

# The CO<sub>2</sub> Performance Ladder for low carbon procurement

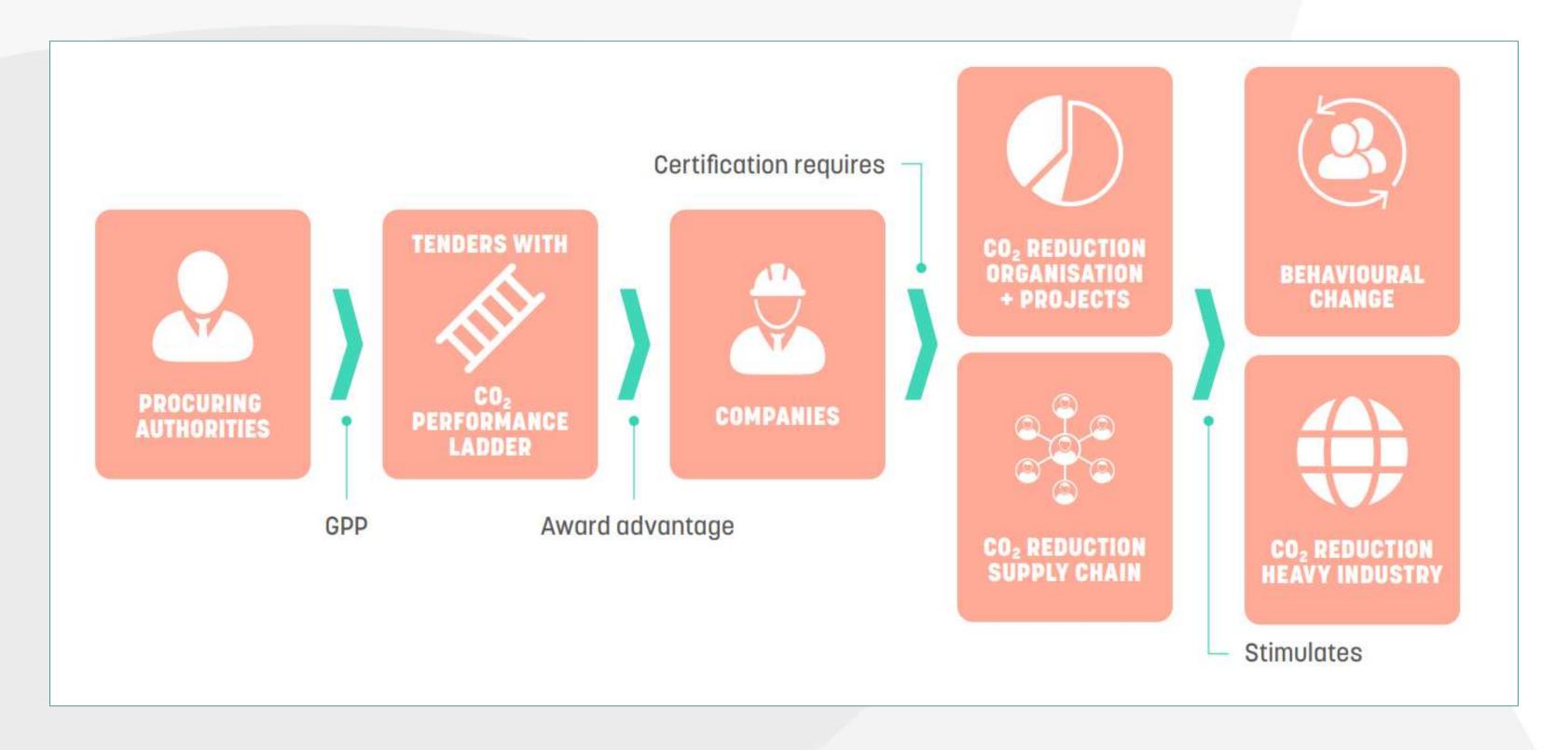
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SKAO - Foundation for Climate Friendly Procurement and Business

## Theory of Change

The CO<sub>2</sub> Performance Ladder is a practical instrument that uses the Power of Procurement to drive change by stimulation (award advantage in tenders) structural CO<sub>2</sub> reduction through the implementation of an effective CO<sub>2</sub> management system



CO<sub>2</sub> reduction is rewarded with award (financial) advantage for the bidding companies. The higher the ambition level of the company, the higher the award advantage.

