

XPRESS CASE STUDIES ON BARRIERS TO INVESTMENTS IN RENEWABLE ENERGY SOURCES – PORTUGAL –

The following is a report on the case of a public company in a city in Portugal that is responsible for the collection of solid waste and green areas maintenance. This report includes the analysis and results of the interview.

Por-PC-1 is responsible for all the environmental services, namely waste management, green spaces maintenance, biodiversity promotion, and related education and innovation in the city.

Analysis of the current situation:

a. Current sustainability strategies

The city was the first municipality in Portugal to locally apply the sustainable development policy that has become the driver for all sustainability issues. Also, as one of the few cities engage on climate action, the city possess a Climate Change adaptation action plan, which is going through each year with the implementation of actions.

Regarding energy, they are producing the roadmap towards carbon neutrality 2050. That is their main goal energy-wise.

b. Public procurement strategy

Public procurement is limited by the procedures established by law. Although a multicriterion approach is used (experience, financial status, etc.), the decision will ultimately be based on the lowest price if the subjective criteria are correctly addressed. This is because the return of the investment is looked to be optimized. Each criterion is associated to a weight (%) that is decided by involved departments (financial, acquisition, environment, etc.), that might have different goals (i.e. financial vs environmental). At the end, different approaches complement each other.

The sustainable issues are mostly included as requirements. And sometimes this create backlashes, because if a requirement is not mandatory law and it is not relevant to the execution and the function of the service, then it might not even be legal to ask for it. Sometimes it is not possible to include it because product providers can argue against that.

c. Public procurement and supplier engagement, public procurement and SME

The level of supplier engagement is very low, due to the limitations established by law.



Por-PC-1 limits themselves to just conversations intended to better understand what is offer in the market. Also, for grants application as suppliers are brought as partners to assist with the assessment.

Barriers and drivers

Identified barriers and drivers

- Low bidding barrier, but this is mandate by current regulation. Digitalization is also identified as a barrier. Also, the Impossibility to engage in conversation with private companies as this could be an impediment for a transparent procurement process.
- Although, there is no strategies to engage with SMEs, innovation usually stem from SMEs, so it is interesting.

Possible solutions

- Changes are expected. Not necessarily in procurement but given the carbon neutrality groups and the new law on energy communities, the overall strategy may go towards that. For example, by including certified green energy in every energy contract.
- A solution to include sustainability requirements is to have an EU accepted standard, as happens with the EURO standard for vehicles. However, the assessment of life cycle or carbon issues is too complex to easily respond how this can be done.

Summary and Discussions

In summary, PAs must comply with public procurement procedures, they can engage in conversations with innovative partners in grant applications, not with suppliers. In a certain manner, the very same law that protects public procurers and protects public money also impedes the integration of innovation.

