondents (out of a total of 262) reported that they had 'to a very large degree' sufficient skills with regards to SPP. Moreover, 26% of respondents stated that lack of competence was the main barrier in evaluating environmental impacts and using environmental criteria, making this the top barrier. Lack of resources and lack of time came in as second and third barriers respectively. Overall, a limited and fragmented training offer could represent one of the barriers related to the lack of competencies in SPP.

While the overall offer of advisory services on sustainability on Difi's website is extensive and useful to contracting authorities, specific areas need reinforcement, e.g. contract management. Furthermore, practitioners place value on capacity building activities that are practical and hands-on, including templates, knowledge-sharing, podcasts and similar.

Monitoring of sustainable procurement

With respect to monitoring of sustainable procurement, it can be observed that the procurement system lacks a performance management framework for SPP, which would allow for a data-driven and evidence-based monitoring of SPP. This substantial gap is reflected in other areas of the assessment, e.g. with Indicator 7 on the use of e-procurement data for monitoring purposes or in Indicator 1 on monitoring arrangements for the SPP strategy.

Systematic monitoring of SPP is missing in Norway. This may be linked in part to the fact that SPP policy has not set specific targets, which would then require follow-up and monitoring. Lack of monitoring is also hampered by the authorities' lack of access to e-procurement data to easily track SPP. Difi has recognised these dimensions and is working on filling these gaps. The focus of ongoing monitoring and performance measurement appears to be limited to environmental sustainability.

Substantial gaps are present with respect to measuring intermediate outcomes of sustainable procurement processes versus set targets or assessing development outcomes.

Lack of comprehensive data hampers policymakers' ability to base their decision to support strategic policy making and communication on sustainable procurement on sound evidence. While sustainable procurement is integrated in overall government's strategic plans to tackle climate change, the lack of data and evidence does not allow for an assessment of SPP's contribution to such wider goals.

While Difi maintains the overall responsibility for monitoring and evaluation as part of its mandate (*Virksomhets og økonomiinstruks*), private sector providers have no formal obligation to report their procurement data to Difi. It should be explored whether Difi faces additional barriers in collecting data, e.g. from decentralised entities.

Recommendations

Training, advice and assistance on sustainable procurement

Investment in continuous education and SPP leadership is paramount to ensuring that contracting authorities have the capacity to implement these complex policies. Norwegian authorities could address several areas that would help in strengthening capacity and skills in this domain.

Firstly, they could expand the sustainability dimension in the current training offer by updating the curricula to reflect a broader SPP focus. Secondly, authorities could consider strategies to expand the academic offer on SPP in a more targeted way, thereby introducing young graduates to the procurement profession. Dedicated programmes for training or qualification on SPP could be envisioned too.

Additionally, they should consider designing a structured training programme for dissemination and application of available LCC methodology amongst contracting authorities, segmented according to their current knowledge and experience in using LCC tools. In parallel, dedicated organisations could develop more advanced methodologies for specific products.

As part of an effort to strengthen advisory services, Norwegian authorities could also consider developing additional non-text-based guidance, templates, calculators, internet seminars, etc. particularly focusing on challenging areas such as contract management. Fostering knowledge sharing about projects through podcasts and dedicated networks are also potential options for developing capacity.

Not least, Norwegian authorities could consider making dedicated external expertise available for municipalities on an ad-hoc basis. This form of 'public consultants' could be explored as an effective way to develop capacity in a decentralised system.

Monitoring of sustainable procurement

Norwegian authorities could act on multiple dimensions to address shortcomings in the monitoring of SPP.

First, they could consider the development of a performance measurement framework of SPP, which would allow insights into the functioning of the overall SPP policy and thereby enhance follow-up policy decisions. As part of a performance measurement framework Norwegian authorities could consider setting dedicated targets for SPP.

The authorities could further use the opportunity of conducting work on monitoring and reporting to broaden its scope to full sustainability (including social aspects) as well as include assessment of intermediate and long-term outcomes.

Finally, Norwegian authorities could ensure that Difi faces no barriers to access of data for monitoring purposes, in particular with respect to data available via private providers. If necessary, they could consider strengthening Difi's mandate with regards to monitoring of SPP.

3.3. Pillar III - Public Procurement Operations and Market Practices

This Pillar looks at the operational efficiency, transparency and effectiveness of the procurement system at the level of the implementing entity responsible for managing individual procurements (procuring entity). In addition, it looks at the market as one means of judging the quality and effectiveness of the system in putting procurement procedures into practice. This Pillar focuses on how the procurement system in a country operates and performs in practice.

Norway has achieved a good level of implementation in the area of sustainable public procurement, both in different contracting authorities and in different pillars of sustainability. The main challenge is to increase sustainability considerations in all phases of the procurement cycle – notably during contract management to monitor the implementation of sustainability requirements. In addition, while exemplary good practices exist in some contracting authorities, not all contracting authorities in the country pursue sustainable public procurement to the same extent and require additional capacity to do so.

Engaging suppliers on sustainability has been key to achieving sustainable public procurement goals. Norway's market responds well to public authorities' requests for increased sustainability. Smaller challenges exist with regards to upholding the same level of dialogue and competition in all sectors and regions.

Indicator 9. Sustainable procurement practices achieve stated objectives.

The objective of this indicator is to collect empirical evidence on how procurement principles, rules and procedures for sustainable public procurement formulated in the legal and policy framework are being implemented in practice. It focuses on sustainability-related results that in turn influence expected outcomes.

Overall, contracting authorities in Norway have made good progress in implementing sustainable public procurement. Uptake is demonstrated by data, notably in the form of sustainability criteria and

specifications, as well as in the form of contract clauses. Social goals like work conditions and pay or maintaining responsible supply chains, as well as environmental aspects, are most often pursued. Challenges exist mostly in the follow-up and monitoring of sustainable public procurement outcomes, i.e. the contract implementation phase, to ensure that what was sought is actually met. In addition, more can be done to consider sustainability in the planning phase and to involve stakeholders.

To support the analysis of this indicator, 28 sample procurement procedures were analysed, representing the food, health, transport, ICT and building/infrastructure sectors. For this sample analysis, sample procedures were selected through the e-procurement platform Doffin. As a second step, the contracting authority in charge of each selected case responded to a questionnaire in line with the sample-based assessment criteria in the MAPS methodology. About half of the contracting authorities involved in this sample are part of the national administration, SOEs and universities, the other half were municipalities from ranging size (population as few as 3 000 up to more than 600 000.)

Findings

Findings on how sustainability is considered in practice are in line with findings in the previous core MAPS assessment: generally, practice in Norway appears to be at a good level, with good practice examples in several contracting authorities. However, successful implementation of sustainable public procurement varies greatly between governmental levels and according to the size of contracting authorities. In the following paragraphs, findings are presented along the procurement cycle for ease of presentation, followed by specific key-topics in relation to sustainable public procurement in practice.

Aside from the sample analysis, the analysis of this indicator has been supported by previously conducted surveys, sample analysis and research. A frequently cited source is a 2018 survey with contracting authorities conducted by Difi and Rambøll Management Consulting in 2018 ("2018 Maturity Survey"),[49] as well as a 2016 sample analysis ("Inventura Report").[50]

<u>Needs assessment, market research and risk analysis</u>

As reported in the core MAPS assessment, needs analysis, risk assessment and market research are conducted, but to a varying degree in the different types of contracting authorities. A large number of contracting authorities are relatively small and therefore face capacity constraints in this area.

[49] Self-evaluation ("maturity analysis" or "procurement survey" PILLAR II) of 262 contracting authorities, conducted by Difi and supported by Rambøll Management Consulting carried out in 2018. The survey had two parts: a general report, and a report focused on environmental aspects: Rambøll Management Consulting/Difi (n.d. A), Modenhet i anskaffelser Hovedundersøkelse [Maturity in Procurement Main Survey], https://www.anskaffelser.no/sites/anskaffelser2/files/difi_modenhet_i_anskaffelser.pdf; Rambøll Management Consulting/Difi (n.d. B), Undersøkelse om klima og miljø i anskaffelseri kommune, fylkeskommune og stat [Survey on climate and the environment in procurements in municipal, county and state], https://www.anskaffelser.no/sites/anskaffelser2/files/klima-miljo-stat-_kommune-_ylkeskommune.pdf

[50] Inventura (2015), Ivaretakelse av miljøaspekter i offentlige anskaffelser, status 2015 (Addressing environmental aspects in public procurement, status 2015), https://www.anskaffelser.no/sites/anskaffelser/files/161121_inventura_-_difi_rapport_miljokrav_difi_v7-paginert.pdf

Requirements and desired outcomes are largely well defined, as evidenced by good outcomes of procurement procedures as well as supplier feedback. However, the overall result varies, depending on the contracting authority.

As part of needs assessments, contracting authorities are encouraged to analyse whether a certain need can be satisfied using internal resources to avoid purchases altogether. Contracting authorities stated in interviews and surveys that they do consider alternative ways of satisfying the need, such as repairs, reusing existing items, moving from product purchases to service purchases and other ways. In the 2018 Maturity Survey, 21% of respondents stated that they consider alternative ways of satisfying a need to a very large or large extent. Municipalities consider alternative solutions to a larger extent than contracting authorities at national level.

According to the MAPS sample analysis, the environmental impact of the procurement is analysed in 61% of procurement cases. 11% stated that this was not relevant in the sampled procurement. In the 2018 Maturity Survey, 15% of contracting authorities responded that they 'always' or 'often' conduct an analysis of the climate and environmental load.

Interviews and sample analysis confirmed that contracting authorities conduct risk assessments as part of concrete procurement procedures to inform sustainability requirements, and adapt their approaches accordingly (for example, if a given need was considered part of a high-risk industry, requirements for responsible business conduct would be included.) Depending on the risk profile of the purchase, risk assessments and check-ins would be repeated periodically during the contract implementation.

According to the MAPS Sample Analysis, in 43% of the cases, the contracting authority undertook an assessment of the risk of human rights violations in the supply chain. 11% stated that this was not relevant for this procurement. In 39% of the cases, the contracting authority assessed risks related to pay and working conditions. 4% stated that this was not relevant. 23% conduct a risk analysis related to social and ethical considerations.

Given the differences in uptake from one contracting authority to another, the government has invested in providing support for smaller contracting authorities, for example by conducting analysis at the central level for selected product groups based on risk assessment and market research. The results are then disseminated in the form of concrete guidance and procurement tools. In order to allow for varying levels of ambition, needs and market offers between geographic and demographic regions, the guides allow procurers to adapt the guidance to their specific situation. This strategy encourages a more homogeneous interface to the market so that suppliers can save time when identifying suitable products and providing SPP-relevant data in offers.

Methods

According to interviews, contracting authorities generally do seem to comply with the rules regarding procurement methods, how they should be chosen, documented and justified. The activities of the complaints board KOFA also suggest that non-compliance is generally brought to the complaints board and acted upon, resulting in an environment of generally high compliance (see also core MAPS assessment). No evidence was found to suggest that procurement methods are not chosen and justified according to the legal framework.

Multi-stage procedures are used where appropriate, according to stakeholders. Most procurements foresee one stage only to ensure sufficient competition, as the market in Norway is relatively small and the quality and eligibility of participants has not been of issue.

In 2018, approximately 230 of the 12 578 contract notices in Doffin required prequalification. In addition, 11 contract notices were related to innovation partnerships; 1 281 contract notices included negotiation and 45 contract notices were related to a competitive dialogue. 1 806 contract notices did not specify the procedure type.