# The impact of the CO<sub>2</sub> Performance Ladder







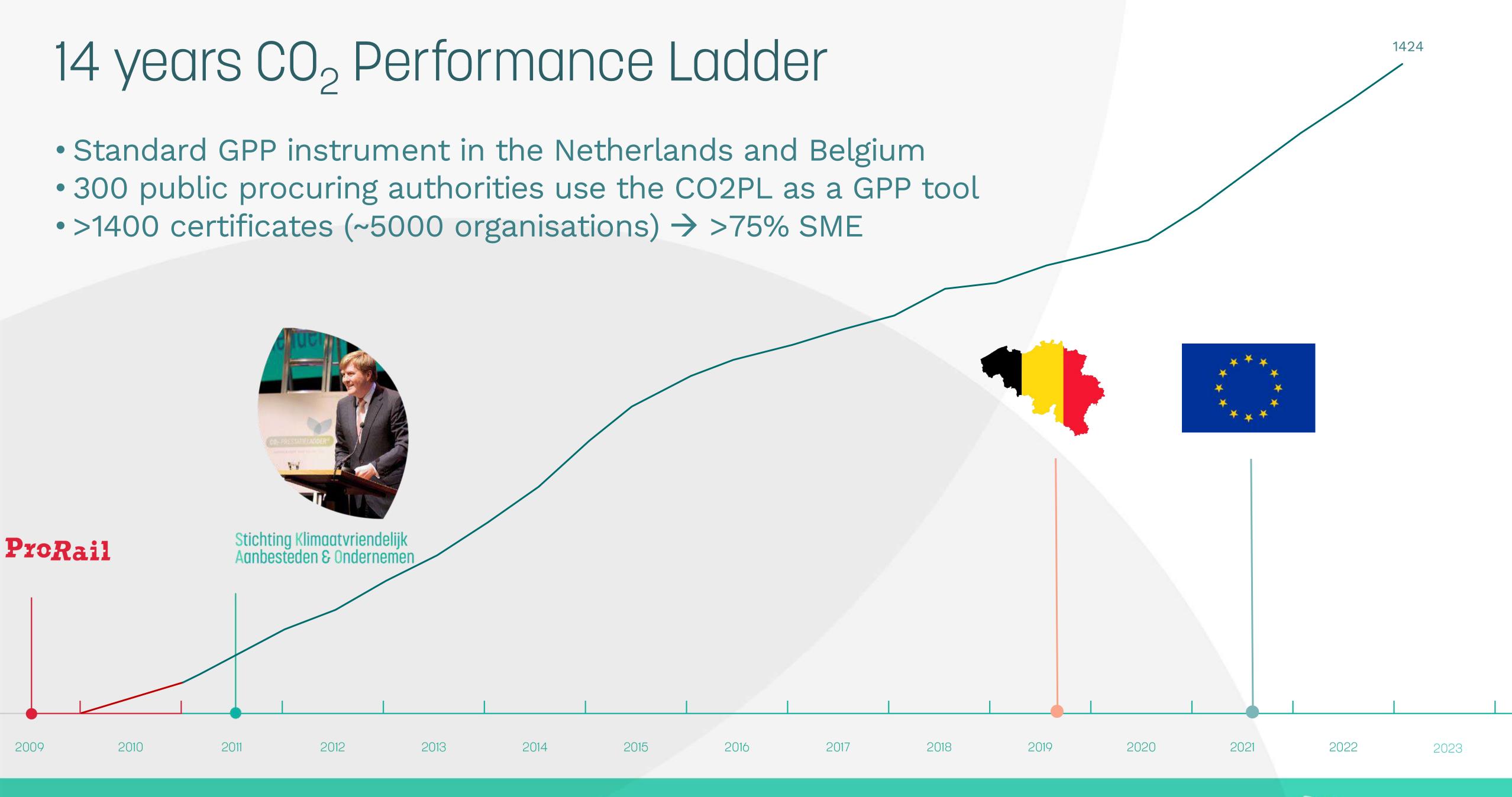
- CO2PL is GPP best practise (OECD, IPCC, WEF)
- Tendering with the CO2PL leads to accelerated decarbonization and innovation (CE Delft, 2023)
- Carbon reduction = twice as fast (CE Delft, 2023 & PhD research, 2017)
- The CO2PL leads to institutionalisation of carbon reduction and awareness and behavioural changes (CE Delft, 2023)
- CO2PL is used in circular procurement (RIVM, 2020)

## Foundation for Climate Friendly Procurement and Business

#### Stichting Klimaatvriendelijk Aanbesteden & Ondernemen

- Owner, administrator of CO<sub>2</sub> Performance Ladder
- Independent, not-for-profit, politically neutral
- Market instrument: SKAO brings together all stakeholders (procuring parties, companies and NGOs)
- Development and implementation of both certification scheme and procurement instrument
- Capacity building: we collaborate, connect, do research and share knowledge

