

# XPRESS CASE STUDIES ON BARRIERS TO INVESTMENTS IN RENEWABLE ENERGY SOURCES

## – ITALY –

This case is based on an interview with a public employee in a municipality in Italy. The case is on the basis of a procurement project about the centralization of the heating system at the service of middle school, elementary school and nursery school through district heating grid.

In spite of being a relatively small town of less than 20.000 inhabitants, this municipality promotes an ambitious environmental policy. It adhered to the Covenant of Mayors 2030 and was awarded in 2018 the Climate Alliance Europe Award “Climate Star”. While the goals formulated in the SECAP (Sustainable Energy and Climate Action Plan) are rather ambitious and there is political support also for choosing innovative solutions for energy and mobility, the administration in its procurement procedures is pretty conventional. That in good part has to do with the fact that the municipality spends its own resources mainly for management costs where it is bound by its contracts with a service provider while the investments are being done with regional, national or European financial supports which come with precise conditions on how to spend these financial means. So, it is not astounding that the only innovate procedure used was in the context of a European project, Prominent Med, that focused explicitly “on the use of Public Procurement of Innovation (PPI) to stimulate the adoption of innovative products and services”. The bulk of procurement procedures follows “consolidated procedures” and is directed towards small and medium-sized enterprises in the region.

### *Analysis of the current situation*

#### *a. Sustainability strategies, energy related strategies*

In the field of transport, the municipality has implemented interesting initiatives to optimize the service with the bus on call project which allows them to reduce the number of empty kilometers by cutting the less frequented routes, remaining at the service of users who can call in during certain times of the day. To fight the pollution, the municipality is launching together with another close by city and the national Ministry of the Environment a series of activities especially in the streets adjacent to the schools, trying to mitigate the effects of pollution in these areas particularly affected by traffic.

With reference to the last five years the activities of the municipality are related to the Covenant of Mayors and the drafting of the SEAP developed together with Climate Alliance Italy. It represents the line to follow for all environmental activities.



#### b. PP strategy or regulations

The municipality, related the general policy on sustainable procurement, complies with current legislation. The municipality is still inserting CAM (Minimum Environmental Criteria) in the tender specifications: depending on the projects the municipality sends out for the tender it inserts participation criteria that prefer materials and structures that are consistent with the CAMs and it assigns reward scores within the most economically advantageous offers. This discourse is implemented in the case of contract for sustainable procurement, it does not apply to simpler procedures in which the award is determined by the maximum discount, and in that case the municipality selects companies belonging to the regional list to have a guaranteed minimum quality profile.

#### c. PP & supplier engagement

Related to a strategy for dialogue with suppliers in the pre-tender phase is not commonly used by the municipality. The most part of the proceedings follow consolidated procedures. The activities in terms of supplies are to be found in documents like the three-year program of public works and the two-year program of services that represent the showcase for companies for what will be future contracts.

When the municipality works on a project in which there is no experience, usually it gets in contact with another sister administration or it turns to the market to make a preliminary investigation and get a better understanding.

#### d. PP & SME

Related to a strategy for more SMEs engagement in public procurement, for activities related to public works (like construction companies, small companies operating in traditional sectors) the procedures are simple and consolidated. In specific sectors in which there is no experience, recent activities are developing. For example through the “digipass” (an initiative of the local region to support individuals and companies in the use of digital technologies) the municipality has already held meetings with representatives of SMEs for discussions about to the eco-bonus.

#### Barriers and drivers

- The interviewee said «SMEs usually cover 90 percent of services of the administration. In tenders open to subjects of all sizes, the municipality is not of interest for large companies». It seems there are no barriers for SMEs to be suppliers of the municipality.
- Related to the critical success factors for SMEs to be suppliers to the municipality, the interviewee said *“For a medium size municipality the small and medium enterprises always make the most advantageous offers”*.



### *Summary and Discussions*

This municipality can serve as a case in point for that group of small and medium sized towns that despite relatively small maneuvering space is quite willing to use innovative solutions if there is guidance on how to do it. *“It takes more training in the public sphere to be more effective to welcome new stimuli and we try to continue our education as much as possible.”*