Criteria and specifications

As stated in the core MAPS assessment, generally, evaluation and award criteria seem to be objective, relevant and precisely specified. Many procurement procedures in Norway include sustainability criteria to an extent, in some instances combined with risk assessments and usually in a balanced manner in line with national priorities.

According to interviews, contracting authorities have ample freedom to use sustainability criteria and purchase higher-priced goods, works or services, if this results in greater sustainability (sustainability mostly in the environmental sense.) This is in line with national policy to promote environmentally friendly solutions. Contracting authorities can use available tools provided by Difi that allow estimating economic and environmental effects of applying environmental criteria for cars and vans.

According to quantitative analysis, sample cases as well as feedback retrieved during the interviews, the use of non-price criteria is common practice and seems to be well implemented, generally. 93% of sampled procurement procedures set non-price attributes, including functional specifications. According to the 2016 Inventura report, technical specifications were the most common way to incorporate environmental requirements. Technical specifications were used to promote environmentally friendly outcomes in 46% of cases in four target areas (Furniture, garments, ICT, transport.)

The concept of LCC is used at times, most notably in the procurement of works (e.g., as a norm for building standards). According to the MAPS Sample Analysis, LCC was used in 14% of the procurements; for 18% percent of the cases this method was not considered applicable. According to the 2016 Inventura Report, in 2015, LCC analysis was relatively little used, with most use in the area of ICT amounting to only 10% of procurement procedures. LCC was not at all used for furniture or garments.

According to the 2016 Inventura Report, labels are used in the procurement of the four categories. However, their use seems to be relatively limited, reaching less than a third for ICT procurement as the highest share. Albeit labels are available for furniture and garments, only 10% and 15% respectively used those during the procurement.

National priorities are set by overarching strategies (see pillar I). Environmental and social aspects are two areas that received specific attention (in the area of public procurement but also beyond). These two areas are featured most prominently in the procurement procedures in the form of criteria for selection, award or other aspects prior to the contract.

According to the MAPS Sample Analysis, environmental sustainability was featured as part of the qualification criteria, technical specifications, award criteria or LCC analysis during the evaluation in almost all of the sampled procedures (93%). Just over half (57%) included requirements related to pay and working conditions, set out in the procurement notice. Only 39% set requirements for human rights-related aspects (either as part of the qualification criteria, technical specifications or award criteria.)

In the 2018 Maturity Survey, the majority of contracting authorities reported that they set requirements on working conditions, ethical trade and environmental impact to very large or large

extent. Unlike in the MAPS Sample, environmental aspects were comparatively less featured (in 58% of the procedures.) Requirements for working conditions were set by contracting authorities in 77%, and ethical trade by 66% of procedures.

According to a 2017 sample analysis by Difi and Ethical Trade Norway *(Etisk Handel Norge)* about documents from 2016, in 51% of the procurement procedures, contracting authorities set requirements linked to the ILO norms in high-risk purchases.

Bid evaluation, selection, award

As stated in the core MAPS assessment, the selection and award process is carried out effectively, efficiently and in a transparent way; no evidence was retrieved to suggest that there are major issues with this phase.

During the evaluation, selection and award stage, contracting authorities do their best to verify that the sustainability criteria are indeed met by the potential suppliers as they promise in their bids. For example, contracting authorities rely on certificates, labels and previously proven experience.

When balancing different aspects, such as costs and sustainability benefits in terms of environment or social impact, there is a strong political push to procure more sustainable (and notably more environmentally friendly) goods, works and services. Often, a substantial price premium for this is paid, but this is in line with the overarching strategy that better sustainability outcomes also mean a better value for money, even if the price might be higher.

Tools are available for calculating the climate and environmental effect of applying environmental requirements for some product types (e.g. for cars).

Contract clauses

Aside from the selection and award phase, sustainability is pursued as part of the contract, and contracts frequently include requirements for suppliers to ensure environmental or social benefits. Indeed, according to a 2017 sample analysis by Difi and Ethical Trade Norway of documents from 2016, the most common way to ensure compliance to ILO standards was the use of contract performance clauses.

The MAPS Sample Analysis revealed that 71% of the procurements had requirements for environmental sustainability included in the contract. Human rights-related aspects were featured in the contracts of 57% of the procedures. In 71% of the procedures, the contract covered aspects related to pay and working conditions. In the area of environment, this outcome represents an improvement: According to the 2016 Inventura Report, just under 40% of procurements included contract clauses related to environmental requirements.

During interviews, several, but few, examples were identified of procurements that used contract clauses to incentivise increased performance.

As stated in the core MAPS assessment, no substantial issues were identified concerning contract amendments.

Contract implementation and follow up / monitoring

Several studies undertaken by the Norwegian government have followed up on the implementation of sustainability requirements and provide information that evidence the use of sustainability criteria. This is notably the case for larger contracting authorities. As previously stated in the core MAPS assessment of Norway and according to feedback from stakeholders during interviews, contracts

seem to be implemented in a timely manner. No information was found to suggest challenges with long delays on a regular basis.

Follow up on sustainability considerations and calculations and enforcement of sustainability requirements in the contract implementation stage is undertaken to an extent, but not at all times with a sufficient level of depth and not in all procedures. Good practices exist, but there is no systematic approach. Generally, Norway's trust-based system means that inspections and structured enforcement are less prominently used. Spot checks are the most common follow up mechanism to ensure sustainability requirements are met in procurements. Examples were identified in which contracting authorities co-operated to follow up responsible business considerations in the supply chain by conducting inspections in the production sites abroad (e.g. the procurement of rubber gloves.) In this case, violations were indeed identified and the supplier asked to change the working conditions. Others contracts have already been terminated where inquiries revealed that suppliers did not deliver on social requirements.

As highlighted in the MAPS Sample Analysis, the ability to follow up on sustainability requirements depends on the area of sustainability concerned. On social responsibility requirements, routines to follow up existed for 68% of the sample procurements. KPIs related to social responsibility requirements had been set in 21% of the sample procurements. A reduced environmental impact was estimated in 32% of the sample procurements.

The sample analysis suggests that contracting authorities have limited visibility related to the follow up of their contracts. In 36% of the procurements, contracting authorities were unable to say whether the social responsibility requirements that were set had an impact.

The 2018 Maturity Survey provides further insight on environmental considerations. Only 14% of contracting authorities stated that they follow up environmental aspects whilst executing a contract, to a very large or large extent. This number is higher for the area of pay and working conditions, where 38% responded that they think they have good routines for following up requirements to a large or very large extent, and the area of ethical trade / human rights where 26% responded that they have good routines for following up requirements.

Recipients of external financing (i.e., through one of Norway's financing institutions or programmes that aim at boosting sustainability), are required to submit reports once the action is implemented, but inspections are not done beyond the contracting authorities' own efforts.

The analyses drawn upon as part of the assessment of this indicator are testimony to the efforts that Difi is undertaking to capture good practices and invest in continuous improvement. During interviews, procurers frequently reported that they would build their procurement documents on those of other collages or previously conducted procurements in the same organisation.

A 2018 report by Oslo Economics analysed selected procurements, examining the CO2 and price effects of procurements. This analysis attempted to quantify the cost per tonne of CO2 reduction, and found a range from cost increases of more than NOK 5000 per reduced tonne of CO2 emission to cost savings of more than NOK 2000 per reduced tonne of CO2 emission. Such methods are not yet being applied on individual procurements in general.

Invoicing and payments

According to the core MAPS assessment which relied on data from DFØ, invoices are usually examined, processed and paid as stipulated in the contract, in line with international good practice (e.g., EU directives). With increasing digitalisation, invoice processing is being automated and further streamlined. According to information from Difi, an increasingly higher share of invoices are processed on time.

No information was found to indicate that suppliers faced challenges because contracting authorities were not paying on time.

Efficiency tools

As noted in the core MAPS assessment, efficiency tools are widely used in Norway. According to interviews, where these efficiency tools are used, they take into account other sustainability dimensions, such as environmental or social considerations. Contracting authorities reported examples of using tools like framework agreements that included sustainability considerations. For example, contracting authorities reported on framework agreements for cars, catering services and wheel chairs, among others. All of these included sustainability considerations in different dimensions, including environmental and social. Some contracting authorities have also included mechanisms to ensure uptake of these efficiency tools.

According to the 2018 Maturity Survey, two thirds of contracting authorities use category management to identify opportunities for greater efficiency. Procurements are centralised and consolidated to an extent. Over 70% collaborate internally to find common needs.

SMEs

As mentioned in the country context and the core MAPS assessment, Norway has a large number of SMEs and many suppliers are SMEs as well. Therefore, this topic receives attention from policy makers and contracting authorities. According to the 2018 Maturity Survey, 71% of contracting authorities always or often ensure that SMEs are not excluded from competitions because of qualification requirements or award criteria.

Representatives of industry associations and civil society acknowledged during interviews that the emphasis on labels, certificates and more advanced sustainability requirements might pose problems to SMEs. However, the interviewed stakeholders stated that contracting authorities and Difi would successfully mitigate this problem by being prudent about the level of requirements asked (i.e., asking a standard / certificate that was attainable also for small companies.)

Tools, templates, standard documents

As mentioned in the core MAPS assessment, Difi provides a range of standard procurement documents, templates and similar tools, and many consider sustainability (see also indicator 2). Concerning sustainability, Difi developed the Criteria Wizard, a tool suggesting standard text blocks related to environmental and social requirements for the five most relevant categories (Waste Collection; Food and Meal Services; Construction, Building and Property; ICT Equipment; and Transportation.) The wizard guides procurers of choosing relevant text blocks for their purpose, based on category, sustainability dimension and phase of the procurement cycle. One of the goals of developing the wizard was to facilitate participation by suppliers and give them clearer and consistent signals. The provided text blocks are not mandatory but a suggestion.

An indication of the dissemination of standardised procurement documents can be found in the use of the Criteria Wizard: its use has been slowly increasing since launch in 2018, from about 400 instances per month in August 2018 to a peak of 950/month in March (April and May are quieter months). Peak in number of sessions at over 1500 in March 2019. The category on building and construction is the most frequently used area.

Documents

Generally, procurement documents include sustainability requirements in the different phases of the procurement cycle; they are linked to the contract matter. This was confirmed by several studies undertaken by the Norwegian government to monitor different aspects of sustainability, such as rules on pay and working conditions or environmental criteria.

Procurers tend to model their documents after previous, successful versions of colleagues that are usually available electronically.

As stated in the core MAPS assessment, records for public procurement procedures are stored decentrally; files are generally accessible. In general, all contract notices (above threshold levels) are published on Doffin. Relevant procurement documents are usually freely available online, on the systems that provide competition services. Contract notices are standardised.

Data and statistics

As stated in the core MAPS assessment, Norway gathers procurement statistics and a general system is in place to measure and improve procurement practice. Some procurement statistics are available for some contracting authorities, including state owned enterprises; systems to measure and improve procurement practices are available accordingly. Notably, an effort has been placed on paying closer attention to environmental aspects of procurement.

At present, data is collected through the e-procurement system Doffin, ad-hoc market surveys and government accounting systems. Some institutions also use their own accounts to gather more detailed information on the number of transactions, suppliers, etc.