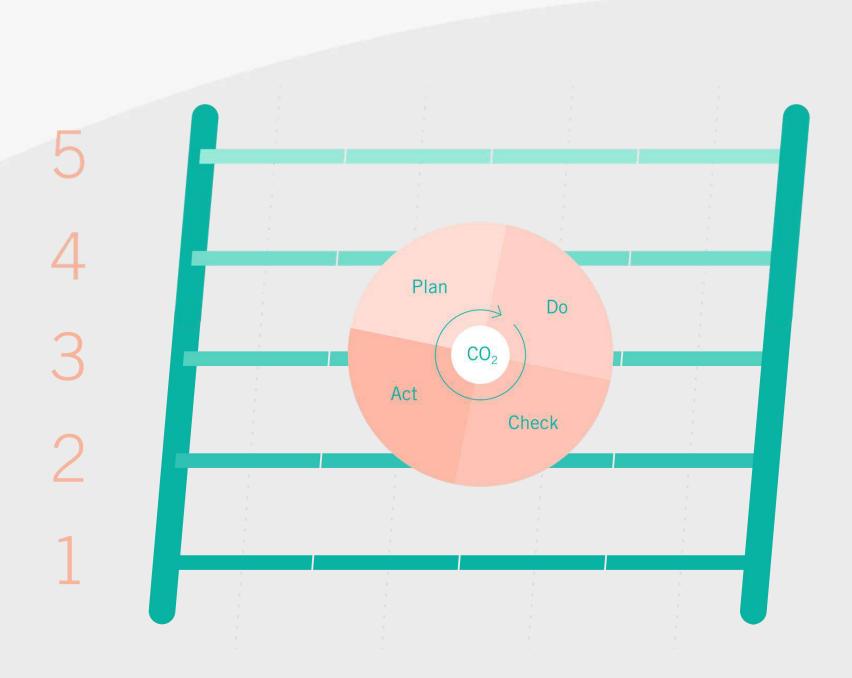




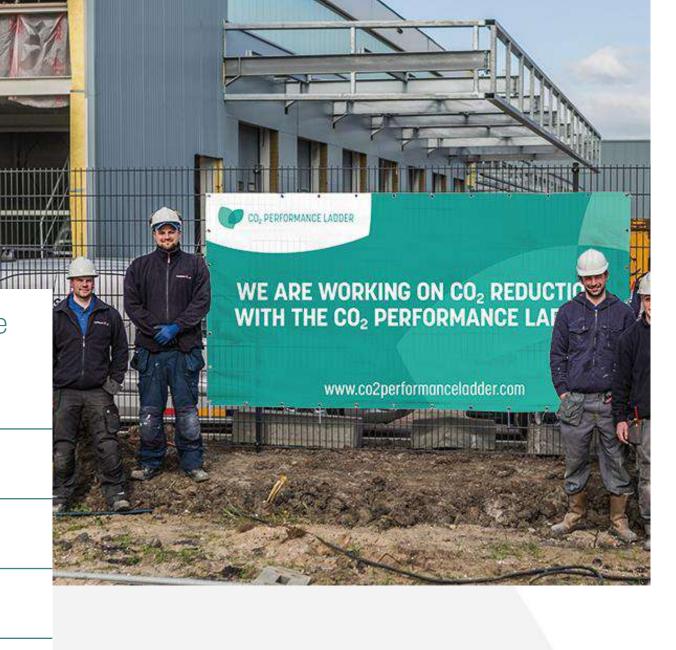
# What is the CO<sub>2</sub> Performance Ladder?

CO<sub>2</sub> management system

Green Public Procurement (GPP) tool

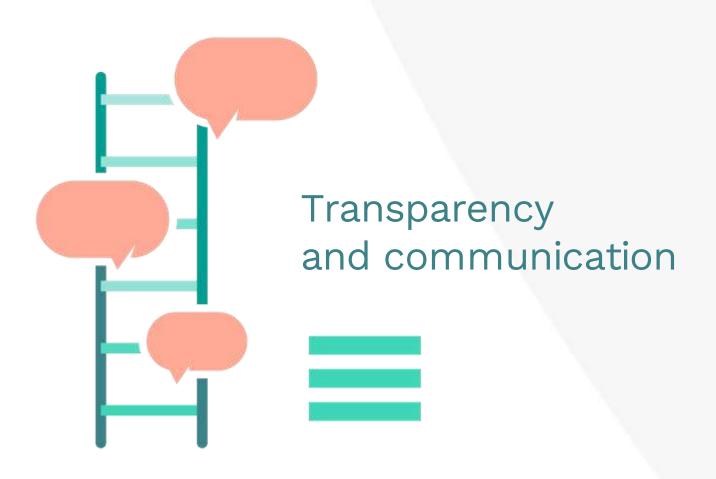


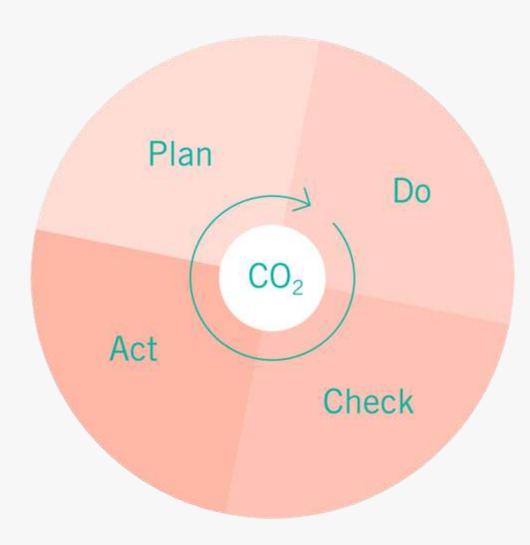




## What does a certified organisation have?







CO<sub>2</sub> Management system (yearly assessed by accredited 3rd party)







