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Nordic synergies

The Nordic Prime Ministers met in May to discuss amongst other things future priorities for Nordic cooperation. I presented the Prime Ministers with a status report on their own green growth initiative, a report you can also find in this issue of “Green Growth the Nordic Way”.

The aim of the Nordic green growth initiative is to create Nordic synergies, just as is the case with any other common Nordic project – a lot of tasks are better solved together than individually, that is the simple *raison d’être* for the entire Nordic cooperation.

But with the Prime Ministers green growth initiative we try to take this simple fact a step further. We aim at a more focused and yet more holistic approach, uniting a cross sectorial approach with a pin pointed project portfolio.

In this issue we look at green public procurement and at the more overall issue of financing for green investments. In both cases, we look at the Nordic synergies and the potential for creating better framework conditions for government, businesses and organizations alike by looking at the issues through a Nordic lens.



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Read op-ed by Dagfinn Høybråten

published by the Green Growth Knowledge Platform – an internet resource established by OECD, UNEP, the World Bank and the Global Green Growth Institute:
<http://www.greengrowthknowledge.org/Blogs/post.aspx?ID=18>)

Who are we?

The Nordic Council of Ministers constitutes the official cooperation between the five Nordic countries, Denmark, Finland, Iceland, Norway and Sweden, along with the Faroe Islands, Greenland and Åland.

This magazine follows the activities of the Nordic Council of Ministers in the areas of green growth and sustainable development, principally in connection with the green growth initiative launched by the Nordic Prime Ministers, “The Nordic Region – leading in green growth”.

The aim of this initiative is to create joint Nordic solutions to shared problems in selected areas. The vision of a Nordic lead in green growth is based on utilizing Nordic strengths to further energy efficiency, sustainable energy development, environmental awareness, green solutions and standards, as well as green investment in innovation and research.

Apart from the projects under the Nordic green growth initiative, the magazine also documents a wide range of other NCM activities connected with greening the economy, as well as highlighting new reports from the Nordic Council of Ministers in this field.

More info at norden.org/greengrowth





Environmentally friendly technologies <
[http://www.norden.org/sv/publikationer/
publikationer/2012-517](http://www.norden.org/sv/publikationer/publikationer/2012-517)

Green jobs [http://www.norden.org/sv/
publikationer/publikationer/2012-534](http://www.norden.org/sv/publikationer/publikationer/2012-534)

Sustainable development indicators
[http://www.norden.org/sv/publikationer/
publikationer/2012-535](http://www.norden.org/sv/publikationer/publikationer/2012-535)

Green GDP [http://www.norden.org/sv/
publikationer/publikationer/2013-511](http://www.norden.org/sv/publikationer/publikationer/2013-511)

Synthesis report [http://www.norden.
org/sv/publikationer/publikation-
er/2011-532](http://www.norden.org/sv/publikationer/publikationer/2011-532)

Nordic prime ministers call for more green funding

The Nordic countries have traditionally been able to combine strong economic growth with strict environmental policies. Now, the Nordic Prime Ministers want to boost green growth in the region by coordinating and improving funding opportunities for green investments and companies.

“The core of the Nordic model in terms of green growth is the ability to combine ambitious environmental policies and economic growth, while maintaining an innovative approach to new economic instruments,” says Magnus Cederlöf, senior advisor at the Finnish Ministry of the Environment.

From the beginning of this year, Cederlöf has chaired the Nordic Council of Ministers’ Working Group on Environment and Economy (MEG), which is one of a range of cross-sectoral expert groups under the aegis of the Council of Ministers.

Green growth is an important topic in Nordic cooperation, and the MEG has conducted a number of studies on the issue.

In 2012, it published reports on environmentally friendly technologies, green jobs, sustainable development indicators and green GDP. The group also commissioned a synthesis report on the Nordic countries’ national approaches to environmental challenges.

“Our analyses show that the Nordic countries have moved toward new economic instruments, such as environmental taxes and European-level emissions trading,” says Cederlöf. “On the other hand, we have been critical of subsidies, especially for industries that are harmful to the environment.”

“A typical feature is that the Nordic countries have large public sectors and high levels of taxation. There is widespread acceptance of the fact that the public sector is active in environmental policy questions and uses different schemes to support environmentally friendly technologies, renewable energy and so on,” says Cederlöf.