Stakeholder engagement

According to interviews, contracting authorities regularly include stakeholders in procurements, most frequently in the planning phase during the needs analysis, to develop specifications and tender documents. The MAPS Sample Analysis focused on involvement of various stakeholders prior to the announcement of the tender. End-users and suppliers are frequently consulted (in more than two thirds of the procurements.) Civil society and private citizens are involved to a limited extent. Discarding responses where the contracting authority considered the involvement of stakeholders as not relevant, 21% of the procurements could have involved suppliers, 43% could have involved industry organisations, 11% end users, 61% CSOs and 57% private citizens, illustrating the potential for increased stakeholder participation in public procurement.

Civil society organisations (interest groups) have been involved in procurements for example to determine adequate technical specifications, standards and performance levels on environmental criteria. At times, these organisations are hired as consultants to support the development of the specifications.

In one example (car purchase), a contracting authority worked with the end-users to determine aspects like the range of electric cars. This was a new approach that was necessary due to increased sustainability requirements.

Substantive gaps

Challenges with regards to sustainable public procurement in Norway exist in all phases of the procurement cycle and in the different areas of sustainability, which is why the gaps will be presented again along the public procurement cycle. As an overarching observation, however, it should be noted that monitoring and follow up of implementation and contract management are a particularly crucial area with gaps with respect to the MAPS Methodology. On the one hand, the gap is particularly large, with a relatively low share of contracting authorities undertaking meaningful follow up on sustainability considerations and the contract management of sustainable public procurement procedures. On the other hand, this gap represents crucial opportunities that can have effects on the overall uptake of sustainable public procurement, given the insight on what areas or approaches are successful or not. Another area of concern is the planning phase (which, as a side note, can also benefit from the insights from strengthened performance monitoring). A meaningful sustainability perspective applied in the planning phase, through needs and risk assessment and market research, has ripple effects throughout the procurement cycle, resulting in improved sustainability outcomes.

Needs analysis, market research, risk assessment

As reported in surveys and interviews, many, particularly smaller, contracting authorities do not conduct risk assessments and market research for specific procurements to a sufficient extent. As highlighted by the 2018 Maturity Survey, the majority of contracting authorities only sometimes or rarely conduct analyses to identify environmental impact of purchases, or risk analyses related to human rights and social issues. According to interviews, needs analyses are undertaken, but to a varying level of depth depending on the type of contracting authority. Often, contracting authorities lack capacity (both in terms of skills and numbers) to conduct such analysis. While the central level does provide guidance and support, it is not clear to what extent this support is adequately improving outcomes.

In relation to needs analysis and in line with the economic pillar of sustainability, it should be highlighted that the majority of contracting authorities do not try and avoid unnecessary purchases by systematically considering alternatives to a purchase (2018 Maturity Survey). This would be an important step to ensure the overall sustainability of procurement.

Clarity of Requirements

According to interviews, some room for improvement on the clarity of requirements and desired outcomes in relation to sustainability of contracts appears to exist especially for more complex procurements. In addition, reportedly smaller contracting authorities do face challenges in developing clear needs descriptions notably for complex sustainable public procurement procedures.

Some representatives from suppliers and contracting authorities stated in interviews that some tenders with a sustainability focus were not as clear as they should ideally be to encourage competition and participation of suppliers. Suppliers gave the contracting authority the feedback that the overall goal of a purchase and the sustainability consideration within that were not clear (e.g., the precise sustainability goal – reducing plastic use, energy consumption, or waste, and whether this should be done regardless of costs or rather in balance.)

Suppliers reported that they struggle with the diversity of requirements where there are no national or international standards, for example on the share of recycled content in ICT products.

Uptake of sustainability in the pre-contract stages

While sustainability is generally considered when preparing tenders, drafting technical specifications and determining selection and award criteria, there is room to expand the consideration of sustainability aspects during needs analysis and in the design of criteria. Especially smaller contracting authorities could use sustainability criteria more often; high-capacity contracting authorities often have additional room to pursue sustainability in their specifications or criteria. Contracting authorities were often reluctant to push the boundaries of what was possible in terms of sustainability, according to feedback from a range of stakeholders that were interviewed.

Good practice on using non-price criteria is not standard in all contracting authorities and not used evenly throughout the procurement system. Notably smaller contracting authorities with less capacity struggle to draft criteria that result in good competition and efficient satisfaction of needs.

According to interviews, labels are not used as frequently as they could be – given that they provide a useful way of ensuring compliance with sustainability requirements. According to feedback from industry and civil society representatives, notably smaller contracting authorities struggle. In some product groups, knowledge about labels and their appropriate use is low.

LCC is not used very frequently, as indicated by the sampling, previous analysis and interviews. Stakeholders reported that underlying data was often missing to calculate LCC properly, for example for building materials used in a construction.

Previous analysis undertaken by the Norwegian government confirms these gaps (see indicator 6). According to the 2017 sample analysis by Difi and Ethical Trade Norway, use of ethical requirements varies greatly between processes. One of the main reasons for this lack of implementation was a lack of expertise. The MAPS Sample Analysis also confirms this view.

It should also be noted that despite the strong emphasis by the Norwegian government on environmental sustainability, environmental aspects were the least widely promoted in terms of requirements in procurement procedures, according to the 2018 Maturity Survey.

Pursuing sustainability through contract clauses

While contract clauses are used to a larger extent to promote sustainability considerations, room for improvement exists, as evidenced by the quantitative findings from previous analysis. This is the case notably for human rights-related aspects. In the MAPS Sample Analysis, human rights-related aspects were featured in the contracts of 57% of the procedures. Other areas of sustainability are included in over 70% of the contracts in the sample cases.

Performance incentives are used, but not on a regular basis and not throughout the majority of procedures. Similar to previous assessment criteria, the challenge concerning this issue seems to be to scale up and disseminate good practices, which is currently not the case.

No systematic, quantitative analysis is available about the level and impact of contract amendments, as stated in the core MAPS assessment. Gathering more data on this question would enable an evidence-based analysis to ensure that sustainability considerations are actually carried through to the end of a contract as initially planned, and that the economic sustainability of the procurement process as such is safeguarded as well.

Monitoring and follow up on implementation of sustainability and its impact

The follow up on sustainability considerations, the monitoring of their implementation, and contract management with a view to sustainability requirements, represents one of the areas with the largest gaps. As previously, successful practices exist, while some, especially smaller contracting authorities, struggle to conduct follow up.

Follow up of contracts in general (not just sustainability clauses) is often a relatively weak point in procurement management, as illustrated by the 2018 Maturity Survey. According to interviews, practices differ widely. Smaller contracting authorities follow up more rarely, while good practices can be found in larger contracting authorities. Quality control and inspection do not follow a systematic and strategic approach (for example conducting inspection in the most risky procurements). The MAPS Sample Analysis and surveys highlight that only a limited number of procedures are followed by having strong routines for follow up on sustainability requirements (about a third in the MAPS Sample Analysis). Many contracting authorities reported capability and capacity constraints that would prevent them from properly following up on sustainability requirements through inspections or quality control of specific procedures. This was because contracting authorities (notably smaller ones) lacked staff and did not have sufficient time to undertake inspections. Often, technical expertise was lacking to conduct the follow up. Frequently, the production sites were located abroad and inspections would be too costly to conduct in addition to a significant time investment.

There is no systematic performance monitoring across the system on the timelines with which contracts are implemented. This is the case both for quantitative information (like the assessment criterion), but also qualitative follow up. While the contracting authority follows up the timelines of the implementation, there is no overarching monitoring on how the overall situation is. The quantitative criteria in this assessment criterion are not available as part of the functionalities of the e-procurement system.

Systematic and quantitative analysis about the efficiency and effectiveness of the procurement process is lacking. For example, the quantitative criteria in this assessment criterion are not available as part of the functionalities of the e-procurement system (see also indicator 8.)

As consequence of the weak performance monitoring, statistics are available, but gaps have been identified with regards to the detail of information on which statistics are available, notably with respect to sustainability aspects. Due to the decentralised nature of the public procurement system, information is not available to track sustainability aspects in a meaningful way.

Guidance and capacity

As part of the 2018 Maturity Survey, contracting authorities stated that they had used available guidance. Some highlighted that the key factor was not necessarily lacking guidance or tools, but rather lack of procurers to apply these.

Stakeholder engagement and transparency of documents

A gap persists in the diversity of stakeholders involved and the type of input they provide: while suppliers and end users participate in the planning phase of procurement, more could be done to strengthen notably the participation of civil society organisations and private citizens that are interested in the procurement. In addition, the involvement during the implementation phase remains limited – for example for systematically involving end-users in monitoring the implementation of procurements.

While the Norwegian public procurement system is generally open, the assessors identified some aspects where the decentralised e-procurement system results in transparency gaps. Research by journalists determined that for a large number of contract notices, no contract award notice was available. The European Union has been investigating this matter, given the low ratio of contract award notices to contract notices.

Some systems that contain procurement documents require users to be registered to access procurement documents. There are no restrictions to registration, but suppliers might be unwilling to register even though they might be willing and interested in the tender.

Recommendations

Investing in the capabilities for following up on sustainability considerations during contract management and implementation is crucial, not just for the insight gained into performance, but also due to the insights that can be taken up for other areas. A systematic, data-driven approach to monitoring sustainable public procurement performance would be ideal, as such an approach would also establish evidence for future insights and facilitate monitoring processes.

Follow up can take many different forms; the goal would be to ensure that the sustainability requirements that are set as part of a tender are in fact implemented, measured to the extent possible and can unfold their impact for citizens. Given the complexity of sustainability, several approaches could be part of a comprehensive approach to follow up:

- Consider monitoring the efficiency of public procurement processes in general and with the support of key performance indicators, such as the time that processes take, the level of competition, contract amendments, etc. Gathering this information is crucial to ensuring that the economic dimension of sustainable public procurement is optimised.
- Equip contracting authorities with the adequate capacity to conduct meaningful follow up. This can be in the form of expertise on important areas of sustainability, but should also include sufficient manpower to handle this procurement phase.
- Raise the awareness and capacity of procurers to conduct structured follow up in order to enforce sustainability clauses and performance clauses. Explore how contracting authorities can be supported in this phase by joint initiatives, such as joint inspections in high-risk areas, check lists, or similar. Invest in preparing models and guidance for monitoring and evaluation to be used by contracting authorities.
- Develop electronic, data driven systems that can support contracting authorities in the follow up. Further develop the e-procurement system to allow gathering on statistics around sustainable public procurement (i.e., highlighting procurements which consider “green” or social dimensions) and providing greater granularity of statistics while at the same time allowing for insights at the systems-level.

A second area would be to undertake efforts to increase the uptake of sustainability considerations in the different phases of the procurement cycle. The planning phase, needs assessment, risk analysis and market research are important in creating the foundations for successful sustainable public procurement processes. Insight from this phase is crucial in a next step to create meaningful specifications and criteria that consider sustainability and will ensure a successful outcome. Including sustainability requirements in the contract is another way to pursue sustainable public procurements. Finally, ensuring that sustainability considerations are followed up on can increase their implementation.

In working towards increased uptake of sustainability considerations, care should be taken to also ensure high quality of the sustainable public procurement processes. For example, suppliers voiced frustration about clarity. To improve this area and ensure good competition, it could be important to gather additional and systematic feedback from suppliers, to what extent requirements and desired outcomes in relation to sustainability are sufficiently clear.