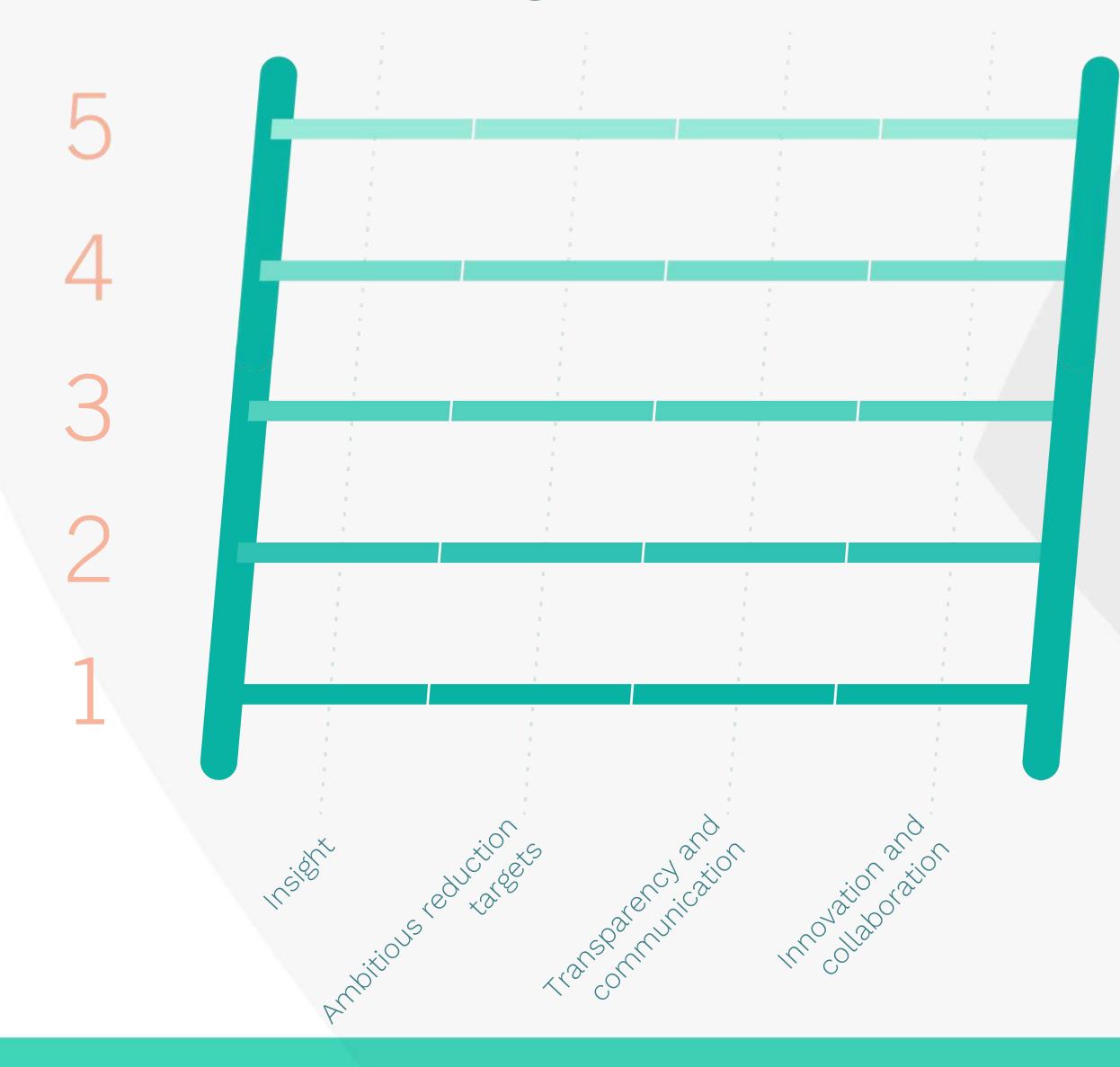


#### Ambitious reduction targets





## What does a certified organisation have?

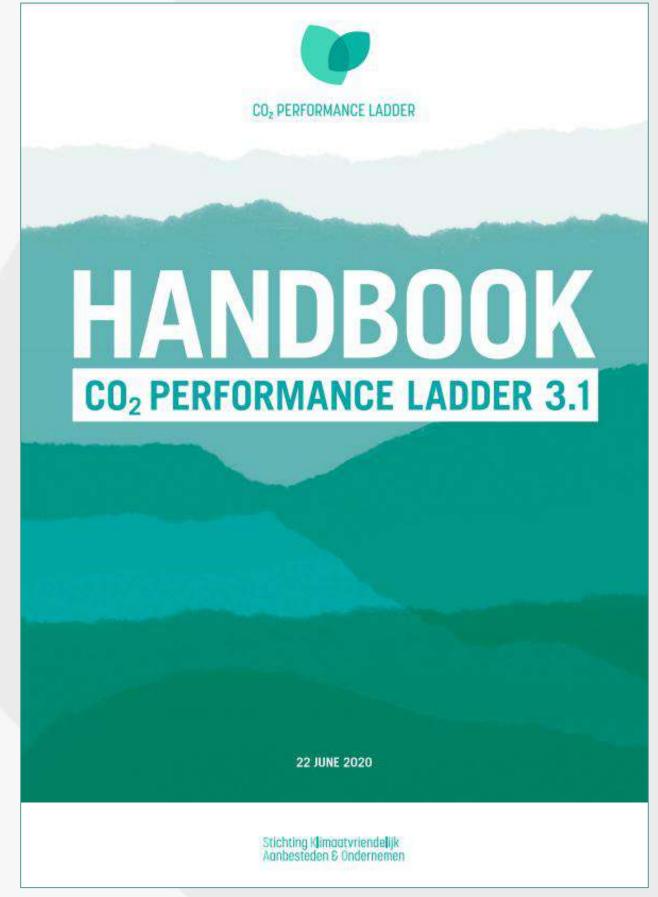


Level 4, 5
Scope 1 + 2 + 3 emissions
Supply chain + industry

Level 1, 2, 3
Scope 1 + 2 emission
Own organisation + projects

## Assessment and audit

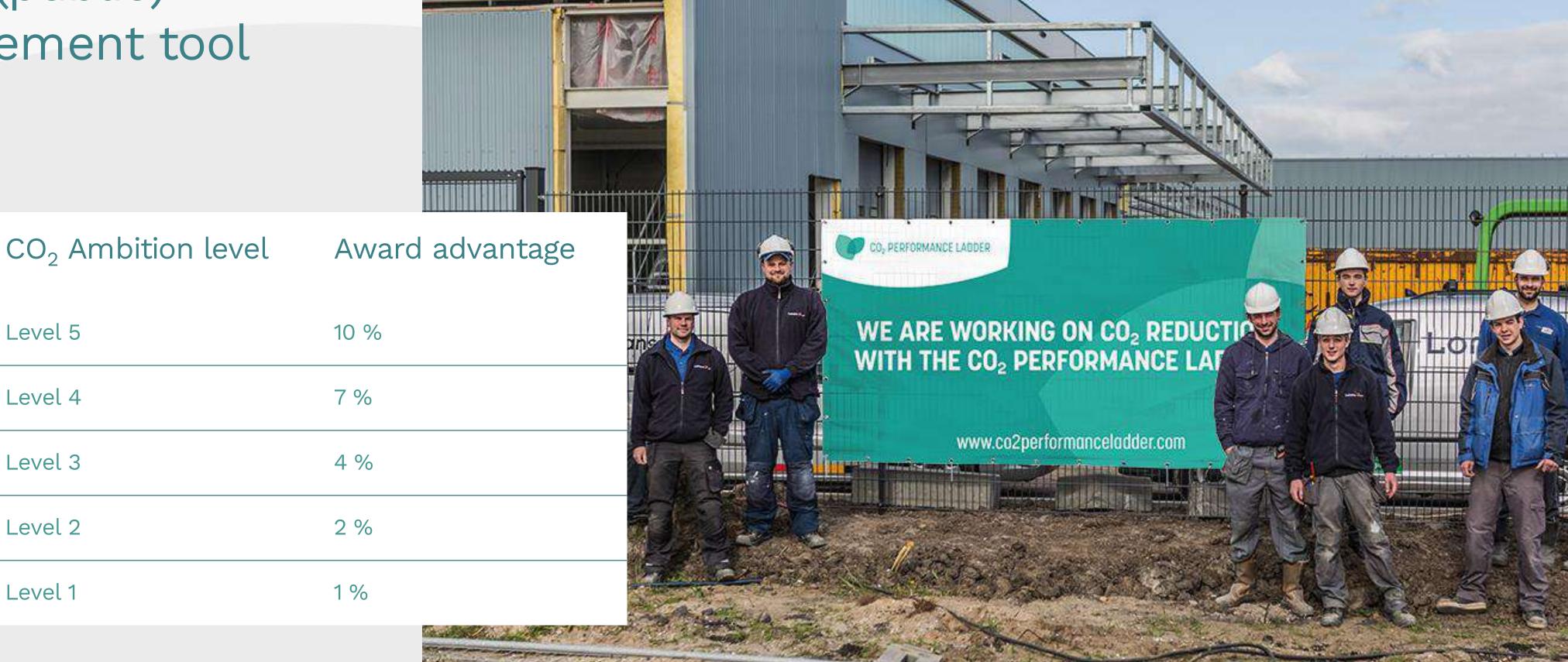
- Third party verification, anual (TÜV, Bureau Veritas, Vinçotte, DNV, etc)
- Scope audit: requirements CO₂
   Performance Ladder → Handbook
- Scope requirements:
  - CO<sub>2</sub> management system
  - Requirements/level
  - Requirements on project level



<u>CO<sub>2</sub> Performance Ladder standard</u> (requirements)