A clear definition of green growth is needed

Björn Fritjofsson is Director at the International Department of the Swedish Ministry of Finance and a member of the Nordic Council of

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Ministers' Committee of Senior Officials for Finance. As he explains, the concept of green growth has not yet been fully grasped from an economic perspective.

“We need to further analyse the prospects for green growth. How do we foster it, where is it realistic to move forward and what are the most suitable instruments? Where do we draw the line between green investments and those that are not? This needs to be carefully defined.”

In Fritjofsson's opinion, the most fruitful way to do this would be to build upon the work already done by the Working Group on Environment and Economy and key international bodies, notably the OECD.

“All of the Nordic countries are quite concerned about environmental issues, maybe more so than other EU and OECD states. The challenges we face and our economic ambitions are in many ways similar, so it is a good idea to conduct this assessment of green growth together,” says Fritjofsson.

Nordic funding structure in place

According to Magnus Cederlöf, the existing Nordic funding structure forms a sound base from which to orchestrate more coordinated funding of green investments.

“We already have funding bodies in place, including the Nordic Environment Finance Corporation, NEFCO, the Nordic Investment Bank, the Nordic Development Fund and institutions such as Nordic Energy Research, NordForsk and Nordic Innovation. We can launch our cooperation on funding of green growth by using these existing platforms,” Cederlöf states.

Although there are many similarities between the countries' approaches to environmental funding issues, future initiatives also need to take national differences and priorities into account.

“For example, there are differing views on the earmarking of income from economic instruments. From an environmental policy perspective, earmarking is quite attractive. Economic instruments would be even more widely accepted if you could show that the revenue was directed back into the sectors that contribute to it,” says Cederlöf.

“However, as this would restrict the ability of the national parliaments to exercise full control over their budgets, this remains a political question for each individual country.”

Concrete examples of successful joint financing

As in most areas of Nordic cooperation, the work on new environmental policy initiatives includes a strong element of knowledge sharing.

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“We need to further analyse the prospects for green growth”.

Björn Fritjofsson

Director at the International Department of the Swedish Ministry of Finance and a member of the Nordic Council of Ministers' Committee of Senior Officials for Finance



Nordic Sustainable Development Indicator: Economic growth in the Nordic countries

<http://www.norden.org/en/nordic-council-of-ministers/ministers-for-co-operation-mr-sam/sustainable-development/indicators-for-sustainable-development/the-nordic-welfare-state-as-a-tool-for-sustainable-development/oekonomisk-vekst-kjoepkraftskorrigeret>

A best-practice analysis of the Nordic countries' use of economic instruments, framework conditions and values that stimulate green investment will be concluded in October 2013.

“In view of the long history of Nordic collaboration, it is easy to transfer one country's best practices to another,” says Cederlöf.

Being able to present concrete examples of successful joint funding is central in promoting a more coordinated and improved funding of green investments and companies in the region.

“It is essential to be able to demonstrate concrete examples, success stories that can be presented within the region and to the rest of the world. This is exactly what the Nordic Prime Ministers call for in their green growth declaration. They want to see real cooperation, real projects and tangible results,” says Cederlöf.

BACKGROUND INFORMATION:

INSTITUTIONS

Nordic Environment Finance Corporation nefco.org

Nordic Investment Bank nib.int

Nordic Development Fund ndf.fi

Nordic Energy Research nordicenergy.org

NordForsk nordforsk.org

Nordic Innovation nordicinnovation.org

REPORTS

Measuring green jobs? – An evaluation of definitions and statistics for green activities

<http://www.norden.org/sv/publikationer/publikationer/2012-534>

Using the right environmental indicators: Tracking progress, raising awareness and supporting analysis

<http://www.norden.org/sv/publikationer/publikationer/2012-535>

The financial crisis and fiscal consolidation in green budgets

<http://www.norden.org/sv/publikationer/publikationer/2013-511>

Greening the economy: Nordic experiences and challenges

<http://www.norden.org/sv/publikationer/publikationer/2011-532>

Miljøeffektiv teknologi eller miljøteknologi i de nordiske lande (only in Scandinavian)

<http://www.norden.org/sv/publikationer/publikationer/2012-517>

Public procurement to spur green innovation

The Nordic Prime Ministers have identified green public procurement (GPP) as one of eight key means of encouraging green growth. Public procurement of goods and services in the region amounts to 16-20% of GDP – a figure that clearly demonstrates the strategic value of GPP for ensuring a Nordic lead in green growth.