No matter the phase of the procurement cycle, several actions can be taken to enhance the uptake of sustainability. Further inquiries with contracting authorities and suppliers could inform their choice. Measures can include the following:

- Ensure an increase in the capacity of contracting authorities and suppliers, in terms of available staff where this is a possible measure under the purview of the central level, but also in terms of skills.
- Training and awareness raising activities in general could be used to show the large room that the Norwegian legal and regulatory provides for sustainability considerations. Additional training and guidance on operationalising sustainability aspects could support implementation.
- Consider a database that facilitates identification of appropriate labels for specific product groups and their characteristics and that provides links to existing resources elsewhere, when relevant.
- Further efforts could be made to raise the capacity of procurers to use non-price criteria and LCC. For this, methodologies should be developed for specific, promising procurements, in agreement with suppliers and where available, on the basis of existing tools. Possibilities of expanding calculation tools could be studied, with the goal of gathering and providing information about materials.
- Additional standard text for contracts could be developed, for example model text blocks for incentivising performance.
- Gathering data and information can provide further evidence on uptake, including on the uptake of centrally provided tools, and what is missing to increase needs analysis, risk assessment and market research in smaller contracting authorities.

In addition, efforts should be made to identify the reason for the mismatch between procedures in Doffin and the available award notices (see also indicator 7). This seemingly small issue is crucial for ensuring transparency and accountability, but it can also provide insight into the use of the e-procurement system. This is a crucial insight on how the system could be improved to make it more user-friendly and fit for purpose.

Finally, raising awareness about the possibilities to involve stakeholders along the procurement cycle can improve the performance of sustainable public procurement processes. The need for additional, more detailed guidance could be explored.

Indicator 10. The private sector contributes to a more sustainable procurement market.

The objective of this indicator is primarily to assess the market response to public procurement solicitations. This response may be influenced by many factors, such as the general economic climate, policies to support the private sector and a good business environment, strong financial institutions, the attractiveness of the public system as a good, reliable client, the kind of goods or services being demanded, etc.

Overall, Norway's public procurement market for sustainability is well developed. Dialogue between the public and private sphere of public procurement contributes to better sustainability for Norway's citizens. Challenges exist in managing a successful dialogue in some industries and regions. In rare cases, smaller companies might face hurdles to participating in public procurement due to sustainability requirements. Statistics and information about suppliers could be expanded.

Findings

In a rather open society like Norway's, little encouragement by the government is needed for contracting authorities to engage in a dialogue with suppliers. According to interviews with public authorities, industry representatives, and suppliers, there is frequent exchange between these communities about sustainability aspects in public procurement, both with regards to concrete public procurement projects and with regards to public procurement rules. Both sides described exchanges as good collaboration. The dialogue is linked to the general push for more sustainable (and notably "greener") public procurement and the relative novelty in many technical aspects that this entails.

Different forms of dialogue are used in accordance with the law. A popular form to tackle sustainability requirements is the supplier conference, in which potential suppliers are invited to present innovative solutions. In the 2018 Maturity Survey, 33% of contracting authorities responded that they inform the market always or often about planned procurements.

Dialogue with an implication for sustainability is taking place in different phases of the procurement cycle, most frequently during the planning stage as part of market analysis and prior market consultation, but also during the contract implementation stage. For example, the contracting authority in charge conducted frequent meetings with operators of public transport – in this way, the contracting authority was able to determine compliance with requirements on working conditions.

Difi set up the "B.A.D." (Balanced Procurement through Dialogue, *balanserte anskaffelser gjennom dialog*). This programme actively supports dialogue processes connected to selected procurements where groups of procurers are planning the same type of procurement. Sustainability aspects have been focus topics of these exchanges. It has also helped to increase the capacity of potential suppliers in responding to tenders, notably in the area of sustainability where new and complex specifications are frequently set. The B.A.D. meetings helped clarify questions and expectations of contracting authorities.

Another successful programme to raise awareness and build the capacity of suppliers on sustainable public procurement is the National Programme for Supplier Development, which is a joint initiative by the public and private sectors (see core MAPS assessment). While the programme has a general public procurement focus, it has been instrumental in advancing the sustainability agenda, for example on for example on zero emission construction sites and zero emission high speed ferry concepts.

Several initiatives and efforts exist in Norway to ensure supplier diversity and inclusion of small and medium enterprises (SMEs). The latter represent the overwhelming share of employing firms in Norway and a large share of the suppliers in Norway. Difi has held various workshops and seminars on how to facilitate increased SME participation in public procurement. The Minister of Trade and Industry also sent a letter to all public authorities in Norway, encouraging them to use the possibilities in the new legislation and to consider the perspective of SMEs. Difi also provides some guidance to SMEs on how to participate in public procurement processes, and how to bid online. Contracting authorities frequently debrief suppliers, and as such, also SMEs. SMEs are also important beneficiaries of the B.A.D. programme mentioned above.

Generally, the Norwegian private sector is competitive, well organised, willing and able to deliver on sustainability requirements. In fact, several suppliers noted during interviews that contracting authorities would at times be less ambitious in their requirements than what the companies would be willing and able to supply. Having an ambitious sustainability proposition in their offers constitutes a competitive edge for many suppliers, and the demand by the public sector can be a reason for investing in developing these ambitious and innovative solutions.

Overall, the Norwegian government has been committed to sustainability and has worked towards creating a more sustainable economy. This is evident in a number of initiatives that aim at promoting the transition to a more sustainable economy (not just a more sustainable procurement market) through a wide range of actions, including reduced taxes on and costs for green goods and services. This, in turn, has incentivised also the public purchase of these goods, aside from the promotion of green public procurement. As reported by several contracting authorities, financing has been committed to cover higher costs due to more sustainable procurement. While most initiatives are related to environmental aspects, social aspects like working conditions and ethical supply chains are becoming increasingly important. Some of the social aspects are evidently more frequently pursued than the environmental aspects (see indicator 9.)

As mentioned in previous assessment criteria, notably indicator 9, contracting authorities in Norway do use certificates and standards to set sustainability requirements. According to feedback from suppliers and contracting authorities, the selected certificates and standards generally do not seem to hinder competitive public procurement. Contracting authorities are generally aware of the capacity needs associated with standards and of the needs of SMEs. Contracting authorities select those certificates and standards that are widely adopted and that are not overly difficult to attain. In addition, contracting authorities reported that they were flexible with regards to applying these labels to safeguard a good level of competition (i.e., not insisting on already existing labelling if a procurement has few bids and a potential supplier commits to working towards the labelling during the contract implementation phase.)

Different institutions with a link to public procurement have prioritised key sectors to improve sustainability. Among these institutions are Difi and the Ministry of Trade, Industry and Fisheries as regulators, who see themselves bound to implement overarching national objectives for sustainability. In addition, financing institutions who provide support to sustainable public procurements provide their financing based on identified key-sectors.

The following are examples of how the different sectors are engaged:

Buildings and works: Several initiatives like the “eiendomssektoren veikart for 2050” (Roadmap 2050 in the Real Estate Sector), with a list of recommendations for owners and managers of commercial buildings can contribute to sustainability.

Transport: Many local authorities are deeply engaged in sustainable mobility, including procurement requirements to goods and services, often supported by grants from the Environmental Agency (Klimasats programme). Bus service suppliers are among the front-runners in taking new technology in use, following the market pressure from the procuring local authorities, especially Oslo City/County. Contracting authorities reported good exchanges with potential providers who frequently offer innovative solutions that are then taken up by contracting authorities. Climate neutral ferries have a high priority, using innovative technology.

Food: Several initiatives on food quality and nutrition exist, for instance “*leve hele livet*” which provides quality food for the elderly; another example is the National Action Plan for Better Nutrition

(*Nasjonal handlingsplan for bedre kosthold* (2017-2021)), which includes dietary advice. The Norwegian government and twelve food industry organisations have signed a binding agreement to halve edible food waste across the food value chain in Norway within 2030. This reduction target is in line with the UN Sustainable Development Goal 12.3; it exceeds the commitments of the SDG as it covers the entire food value chain from primary production to consumers. Together with the private sector, Norway adopted a national target to reduce contaminated waste and increase recycling ("growth in contaminated waste must be substantially lower than economic growth, and resources in the waste are best utilized through material recovery and energy utilization"). Food suppliers have also been involved in developing sustainability criteria for food and catering. This work will continue.

ICT: ICT suppliers (and their branch organisations) are involved in the development of sustainable procurement criteria for ICT.

Substantive gaps

Some, albeit small, challenges exist in the area of supplier dialogues. These gaps are related to specific circumstances, i.e. sectors or geographic locations. While in general, supplier dialogue is handled successfully in the Norwegian public procurement system, these insights highlight the need for further and targeted support in circumstances where supplier dialogue is more difficult.

During interviews, stakeholders from industry and civil society report that in some sectors, dialogue was missing and conversations were limited to specific communities. This was noteworthy on the topic of circular economy, where problems were ideally tackled from different perspectives but silo thinking would sometimes prevent that. Feedback gathered during stakeholder interviews revealed that in more remote areas, suppliers would not attend a supplier meeting.

In addition, some contracting authorities seem to lack awareness on the benefits of supplier dialogues, and knowledge on how to manage dialogue adequately. One contracting authority responded that they preferred not to contact potential suppliers directly for dialogue to determine adequate sustainability requirements. Instead, the contracting authority relied on certification of companies to establish the abilities of the market and resulting specifications.

While the public procurement market overall seems to function well, challenges exist for smaller companies. They face greater difficulties in complying with the requirements of contracting authorities in the area of sustainability, notably with respect to certification. In addition, the geography of Norway, with many dispersed companies and low concentration of suitable suppliers can have a negative impact on competition. This is especially true in the area of sustainability, where innovative, technologically advanced solutions might not be available from a large number of suppliers.

In a similar way, there are some difficulties with regards to sustainability labels, standards and certificates in certain regions of Norway. Some regions do not have many potential suppliers that have been certified with the labels sought by contracting authorities. In these cases, the use of labels can limit an already restricted competition. In addition, stakeholders reported that some complex labels were not attainable for very small companies, but these cases seem to be limited.

Recommendations

As highlighted, challenges seem to exist with regards to the level of supplier dialogue in different contracting authorities. In this context, it could be promising to focus on further disseminating good practice across sectors and contracting authorities of varying capacity levels. In addition, programmes and forums for dialogue, as well as guidance on how to manage supplier relationships with integrity, could be maintained and expanded.

In this context, it would be important to explore the reasons why dialogue between contracting authorities and the private sector does not seem to be successful in some industries or geographic locations. Following research and additional consultations with suppliers and contracting authorities, identify adequate measures to provide targeted support in these specific circumstances.

Part of additional research should be to gather statistics about suppliers, their characteristics and contribution to sustainability targets of the contracting authority. This would allow gathering insights into strengths and weaknesses of the market in Norway. This information can also provide the basis for analysis on how the market might be strengthened to contribute more to greater sustainability.

Finally, given the large share of SMEs in Norway, it could be considered to support smaller companies in becoming certified in relevant fields, products or services. In addition, guidance on appropriately balancing the use of labels and competition aspects could be developed.

3.4. Pillar IV - Accountability, Integrity and Transparency of the Public Procurement System

Pillar IV includes two indicators that are considered necessary for a system to operate with integrity while ensuring sustainability. The pillar covers how stakeholders, including civil society, are involved to ensure sustainable public procurement. In addition, the pillar examines whether appropriate controls support the implementation of sustainable public procurement in accordance with the legal and regulatory framework.