## What is the CO<sub>2</sub> Performance Ladder?

Green (public) procurement tool

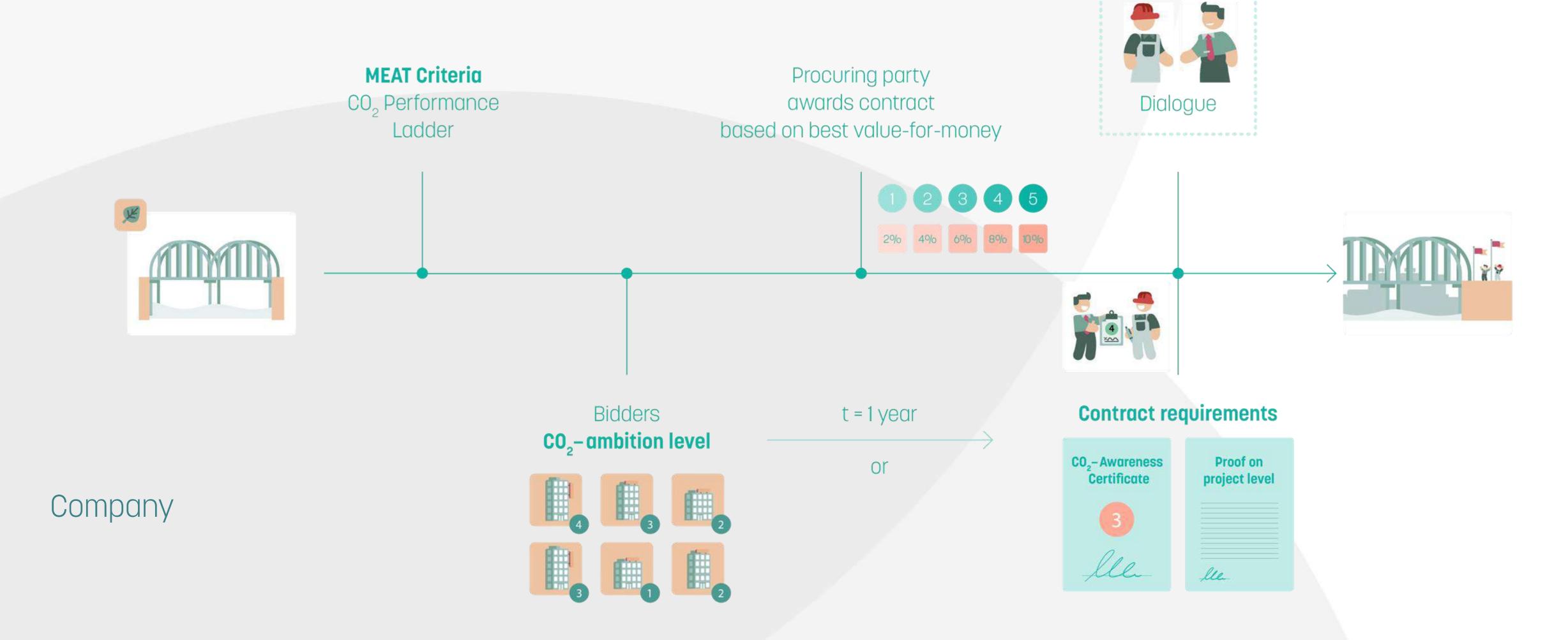


## The Ladder and Procurement

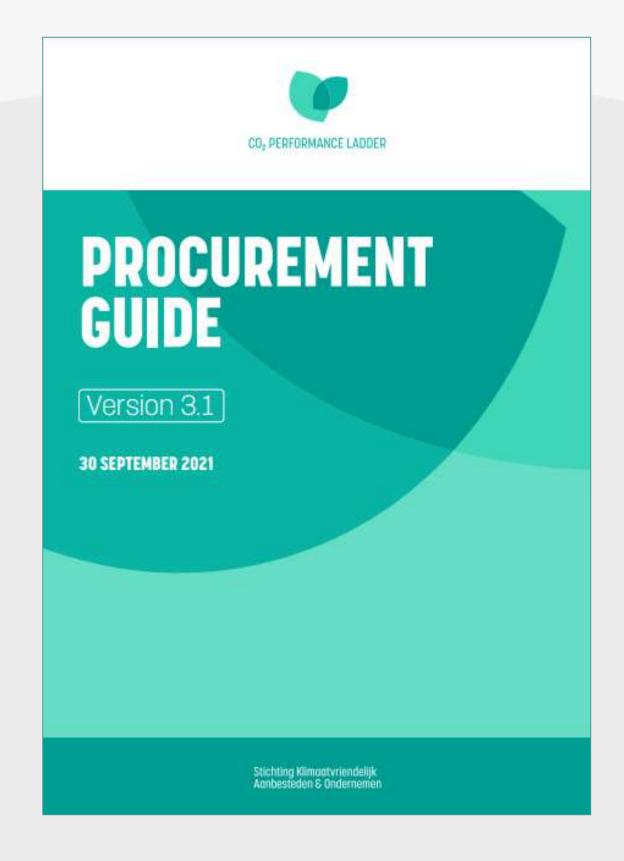
CO <sub>2</sub> awareness certificate level	Award advantage
Level 5	10 %
Level 4	7 %
Level 3	4 %
Level 2	2 %
Level 1	1 %

Company	Entry Price	Level on the CO2PL?	Fictitious discount/ award advantage	Fictitious price	Award the contract?
A	€ 9,7 million	none	0%	€ 9,7 million	NO
В	€ 10 million	3	4%	€ 9,6 million	NO
С	€ 10,3 million	4	7%	€ 9,58 million	YES
					€ 10,3 million

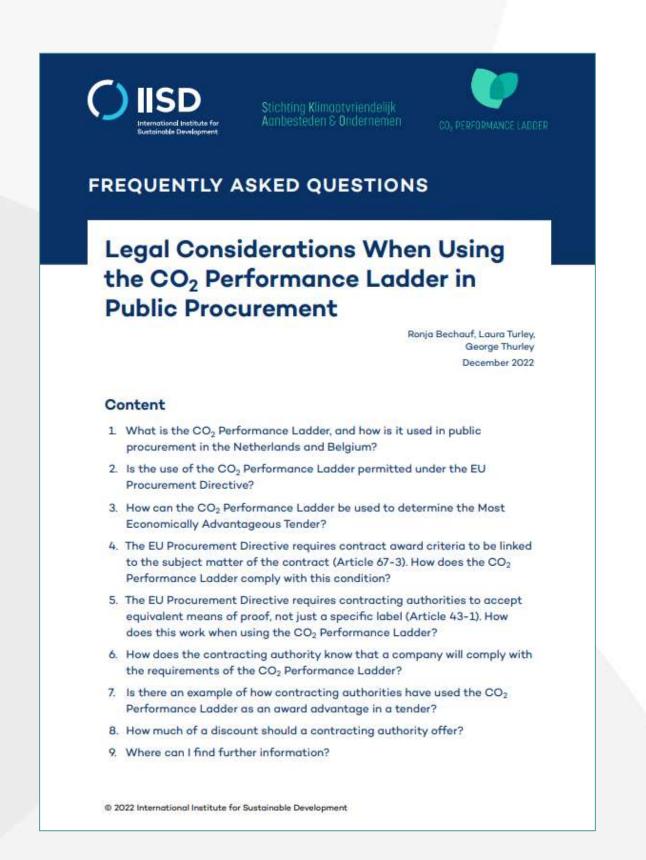
#### Procuring party



## CO<sub>2</sub> Performance Ladder: GPP documents



Procurement Guide (EN)