The assessors found mixed results for pillar IV: while stakeholder engagement has been successfully employed to bolster sustainable public procurement, the control and audit framework is relatively weak with regards to sustainability. Sustainability is rarely considered in audits, capacity in this area is lacking.

Indicator 11. Transparency and civil society engagement foster sustainability in public procurement

Civil society, in acting as a safeguard against inefficient and ineffective use of public resources, can help implement sustainable public procurement, and ensure that it is implemented in a competitive and fair manner.

As an open and informal society, stakeholders find ample opportunity to input on sustainable public procurement, be it in the case of specific sustainable public procurement processes, or in the case of policy changes. Gaps relate to the involvement of private citizens and the visibility of how feedback is used.

Findings

Norway has an open culture with regards to politics and involvement of stakeholders in government processes. This general observation also applies to the area of sustainable public procurement. Norway has a transparent and consultative process when changing the procurement framework, as previously reported in the core MAPS assessment. This also includes changes with an impact on sustainability. For example, recently, Norway introduced a requirement to weigh sustainable criteria 30%. In introducing this requirement, the country followed consultative processes.

In interviews with stakeholders, representatives from a range of civil society organisations (industry representations, NGOs) confirmed that they had recently participated in consultations related to sustainable public procurement, such as the initiative to introduce the 30% sustainability requirement. In addition, stakeholders were involved in preparing criteria for sustainable procurement of food / catering. Contracting authorities reported that they regularly involved stakeholders in their procurements. In the sample analysis, contracting authorities reported that they regularly involved stakeholders, but rarely private citizens (4%), see indicator 9 above.

Amendments to the legal and regulatory framework for procurement follow the Instructions for Official Studies of Central Government Measures (*Utredningsinstruksen*), managed by the Norwegian Government Agency for Financial Management (*Direktoratet for forvaltning og økonomistyring*, DFØ) in accordance with its guidance notes. According to these documents, amendments to the Public Procurement Act and the regulations are subject to a consultative process where proposals are published and widely circulated to relevant stakeholders who are invited to submit comments. These rules require that the government takes into account the input, comments and feedback received on sustainable public procurement. Interviews with contracting authorities, regulators and stakeholders outside of the government confirmed that generally, input is being taken into account.

Programmes to build capacity regarding public procurement and sustainability focus on public procurers and potential suppliers. The assessors were unable to identify programmes that target other stakeholders.

Substantive gaps

Whilst overall stakeholders are relatively well-involved in furthering sustainable public procurement in Norway, some smaller challenges with regards to stakeholder engagement do exist. Challenges relate to ensuring full and broad inclusivity in all groups of civil society and in all areas of engagement. For example, capacity building programmes on public procurement that also touch on sustainability only target procurers and suppliers. These programmes do not target stakeholders beyond these two groups. Involving stakeholders from civil society can support a transparent and accountable system by equipping civil society with the necessary knowledge to act as appropriate watchdogs. It can also channel the views of end users into the procurement process. This is particularly important for sustainability, where some procurement goals (for example social aspects like pay and working conditions) could benefit from the feedback of persons concerned.

While the assessors found evidence for participation of organisations and institutions, there was no evidence that *private citizens* were regularly involved. The MAPS Sample Analysis for example only included one out of 28 cases where private citizens were involved. Given that Norway can be considered a very open society, there is an indication that private citizens do have the opportunity to be involved in procurements if they wish. However, it remains unclear to what extent this is taking place in reality or to a larger extent. The perspective of private citizens who are not organised in civil society organisations can be valuable for planning and managing public procurement processes successfully.

Aside from the involvement of stakeholders, a gap relates to how the input of stakeholders is used by the government. While the assessors did not find indications that the feedback from civil society is not taken into account, some stakeholders reported that it was not always clear how input had been taken into account. For example, stakeholders stated that they had submitted comments on the proposal to introduce a requirement to weigh green criteria at least 30% for purchasing food / catering. However, there was no information on how this input was used and how the ultimate decision or choice by the

government had been brought about. Providing this kind of information provides visibility and transparency about political decision-making processes, and in turn creates trust in the government. It can strengthen support of political measures and ensure implementation.

Recommendations

Norway could build on existing initiatives and programmes to increase stakeholder participation. Some of these recommendations represent "low hanging fruit". For example, the government could consider to open up existing capacity building programmes for interested stakeholders beyond procurers and suppliers, such as private citizens or relevant civil society organisations. This might not be a relevant approach for all initiatives or programmes, but selected initiatives could benefit by including a wider stakeholder community.

In addition, the government could give more room to the involvement of private citizens in public procurement, for example by disseminating tender documents widely or involving them in consultation events for particularly sensitive procurements.

Finally, for more complex processes that include stakeholders, such as policy consultations or large and complex procurements, more emphasis could be placed on debriefing about outcomes of these consultations and how stakeholder feedback is used. This could be a written commentary or communicated verbally in a debriefing meeting.

Indicator 12. The country has effective control and audit systems that cover sustainability in public procurement

The objective of this indicator is to determine the quality, reliability and timeliness of the audit and controls with regards to sustainable public procurement. The indicator considers the extent to which sustainability is considered as part of public procurement audits, capacity, and the independence and level of implementation of audit recommendations.

Norway's control and audit framework provides space to include sustainability considerations in public procurement audits. However, specific considerations remain limited. Limited sustainable public procurement audits are conducted in practice. Institutions in charge lack capacity, and if evaluations are conducted, these consider limited areas of sustainability.

Findings

Audit and control are weak points in relation to sustainable public procurement in Norway. Some good practices to follow up on sustainability considerations exist in some contracting authorities, but the approach cannot be considered systematic and remains limited.

Considering the country context, it should be noted that Norway's society and institutions are not traditionally prone towards controlling and auditing. On the contrary, as a highly trust-based society, it is assumed that the different parties to a transaction fulfil their share of the agreement, including sustainability requirements. Nevertheless, audit and control can be important activities to ensure the effectiveness of sustainable public procurement in an objective way.

Norway has no written standards and procedures for internal and external controls and audits addressing public procurement in particular, nor in respect of legal provisions and key elements of sustainable public procurement. The standards and procedures for control and audit do not make reference explicitly to sustainable public procurement (i.e., there are no specific considerations on

how to audit or control for sustainability aspects specifically.) However, the applicable standards do seem to provide sufficient room to include sustainability aspects as part of the audit, notably as part of performance audits: given that sustainability is part of overarching strategies that are applicable to the purchasing of contracting authorities, sustainability can be the focus of an audit. In addition, everything that is included in a contract is automatically subject to audits if they are undertaken.

According to stakeholder interviews, training programmes for auditors include public procurement aspects (see also core MAPS assessment), but not specifically issues related to sustainable public procurement. The same finding applies for auditors on national and municipal level – while training includes procurement aspects, sustainability is not necessarily part of it. Similarly, employees at the complaints body KOFA do not receive specific training on sustainable public procurement.

According to interviews with stakeholders from inspection bodies and auditors, those audit teams conducting audits under consideration of sustainable public procurement do have sufficient skills to conduct these audits. For example, both the Labour Inspectorate and the Agency of Improvement and Development (*Utviklings- og kompetanseetaten,* UKE) in the City of Oslo compose audit teams that include diverse profiles and expertise to cover whatever area of expertise is needed in the concrete audit. At times, audit teams hire external expertise to supplement necessary knowledge especially in the area of sustainability.

Representatives from KOFA mentioned that the capacity of employees at KOFA was sufficient to deal with the arising complaints, also from a sustainability perspective.

Interviews with stakeholders revealed that individual contracting authorities include sustainability in audits and follow-up measures. Examples include the work of the Norwegian Labour Inspectorate, who regularly inspects the implementation of public procurement projects to detect violations of labour regulations (social dimension of sustainability.) The municipality of Oslo has a department that regularly evaluates the value for money public procurements and in doing so regularly considers sustainability aspects. This includes both the social dimension (work related crimes, “social dumping”, etc.) as well as environmental considerations as stipulated in public procurement contracts. The targets of the audits are determined based on risk analysis and in consultation with the municipal committee in charge with overseeing this work.

Limited quantitative information was available. As part of the MAPS Sample Analysis, several contracting authorities report that they would follow up on sustainability considerations and requirements (see also indicator 9), although not as part of audits. No information on audit reports or audit recommendations related to sustainable public procurement and their implementation was available. The City of Oslo reported that 20 out of 60 Value for Money audits related to sustainability in the last years (approximately a third).

Several analyses related to sustainable public procurement have been carried out, either by contracting authorities, overseeing ministries or other institutions with an interest in the matter (e.g., supplier association NHO on work-related crimes.) However, there are no systematic, independent evaluations undertaken related to sustainable public procurement.

The existing evaluations were always related to a certain pillar of sustainability (i.e., evaluating to what extent human rights abuses in the supply chain are considered), or the sustainability footprint of specific purchases (i.e., of specific works with a sustainability goal.) Norway’s supreme audit institution *Riksrevisjonen* has conducted an evaluation on minimum wages (see indicator 6 and 9.)

Substantive gaps

The assessors identified relatively large gaps with regards to control and audit of sustainable public procurement, touching upon all sub-indicators:

- Sustainability is not specifically considered in the written aspects of the control and audit framework, be it in the legal and regulatory framework, guidance, standards or instructions.
- Training for auditors does not consider sustainable public procurement.
- Capacity to audit or (in a more general sense) follow up on sustainability considerations is lacking on a systemic level.
- The assessors were unable to find evidence that sustainability is considered in audits and follow-up measures throughout the public procurement system and in a variety of contracting authorities on all levels.
- No systematic, independent evaluation is taking place to assess the economic, environmental and social impacts of sustainable public procurement.

As described in the section on findings, some contracting authorities have successfully undertaken audits of sustainability aspects and some institutions have conducted analyses that follow a similar goal to identify the level of execution of sustainability aspects in public procurement. However, these initiatives remain limited to the most advanced contracting authorities.

These few experiences illustrate challenges associated with audit and control of sustainable public procurement. First, those authorities conducting sustainability audits appear to have a high level of capacity, a lack of which seems to prevent other contracting authorities from conducting follow up on sustainability, according to interviews (see also indicator 9).

Second, the focus of audits remains limited; there is no comprehensive sustainability focus. This overarching perspective could identify any combined impact that results from the interacting of different sustainability areas. Often, social, environmental and economic factors have to be balanced against each other. A review can help to understand, whether this balancing process is done in an adequate, efficient and effective way.

Third, reviews are not done with a great level of independence. While there is no indication that existing audits or evaluations were biased, independent, external and systematic audits of sustainability aspects could add an additional layer of understanding that can be crucial for advancing sustainable public procurement.

Recommendations

Given the extent of the gaps with regards to auditing sustainable public procurement, a set of co-ordinated and comprehensive measures would be advised.

Norway could reflect the practical considerations of sustainability in the written elements of the control and audit framework and provide more space to control and audit of sustainability considerations. Sustainability could be considered in the rules for controlling and auditing public procurement explicitly, as well as in written guidance related to control and audit.

Norway could work towards increased capacity of auditors and inspectors in relation to sustainable public procurement. The need for capacity in different contracting authorities, oversight institutions and auditing units responsible for auditing, controlling and following up on sustainability considerations in public procurement could be evaluated. In conducting this evaluation, needs for capacity both in terms of areas of expertise and in terms of numbers should be determined. Following

this gap analysis, ways to increase capacity to audit sustainable public procurement could be determined, ranging from increasing the number of staff in auditing departments, training, hiring external expertise, guidance and creating new institutional arrangements. In addition, the creation of training modules could be considered; these training modules could be offered to auditors on national and subnational level.

Measures to support auditors on all governmental levels in conducting sustainable public procurement audits could be explored. This could entail including sustainable public procurement in the work of the Supreme Audit Institution, either as part of the regular audits or as dedicated audits. Information from such audits can be crucial for supporting the implementation of sustainability goals and national sustainability strategies and policies.

The government could explore the relevance of and need for independent and systematic evaluations related to sustainable public procurement. Such analyses could not only improve the impact by establishing an accountability mechanism and showing where sustainability goals have not been met. These evaluations can also create valuable information that might be useful for considering future changes to the legal and regulatory framework, training and guidance for procurers. Finally, such evaluations can provide visibility which actions – in line with national policies and strategies – provide the largest impact for every tax Kroner spent, based on concrete evidence, and which other actions might not live up to expectations in that regard.

4. Consolidated Recommendations

Strategic (legal and regulatory) framework to support SPP

By launching the development of a green public procurement strategy, Norway is shaping the strategic framework for sustainable public procurement (SPP). Additional measures in this area could be important to further strengthening the foundation for SPP. Continuing this work is important, and could serve to develop a further-reaching SPP policy and action plan taking into account wider sustainability goals including social considerations and human rights in public procurement.

In this context, strengthening Difi's mandate to include sustainable public procurement on a permanent basis would be a necessary step to establish administrative and political sustainability to the SPP agenda. Norwegian authorities could assess the benefits of setting up an institutionalised inter-agency and inter-ministerial collaboration on the topic of sustainability.

While already well-established, a few aspects of the legal and regulatory frameworks for public procurement could be sharpened. Aspects to be explored include the legal definition of the concept of sustainability, and clarifying provision related to exclusion criteria as well as the 30% weighting rule through legal guidance. Introducing standard methodologies could facilitate LCC calculation and adoption. In addition, authorities could consider expanding the legal underpinning of the contract management function with respect to SPP. Norwegian authorities could also explore consolidating existing sustainability regulations for public procurement into an overarching instrument, or ensure that public procurement stakeholders are aware that all relevant regulations are available via Difi.

Budgetary process and SPP

Norway could conduct a detailed assessment of practical barriers to SPP resulting from the budgetary process. This should include an analysis of the incentives for public buyers to generate savings over the lifetime of a good or service across organisations or entities. As with SPP in general, it is crucial to disseminate information about how smart and strategic budgeting and accounting can support SPP, such as environmental and social accounting systems.

Focus on the implementation of SPP

The success of SPP hinges on the actual uptake of SPP in procurement procedures. Most recommendations highlighted in this report work towards this goal. Several, particularly salient measures to improve the implementation of SPP are summarised here.

Awareness raising

Efforts to increase the update of SPP start with the awareness of procurers and contracting authorities of the available possibilities. Disseminating information about the requirements, benefits and opportunities related to SPP is paramount. Authorities could consider running dedicated visibility campaigns on CPBs' activities dedicated to SPP, aimed at CPBs' clients and the wider public, showcasing benefits from consolidated, sustainable purchasing.

Norwegian authorities could target small and municipal contracting entities in their support and awareness raising activities related to SPP; these contracting authorities are generally an especially promising group for targeted support, as their capacity tends to be lower in most OECD countries.

A particular area for guidance and awareness raising is on how to effectively assess risks and opportunities in the context of SPP, as well as the using the 30% weighting of environmental award criteria. Finally, raising awareness about the possibilities to involve stakeholders along the procurement cycle can improve the performance of sustainable public procurement processes.

Training, advice and assistance on sustainable procurement

A second area to enhance the uptake of SPP is to equip procurers and contracting authorities with the means they need to successfully conduct SPP and include sustainability considerations throughout the procurement cycle. In general, care should be taken to ensure a generally high quality of public procurement processes, such as clarity and competition.

Capacity takes two forms in this context, ensuring that contracting authorities and suppliers have a) the necessary skill set, but also b) a sufficient number of staff to handle at times complex SPP processes.

Investment in continuous education and SPP leadership is paramount. The sustainability dimension could be expanded in the existing training offer. Authorities could also consider strategies to expand the academic offer on SPP in a more targeted way. Dedicated programmes for training or qualification on SPP could be envisioned, too. Particularly worthwhile would be to design a structured training programme on non-price criteria and LCC methodology, targeted to contracting authorities' experience in and needs.

As part of an effort to strengthen advisory services, Norwegian authorities could also consider developing additional tools, templates, model texts, calculators, and internet seminars. In doing so, a focus could be placed on challenging areas such as contract management, non-price criteria and performance requirements. A database facilitating identification of appropriate labels for specific product groups could be useful. Developing sound LCC methodologies aligned to current EU practices could be a further area of work. In addition, dedicated, ad-hoc external expertise could prove a valuable resource for municipalities.

Contract follow up

Investing in the capabilities for following up on sustainability considerations during contract management and implementation is crucial, not just for the insight gained into performance, but also due to the insights that can be taken up for other areas. A systematic, data-driven approach to monitoring sustainable public procurement performance would be ideal, as such an approach would also establish evidence for future insights and facilitate monitoring processes.

Follow up can take many different forms; the goal would be to ensure that the sustainability requirements that are set as part of a tender are in fact implemented, measured to the extent possible and can unfold their impact for citizens. Given the complexity of sustainability, several approaches could be part of a comprehensive approach to follow up, along the lines of the general needs as part of increasing the uptake of SPP, such as adequate capacity to conduct meaningful follow up and the awareness that follow up is necessary and beneficial. At the central level, authorities could explore how contracting authorities can be supported in this phase, be it through electronic and data gathering

systems or through joint initiatives, such as joint inspections in high-risk areas, check lists, or similar. Models and guidance for monitoring and evaluation could be developed as well.

Reporting, evaluation and monitoring

Gathering and analysing information – data – on SPP is paramount to ensure an effective SPP policy.

Establishing strong data gathering systems

A starting point could be to create a digital environment that would allow tracking the full sustainability process and deriving insight for policy decisions. Reporting from contracting authorities on SPP should be available at a centrally located unit for analysis, including data that can serve to construct key performance indicators (KPI). All aspects of sustainability should be taken into account. The authorities could also explore whether such monitoring and reporting function would necessitate further institutionalisation, such as the explicit inclusion in Difi's permanent mandate, and whether actions need to be taken to ensure that Difi faces no barriers to access of data for monitoring purposes, in particular with respect to data available via private providers. If necessary, they could consider strengthening Difi's mandate with regards to monitoring of SPP.

Topics that should be featured in data gathering include SME participation, statistics about suppliers and the market for sustainability, and inquiries to identify the reason for the mismatch between procedures in Doffin and the available award notices.

Using data: evaluations and analysis

Once information and data is gathered in a format that allows for analysis, a rigorous framework for analysis should be established. A performance monitoring framework should consider the efficiency of public procurement processes in general with the support of key performance indicators, such as the time that processes take, the level of competition, contract amendments, etc. Gathering this information is crucial to ensuring that the economic dimension of sustainable public procurement is optimised.

The government could explore the relevance of and need for independent and systematic evaluations related to sustainable public procurement. Such analyses could not only improve the impact by establishing an accountability mechanism and showing where sustainability goals have not been met. These evaluations can also create valuable information that might be useful for considering future changes to the legal and regulatory framework, training and guidance for procurers. Finally, such evaluations can provide visibility which actions – in line with national policies and strategies – provide the largest impact for every tax Kroner spent, based on concrete evidence, and which other actions might not live up to expectations in that regard.

Audit

In extension of the performance monitoring, audit can be an important element to promote sustainable public procurement and ensure its effective implementation. Given the extent of the gaps with regards to auditing sustainable public procurement, a set of co-ordinated and comprehensive measures would be advised. Measures should include incorporating sustainability in the legal and regulatory framework for public procurement control and audit, as well as in guidance. Capacity of auditors and inspectors should be increased to ensure adequate coverage of the sustainability dimension in public procurement audits.

Stakeholder participation and supplier dialogue

Norway could build on existing initiatives and programmes to increase stakeholder participation. Some of these recommendations represent “low hanging fruit”, such as opening existing capacity building programmes for interested stakeholders beyond procurers and suppliers. More room could be given to the involvement of private, individual citizens in public procurement, for example by disseminating tender documents widely or involving them in consultation events for particularly sensitive procurements. More emphasis could be placed on debriefing about outcomes of consultations and how stakeholder feedback is used.

Similarly, to improve the dialogue with the market on sustainability, good practices could be disseminated across sectors and contracting authorities of varying capacity levels. Programmes and forums for dialogue, as well as guidance on how to manage supplier relationships with integrity, could be maintained and expanded.

Research could clarify why dialogue between contracting authorities and the private sector does not seem to be successful in some industries or geographic locations. Given the large share of SMEs in Norway, dedicated support for smaller companies in receiving could be useful, as well as guidance for contracting authorities on how to balance sustainability requirements.

5. Information regarding Validation

This assessment was launched in May 2019. The fact finding meetings were conducted on 10-13 October 2019. The annexes provide an overview of stakeholders that were interviewed during this mission, as well as a list of the most pertinent source documents consulted as part of the analysis. The assessment included the analysis of 28 sample procurement procedures, which were selected by Difi to cover a range of sectors and contracting authorities relevant for sustainable public procurement.

Difi reviewed the report at various stages of its preparation, with a first draft having been shared in November 2019. First results were presented and discussed at the launch meeting for the action plan to increase the proportion of climate- and environmentally-friendly public procurement and green innovation to increase green public procurement on 2 December 2019. The meeting gathered relevant stakeholders in the area of public procurement and sustainability, including Norway's Minister for Climate and the Environment. The MAPS SPP assessment will serve as input for this action plan. Initially, a validation workshop with the stakeholders was planned for March 2020, for which a second draft was prepared. This workshop was postponed due to the COVID-19 pandemic. Eventually, an online validation workshop was held in June 2020, and, based on the positive feedback received, this final report was prepared for publication.

Given that this assessment was conducted to test the Supplementary Module on Sustainable Public Procurement, no Technical Advisory Group has been involved. Instead, a peer expert from UN Environment that contributed to the development of this module was part of the assessment team, ensuring the necessary quality assurance for its application. Furthermore, findings and lessons from this assessment were discussed with the MAPS Steering Committee meeting and contributed to the final version of the MAPS SPP Module, as presented in the Lessons Learned report completed in tandem with the assessment.