Legal FAQ (EN)

## Advantages for...

## Procuring authorities

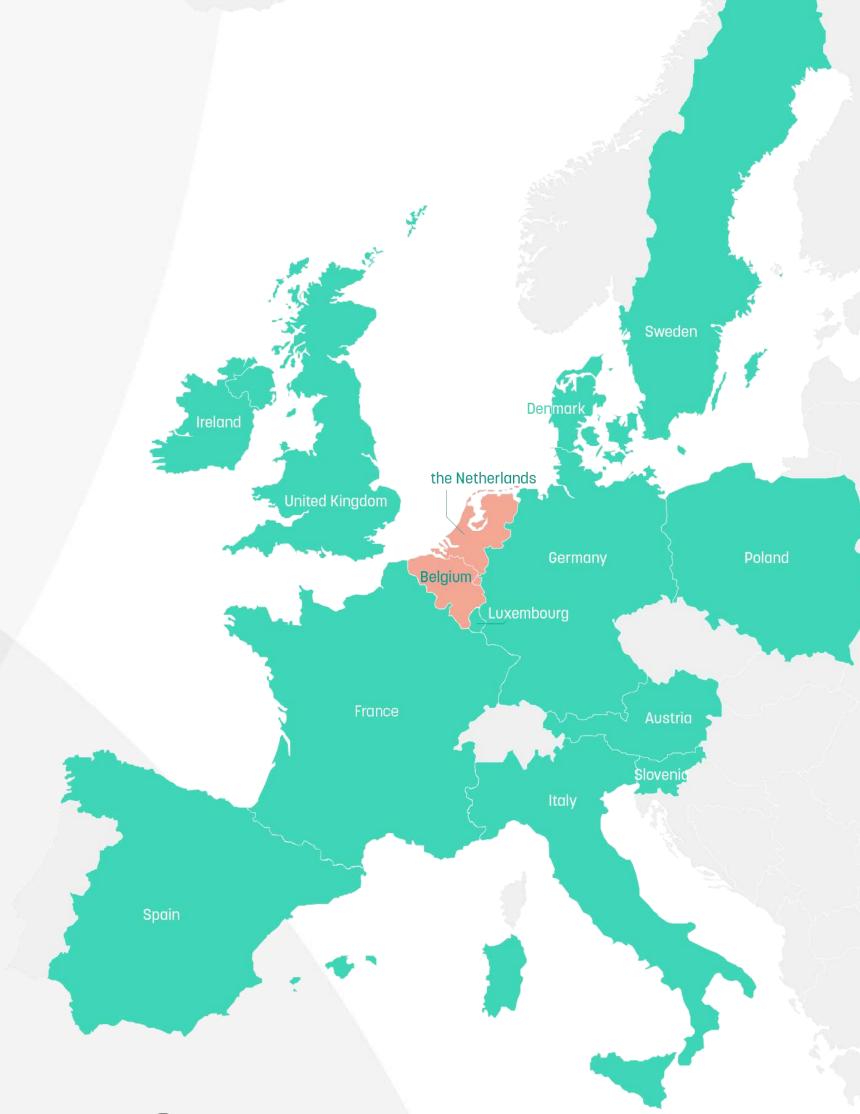
- Proven methodology: the CO2PL is the standard GPP tool in the Netherlands and Belgium.
- User-friendly, with low transaction costs for getting started.
- Third party verification lowers the burden on procurement authorities to verify claims.
- Compliant with the EU
   Procurement Directive,
   immediately applicable in other
   EU countries.

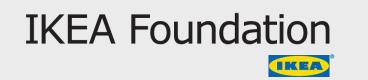
### Companies

- Green business case.
- Effective at structural carbon reduction.
- Reinforces market position as a sustainable supplier, and helps improve products and services.
- Multi-use: one certificate can be used for all projects for all contracting authorities using the Ladder in their procurement.

## CO<sub>2</sub> Performance Ladder in Europe

- Collaboration: SKAO, International Institute for Sustainable Development, ICLEI and Utrecht University
- Funded by IKEA Foundation
- Based on the power of green procurement to drive the climate transition





Stichting Klimaatvriendelijk Aanbesteden & Ondernemen









# CO<sub>2</sub> Performance Ladder in Europe

Phase 1: Feasibility study CO2PL in Europe (2021-2023)

#### Results:

- Quick scan, by IISD (2022)
- Feasibility study, by IISD (2023)
  - Interviews
  - Focus group meetings
  - Legal FAQ
- Evaluation CO2PL, by CE Delft (2023)
- Testimonials, by SKAO (2023)
- Building blocks for implementation
- 17 Expressions of Interest in several countries