Annex 1: Stakeholders involved in the assessment

Category	Name of Institution	Name
Academic institutions	Difi Public Procurement Academy	Kristine Lindberg Barbro Bottheim
	Kristiania University College [Høyskolen Kristiania]	Marius Langseth Morten Irgens
	Molde University College [Høgskolen i Molde] (One year study in Public Procurement)	Geir Arne Svenning
	Norwegian Business School [Handelshøyskolen BI]	Marit Sjøvaag
Authorities in charge of internal and external controls and audits and Procurement appeals body	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt] (Difi)	Dag Strømsnes Trygve Laake Odd Olaf Schei
	Direktoratet for arbeidstilsynet	Pål H. Lund
	Fylkesmannen i Rogaland	Erik Cockbain
	KOFA (Norwegian Complaints Board for Public Procurement)	Jonn Sannes Ramsvik
	Kommunerevisjonen i Oslo	Lars Normann Mikkelsen
	Ministry of Trade, Industry and Fisheries [Nærings- og handelsdepartementet]	Monica Auberg
	Riksrevisjonen	
Central government	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt] (Difi)	Ingrid Kolderup Trygve Laake Martin Standley Anne Cathrine Jacobsen
	Difi (Training)	Marit Holter-Sørensen Anna Katrine Hvardal Bente Hagelien Andre Hoddevik
	Ministry of Transport [Samferdselsdepartementet]	Per-André Torper
	The Norwegian Government Agency for Financial Management [Direktoratet for forvaltning og økonomistyrin, DFØ]	Wibecke Høgsveen
Central government (normative / regulatory function)	Ministry of Climate and Environment [Klima- og miljødepartementet]	Hæge Andenæs Kirsten Jacobsen
	Ministry of Finance [Finansdepartementet]	Astri Tverstøl
	Ministry of Labour and Social Affairs [Arbeids- og sosialdepartementet]	Torkel Sandegren
	Ministry of Local Government and Modernisation [Kommunal- og moderniseringsministeren]	Asgeir Fløtre
	Ministry of Petroleum and Energy [Olje- og energidepartementet]	Elise Ivara Dahl

	Ministry of Trade, Industry and Fisheries [Nærings- og fiskeridepartementet]	Anja Johansen Siverts
Central government (training, normative / regulatory function)	Norwegian Environment Agency [Miljødirektoratet]	Marit Hepsø
Centralised procurement body	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt, Difi]	Anna Katrine Hvardal Jonas Karstensen
	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt, Difi]	
	Defence Procurement [Forsvarets logistikkorganisasjon, FLO / Forsvarsmateriell]	Elisabeth Kristensen
	Municipality of Oslo [Oslo commune], UKE, Procurement department	Gunnar Wedde
	Police Procurement [Politiets fellestjeneste]	Anne Siri Røthe
	Statens innkjøpssenter (Central Government Procurement)	Kjetil Østgård
	Hospital Purchasing [Sykehusinnkjøp]	Kjetil Istad
Contracting authorities / Experts	Government Purchasing Centre [DIFI / STATENS INNKJØPSSENTER]	Ken Patrick
	Purchasing of the Gjøvik Region [Gjøvikregionen – Anskaffelser]	Arve Sandvoll
	Intermunicipal ICT Services Nordhordland [Interkommunale IKT-tenester Nordhordland]	Bjørn Tore Vaktskjold
	NSB AS/Vy	Kristian Scavenius
	Difi (Transport)	Odd Olaf Schei
	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt, Difi]	Hans Olaf Delviken
	Avinor	Tor Ivar Hansen
	Municipality of Skjedsmo [Skjedsmo kommune]	Ine Høyer
	Statsbygg (public works)	Bård Sandbæk
	Municipal Undertaking for Educational Buildings and Property [Undervisningsbygg]	Eivind Dahl Thoresen
	Procurement Cooperation of Upper Romerike [Øvre Romerike innkjøpssamarbeid]	Tor Kjærstad
	Former Judicial Director of Omsorgsbygg [Tidligere jurdidisk direktør Omsorgsbygg]	Jon Søland
Contracting authorities / sample tenders	Norwegian Labour and Welfare Administration [Arbeids- og Velferdsetaten, NAV]	Ingeborg Anthun Asbjørnsen
	Municipality of Bærum [Bærum kommune]	Christian Falkenaas

	The Armed Forces / Defense Logistics Organization [Forsvaret v/Forsvarets logistikkorganisasjon]	Halvor Wang Opaas
	Municipality of Hamar [Hamar kommune] (Transport)	Ole Mattis Furuseth
	Ruter (Transport)	Kristin Holter Hellik Hoff
	Municipality of Trondheim [Trondheim kommune] (Transport)	Vibeke Klock Fleten
	Municipality of Trondheim [Trondheim kommune]	Marianne Stålaker
	Stavanger University [Universitetet i Stavanger]	Kevin Tysdal
	VOIS (Transport)	Pia Charlotte Berg
Focus group on circular economy	Avfall Norge (waste disposal)	Nancy Strand
	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt, Difi]	Helene Hoggen Tonje Nerby
	Circular Norway	Cathrine Barth
	Norwegian Building Authority [Direktoratet for byggkvalitet]	Ingunn Marton
	Packagin Association [Emballasjeforeningen]	Kari
	Consumer Council [Forbrukerrådet]	Gunstein Instefjor
	Municipality of Fredrikstad [Fredrikstad kommune]	
	Green Dot Norway [Grønt Punkt Norge]	Johannes Daae
	Innovation Norway [Innovasjon Norge]	Bergny Irene Dahl
	KS bedrift (Employers' association for enterprises in the municipal sector)	Kristine von Hanno
	Norwegian Environment Agency [Miljødirektoratet]	Christoffer Back Vestli
	The Environment Council in Brussels [Miljøråden i Brussel]	Hege Olbergsveen
	The Confederation of Norwegian Enterprise [Næringslivets Hovedorganisasjon, NHO]	Arnhild Dordi Gjønnes
	Norsk gjenvinning (recycling)	Thomas Mørch
	Federation of Norwegian Industries [Norsk industri]	Gunnar Grini
	Norwegian Centre of Circular Economy [Norsk senter for sirkulær økonomi]	Camilla Brox
	Norwegian University of Science and Technology [Norges teknisk-naturvitenskaplige universitet, NTNU]	Eivind Kristoffersen
	Municipality of Oslo Environment Agency [Oslo kommune Bymiljøetaten]	Cecilie Karina von Hirsch Anja Stokkan
	Municipality of Oslo [Oslo kommune UKE	Espen Nicolaysen
	Oslo Municipal Undertaking for Educational Buildings and Property	Bodil Motzke

	[Oslo kommune Undervisningsbygg]	
	Accounting Norway Regnskapnorge	Christine Lundberg Larsen
	Sintef (research company)	Susie Jahren
Funding instruments	Difi	Marit Holter-Sørensen
	Enova	Merete Knain Anita Fossdal
	Innovation Norway (Innovasjon Norge)	Ketil Lundgård
	Kommunalbanken Norway (KNB)	Torunn Bråtå
	Norwegian Environmental Agency (Klimasats)	Marit Hepsø
	The Research Council of Norway (Forskningsrådet)	Idun Lyngstad
NGOs / civil society	Bellona (environmental NGO)	Christian Eriksen
	Environmental Product Declaration (EPD)	Håkon Hauan
	Ethical Trade Norway [Etisk handel Norge]	Magne Paulsrud
	Forum for Environment and Development [Forum for utvikling og miljø]	Kristina Froberg
	Fremtiden i våre hender (NGO for green consumption and recourse justice)	Ida Thomassen
	Norwegian Retailer's Environment Fund [Handelens miljøfond]	Rasmus Hansson
	Eco-lighthouse [Miljøfyrtårn]	Ann-Kristin Ytreberg
	Miljømerking Norge (Organisation that manages two official eco-labels in Norway)	Tormod Lien
	Norwegian Society for the Conservation of Nature [Naturvernforbundet]	Martin Leander Brandtzæg
	Rainforest Foundation Norway [Regnskogfondet]	Solveig Firing Lunde
	Transparency international	Guro Slettemark
	WWF	Christine Spiten
	Zero	Marius Gjerset
Private sector / Experts	Arkitektbedriftene (Industry Organisation for Architectural Firms)	Anette Bakker
	Federation of Norwegian Construction Industries [Byggenæringens landsforening, BNL]	RANNVEIG RAVNANGER LANDET
	Contractors Association - Building and Construction [Entreprenørforeningen bygg og anlegg, EBA]	Snorre Fuhr
	Norwegian Association of Heavy Equipment Contractors [Maskin entreprenørenes forbund]	Håvard Almås
	Association of Consulting Engineers [Rådgivende ingeniørers forening]	Ari Soilammi
	Virke, the Enterprise Federation of Norway	Camilla Gramstad

	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt, Difi]	Elisabeth Sandnes
	CHG Meridian	Jan Thore Johnsen
	Agency for Public Management and eGovernment [Direktoratet for forvaltning og ikt, Difi] (ICT)	Sarah Fossen Sinnathamby
	Dustin	Henrik Lampe Jan Helge Aker
	ASKO	Marius Råstad, Knut Aaland
	The Confederation of Norwegian Enterprise [Næringslivets Hovedorganisasjon, NHO], Transport	Jofri Lunde
	IKT Norge	Line Gaare Paulsen
	Matvett	Anne Grete Haugen
	The Confederation of Norwegian Enterprise [Næringslivets Hovedorganisasjon, NHO mat og drikke	Terje Slettnes
	Norsirk	Guro Kjørsvik Husby
	Sykeshusinnkjøp (Health)	Pia Trulsen
	MedtekNorge	Henriette Ellefsen Jovik
		Sigrid Strand-Hanssen
	Finance Norway	Idar Kreutzer
	Norwegian Confederation of Trade Unions [LO Norge]	Jonas Bals
	The Confederation of Norwegian Enterprise [Næringslivets Hovedorganisasjon, NHO]	Arnhild Dordi Gjønnes
	Unio (The Confederation of Unions for Professionals)	André Oktay Dahl
Training institutions	Klima Østfold	Guro Nereng
	LUP, National Programme for Supplier Development [Nasjonalt program for leverandørutvikling]	Mathea Fjukstad Hansen
	Norwegian Association of Local and Regional Authorities [KS]	Beatrice Dankertsen Hennyng Kjetil Bjørklund

Annex 2: Source Documents

The detailed assessment results (i.e. at sub-indicator level using the provided Excel-Sheet) are available in the indicator matrix file. The documents analysed for this assessment were:

Laws and regulations

Bevilgningsreglementet [Allocation regulations], https://www.regjeringen.no/no/tema/okonomi-og-budsjett/statlig-okonomistyring/bevilgningsreglementet/id439274/

Forskrift om energi- og miljøkrav ved anskaffelse av kjøretøy til veitransport [Directive defining obligatory specifications of maximum emission of CO2] https://lovdata.no/forskrift/2017-12-11-1995/§5

Forskrift om forsvars- og sikkerhetsanskaffelser [Defence and Security Regulation] (FOR-2013-10-04-1185) https://lovdata.no/dokument/SF/forskrift/2013-10-04-1185

Forskrift om innkjøpsregler i forsyningssektorene [Utilities Regulation] (FOR-2016-08-12-975) https://lovdata.no/dokument/LTI/forskrift/2016-08-12-975

Forskrift om konsesjonskontrakter [Regulation on Concessions Contracts] (FOR-2016-08-12-976) https://lovdata.no/dokument/LTI/forskrift/2016-08-12-976

Forskrift om lønns- og arbeidsvilkår i offentlige kontrakter [Regulation on pay and working conditions in public contracts] https://lovdata.no/dokument/SF/forskrift/2008-02-08-112?q=forskrift%20om%20l%EF%BF%BDnns-%20og%20arbeidsvilk%EF%BF%BDr

Forskrift om offentlige anskaffelser [Public Procurement Regulation] (FOR-2016-08-12-974) https://lovdata.no/dokument/LTI/forskrift/2016-08-12-974

Forskrift om plikt til å stille krav om bruk av lærlinger i offentlige kontrakter [Regulation on the obligation to request apprentices in public contracts] https://lovdata.no/dokument/SF/forskrift/2016-12-17-1708?q=forskrift%20lærlinger

Lov om offentlige anskaffelser [Public Procurement Act] (LOV-2016-06-17-73) https://lovdata.no/dokument/NL/lov/2016-06-17-73

Ministry of Finance (2003) Reglement for økonomistyring i staten Bestemmelser om økonomistyring i staten [Regulations for financial management in the state - Regulations on financial management in the state] https://www.regjeringen.no/globalassets/upload/fin/vedlegg/okstyring/reglement_for_okonomistyring_i_staten.pdf

Ministry of Local Government and Modernisation (2018), Virksomhets og økonomiinstruks [Business and financial instructions] https://www.regjeringen.no/contentassets/7f9b178a808649dfad4bc4ae2401ae07/instruks_difi.pdf

Ministry of Local Government and Modernisation, Tildelingsbrev 2019 – Direktoratet for forvaltning og IKT https://www.regjeringen.no/contentassets/7f9b178a808649dfad4bc4ae2401ae07/2019_difi.pdf

Government strategies

Meld. St. 22 (2018-2019) Smartere innkjøp – effektive og profesjonelle offentlige anskaffelser [Smarter purchasing - efficient and professional public procurement] https://www.regjeringen.no/no/dokumenter/meld.-st.-22-20182019/id2641507/

Meld. St. 27 (2016–2017) Industrien – grønnere, smartere og mer nyskapende [A greener, smarter and more innovative industry] https://www.regjeringen.no/no/dokumenter/meld.-st.-27-20162017/id2546209/

Meld. St. 41 (2016–2017) Norway's Climate Strategy for 2030: a transformational approach within a European cooperation framework https://www.regjeringen.no/en/dokumenter/meld.-st.-41-20162017/id2557401/

Meld. St. 45 (2016–2017) Avfall som ressurs – avfallspolitikk og sirkulær økonomi [Waste as a resource - waste policy and circular economy] https://www.regjeringen.no/no/dokumenter/meld.-st.-45-20162017/id2558274/

National Action Plan for a Better Diet (2017-2021) [Nasjonal handlingsplan for bedre kosthold (2017–2021)], https://www.regjeringen.no/contentassets/fab53cd681b247bfa8c03a3767c75e66/handlingsplan_kosthold_2017-2021.pdf

Norwegian Government, Better growth, lower emissions – the Norwegian Government's strategy for green competitiveness (2017) https://www.regjeringen.no/en/dokumenter/bedre-vekst-lavere-utslipp--regjeringens-strategi-for-gronn-konkurransekraft-engelsk/id2575420/

Norwegian Ministries, Revised Strategy for combating work-related crime, 5 February 2019 https://www.norway.no/contentassets/f7cb6b60396e45dbaa13e74678c03931/revised-strategy-for-combating-work-related-crime.pdf

Studies

Agency for Public Management and eGovernment (Difi) and IEH – Ethical Trading Initiative Norway (2017), Labour and Human Rights in Public Procurements. A survey of the use of ethical requirements in high-risk procurements in 2009-2016, https://www.anskaffelser.no/sites/anskaffelser2/files/ieh_and_difi_report_2009_2016.pdf

Difi (2018), Undersøkelse av etterlevelse av forskrift om lønns og arbeidsvilkår i offentlige kontrakter [Examination of compliance with regulations on wages and working conditions in public contracts], https://www.anskaffelser.no/sites/anskaffelser/files/undersokelse_lonns-og_arbeidsvilkar_offentlige_kontrakter.pdf

IEA (2017), Energy Policies of IEA Countries: Norway 2017 Review, https://webstore.iea.org/energy-policies-of-iea-countries-norway-2017-review

Inventura (2015), Ivaretakelse av miljøaspekter i offentlige anskaffelser, status 2015 (Addressing environmental aspects in public procurement, status 2015), https://www.anskaffelser.no/sites/anskaffelser/files/161121_inventura_-_difi_rapport_miljokrav_difi_v7-paginert.pdf.

Methodology for Assessing Procurement Systems (MAPS)(2018), Assessment of Norway's public procurement system. Testing the new methodology, https://www.anskaffelser.no/sites/anskaffelser2/files/maps_norway.pdf

Miljodirektoratet [Environment Agency] (2018) Gevinstanalyser av grønne anskaffelser [Profit analysis of green public procurement] https://www.miljodirektoratet.no/publikasjoner/2018/februar-2018/gevinstanalyser-av-gronne-anskaffelser/

OECD (2019), OECD Economic Surveys: Norway 2019, https://doi.org/10.1787/c217a266-en

OECD (n.d.), Norway, https://www.oecd.org/env/country-reviews/2450976.pdf

Oslo Economics (2018), Gevinstanalyser av grønne anskaffelser [Benefits analysis of green acquisitions], https://www.miljodirektoratet.no/globalassets/publikasjoner/M960/M960.pdf

Rambøll Management Consulting/Difi, Modenhet i anskaffelser Hovedundersøkelse [Maturity in Procurement Main Survey], https://www.anskaffelser.no/sites/anskaffelser2/files/difi_modenhet_i_anskaffelser.pdf

Rambøll Management Consulting/Difi, Undersøkelse om klima og miljø i anskaffelseri kommune, fylkeskommune og stat [Survey on climate and the environment in procurements in municipal, county and state], https://www.anskaffelser.no/sites/anskaffelser2/files/klima-miljo-stat-_kommune-_ylkeskommune.pdf

Riksrevisjonen (2016), Riksrevisjonens undersøkelse av myndighetenes arbeid mot social dumping ved offentlige anskaffelser [The Office of the Auditor General's investigation of the authorities' work against social dumping in public procurement], https://www.riksrevisjonen.no/rapporter-mappe/no-2015-2016/myndighetenes-arbeid-mot-sosial-dumping-ved-offentlige-anskaffelser/

Tools and guidance from Norway

Anskaffelsesprosessen steg for steg [Procurement process step by step], https://www.anskaffelser.no/anskaffelsesprosessen/anskaffelsesprosessen-steg-steg

Drivstoffmatrise for tunge køyretøy [Fuel matrix for heavy duty vehicles https://www.anskaffelser.no/verktoy/veiledere/drivstoffmatrise-tunge-koyretoy

Effektkalkulator for personbiler [Impact calculator for passenger cars], https://www.anskaffelser.no/verktoy/analyseverktoy/effektkalkulator-personbiler

Egenrapportering - sosialt ansvar [Self-assessment for social responsibility], https://www.anskaffelser.no/verktoy/maler/egenrapportering-sosialt-ansvar

Kontraktklausul krav om lærlinger [Standard contracts clauses for apprentices in public contracts], https://www.anskaffelser.no/verktoy/kontrakter-og-avtaler/kontraktklausul-krav-om-laerlinger

Kontraktskrav for lønns- og arbeidsvilkår [Standard contract clauses for pay and working conditions], https://www.anskaffelser.no/verktoy/kontrakter-og-avtaler/kontraktskrav-lonns-og-arbeidsvilkar

Kontraktsvilkår for bygg- og anlegg- antall ledd i leverandørkjeden [Standard contract clauses to limit the maximum number of suppliers in the supply chain in building and construction contracts]

https://www.anskaffelser.no/verktoy/contracts-and-agreements/kontraktsvilkar-bygg-og-anlegg-antall-ledd-i-leverandorkjeden

Kontraktsvilkår for ivaretakelse av grunnleggende menneskerettigheter i leverandørkjeden [Standard contract clauses for protection of human rights in the supply chain], https://www.anskaffelser.no/verktoy/kontrakter-og-avtaler/kontraktsvilkar-ivaretakelse-av-grunnleggende-menneskerettigheter-i-leverandorkjeden

Kontraktsvilkår for ivaretakelse av grunnleggende menneskerettigheter i leverandørkjeden [Templates of contract requirements relating to respect for fundamental human rights], https://www.anskaffelser.no/verktoy/kontrakter-og-avtaler/kontraktsvilkar-ivaretakelse-av-grunnleggende-menneskerettigheter-i-leverandorkjeden

Kriterieveiviseren [Criteria Wizard for Sustainable Public Procurement], https://kriterieveiviseren.difi.no/en

Life cycle cost (LCC) tool] https://www.anskaffelser.no/verktoy/analyseverktoy/verktoy-beregne-livssykluskostnader

Norwegian Government Agency for Financial Management (2018), Guidance Notes on the Instructions for Official Studies, https://dfo.no/filer/Fagområder/Utredningsinstruksen/Guidance_Notes_on_the_Instructions_for_Official_Studies.pdf

Risikostyring for etiske krav [Risk management tool for ethical requirements], https://www.anskaffelser.no/verktoy/analyseverktoy/risikostyring-etiske-krav

Risikostyringsverktøy lønns- og arbeidsvilkår [Risk management tool on how procurers can comply with the Regulation on pay and working conditions in public contracts], https://www.anskaffelser.no/verktoy/analyseverktoy/risikostyringsverktoy-lonns-og-arbeidsvilkar

Other

European Commission, OECD (2015) Policy Brief on social impact measurement for social enterprises: Policies for social entrepreneurship, https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/policy-brief-social-impact.pdf

INTOSAI (2010) Environmental Accounting: Current Status and Options for SAIs, https://www.environmental-auditing.org/media/2920/2010_wgea_environmental_accounting_a4_web.pdf

Live all your life [Leve hele livet], https://www.regjeringen.no/no/tema/helse-og-omsorg/innsikt/leve-hele-livet/id2547684/

Ministry of Finance [Finansdepartementet] (2016), The Instructions [Utredningsinstruksen], https://www.regjeringen.no/no/dokumenter/instruks-om-utredning-av-statlige-tiltak-utredningsinstruksen/id2476518/

Norwegian Environment Agency (2015), Norway, https://www.environment.no/Topics/Norway

Norwegian Government Agency for Financial Management [Direktoratet for forvaltning og økonomistyring (DFØ)], Supervisor of the Instruction Manual [Veileder til utredningsinstruksen], https://dfo.no/publikasjoner/veileder-til-utredningsinstruksen

OECD National Accounts Statistics / OECD Compendium of Productivity Indicators, https://stats.oecd.org

Statistisk sentralbyrå [Statistics Norway] (2019), Dette er Norge 2019 [This is Norway 2019], https://www.ssb.no/befolkning/artikler-og-publikasjoner/dette-er-norge-2019

Sustainable Development Goals Knowledge Platform (n.d.), Norway: Voluntary National Review 2016, https://sustainabledevelopment.un.org/memberstates/norway

Sustainable Governance Indicators (2019), Norway, https://www.sgi-network.org/2018/Norway/Environmental_Policies

The World Bank Data / OECD/IEA Statistics, Energy Use (kg of oil equivalent per capita), https://data.worldbank.org/indicator/EG.USE.PCAP.KG.OE?end=2015&locations=NO-AU-DK-FI-DE-SE-GB-US-FR-NL-BE-LU-IT-PL-CZ-ES-NZ-KR-JP-MX-CA-CL-TR-AT-EE-GR-HU-IS-IE-IL-LV-LT-SI-SK-CH&start=2005

United Kingdom Department for Environment, Food and Rural Affairs (2006), Procuring the Future. Sustainable Procurement National Action Plan: Recommendations from the Sustainable Procurement, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69417/pb11710-procuring-the-future-060607.pdf

World Economic Forum (2017), Inclusive Development Index: Ranking of National Key Performance Indicators, http://reports.weforum.org/inclusive-growth-and-development-report-2017/inclusive-development-index/

www.mapsinitiative.org