# CO<sub>2</sub> Performance Ladder in Europe

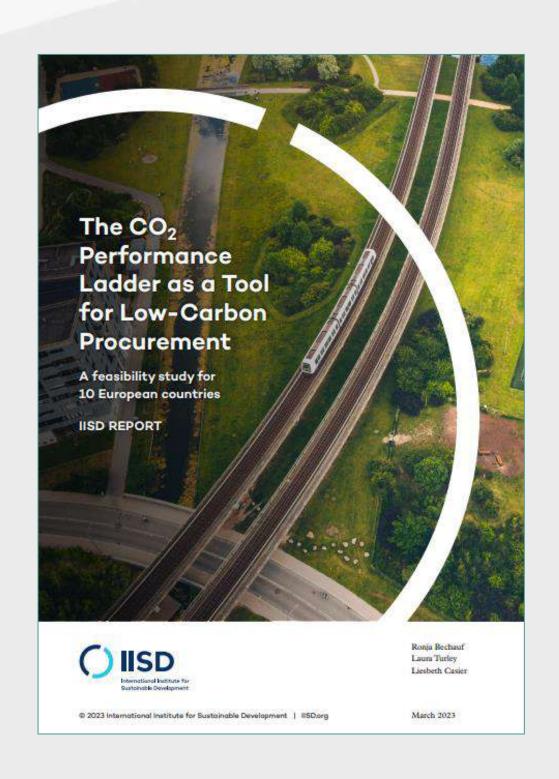
Phase 2: Implementation and expansion (2023-2025)

- Pilot implementation in five countries
- Structural implementation in Belgium
- Communication and capacity-building for, and outreach to, other countries
- Monitoring of implementation
- Evaluation of the CO2PL as procurement instrument
- Feasibility beyond Europe

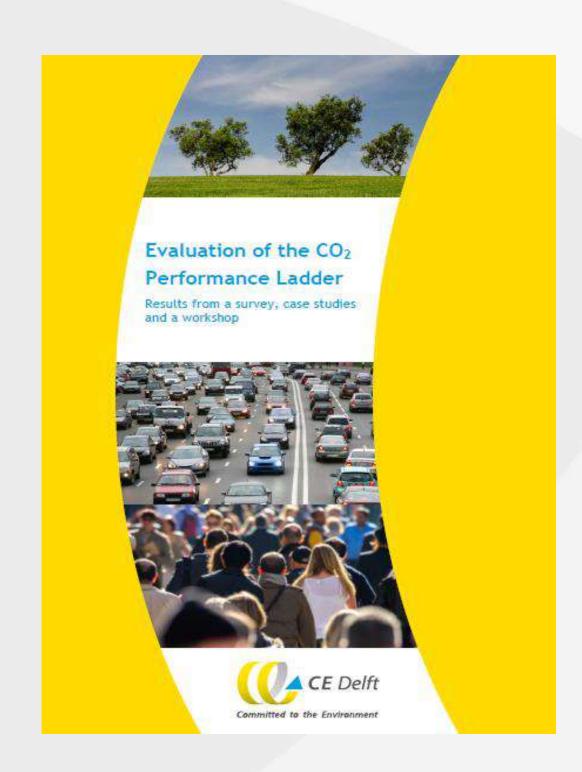


## Want to know and learn more about the CO2PL?

Visit us at www.co2performanceladder.com for many examples, testimonials of Dutch and Belgium users and much more

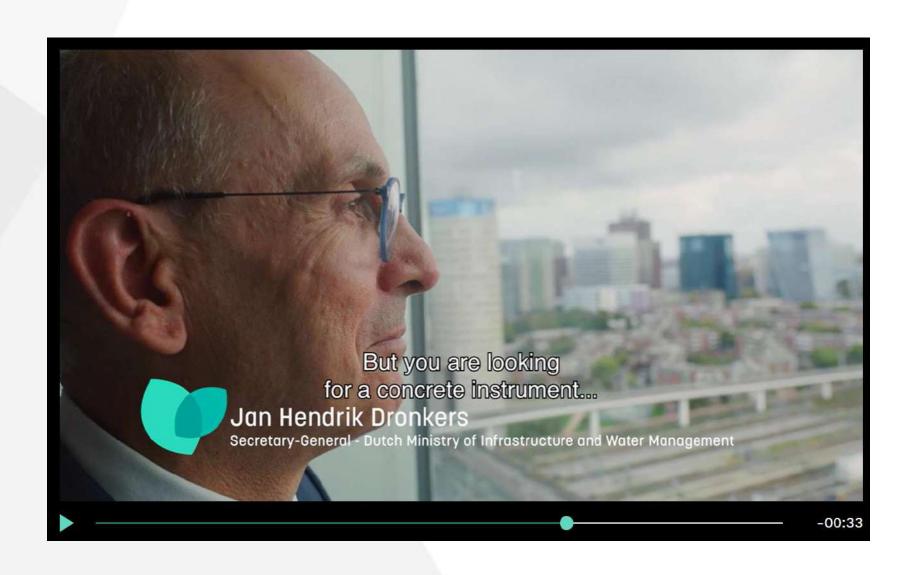


Feasibility study (IISD, 2023)



Evaluation of the CO<sub>2</sub> Performance Ladder (CE Delft, 2023)

GPP tool



Testimonials (SKAO, 2023)



## Inspired? - get in touch!

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For many inspiring examples, see our <u>Testimonials</u>

For more information: www.co2performanceladder.com