Green public procurement – an important Nordic instrument

A group of experts from the national procurement institutions has been assigned the task of identifying Nordic green growth opportunities that can be brought about through public procurement.

“Compared to other regions in Europe, the Nordic countries have come far with GPP. The knowledge we have accumulated over the years is quite unique,” says Sven-Olof Ryding, Managing Director of the Swedish Environmental Management Council and member of the expert group.

As an example of the volume, Sweden’s public procurement is around 20% of GDP, which amounts to SEK 5-700 billion, or 58-81 billion.

“GPP is an important political instrument for the Nordic countries in the search for innovative solutions that limit negative effects on the environment and contribute to green growth,” says Ryding.

Lead-up to a joint Nordic GPP initiative

The experts have conducted a study that will provide central input into a joint Nordic initiative with the aim of making strategic use of GPP to create new markets for Nordic environmental innovation. By joining forces, the region acquires the critical mass necessary to maintain its strong technology development capabilities and influence market supply.

“The Prime Ministers’ green growth initiative envisions that doing this well on a Nordic level would allow us to take a political lead in the EU. We want to market the Nordic region as being at the forefront of GPP development,” Ryding states.

The GPP project will identify pragmatic procurement methods and cooperation forms, suggest adjustments to the regulatory frameworks



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in the Nordic countries and take a more visionary approach to ensure that GPP will be an important driver of future growth.

Stronger connections between the public sector and its suppliers
Initial efforts will consist of Nordic networking activities and matchmaking that strengthens the link between the market's demand and supply sides.

“We want to build a system that collects and manages information about what procurers want to buy and what suppliers are able to offer. This will enable a broader and more focused Nordic GPP effort under market conditions,” says Ryding.

The matchmaking includes diffusion of innovative procurement concepts and creation of a new market platform for public procurers, industry and environmental technology companies.

Among the intended output is a Nordic database with information about the procurement market's demand and supply, and a Nordic Green Purchasing Network that will develop tools, guidelines and tangible GPP concepts.

Nordic Centre for Innovative GPP Excellence

One of the issues that have been identified as counterproductive for Nordic GPP cooperation is a fragmented organisational structure.

“We suggest that the effort should be led by the establishment of a Nordic Centre for Innovative GPP Excellence. We need a Nordic hub that coordinates cooperation between the national entities and introduces a Nordic dimension in their work,” says Ryding. He mentions the Nordic Council of Ministers' institution Nordic Innovation as a potential candidate for the task.

The centre's role would be to identify tools and methods for 'smart procurement', instigate political and institutional cooperation and work with networking and communication. Presenting successful cases will be central in the endeavour to promote GPP.

“The European Procurement Directive is stringent and it is hard for purchasers to familiarise themselves with all the details. Presenting examples of what has worked well in Odense or Helsinki is much more

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efficient than taking people through complicated regulations,” Ryding explains.

New market opportunities for the Nordic Swan

Environmental labelling in public procurement is an important aspect of the discussion about GPP. The Nordic Swan’s environmental criteria are widely used in tender specifications, and also as a means for suppliers to document compliance with the requisite environmental demands.

“Our criteria are always lifecycle based. We look at the very early stages of raw material production, the production phase, the product use and recycling possibilities. Our approach to GPP is to develop functional criteria that help procurement officers in their everyday work,” says Björn-Erik Lönn, General Manager of the Nordic Swan.

The EU is now working on a new directive that focuses on how GPP can contribute to the results needed to carry out its 2020 strategy for sustainable and inclusive growth.

“The EU is moving in a more flexible direction when it comes to the use of eco-labelling in public procurement” says Ryding in conclusion.

“One of our objectives is to create new green and innovative markets for the Nordic Swan. The directive creates possibilities for the Nordic Swan to get involved in new areas where green solutions, both in existing and emerging fields, can be found.”

The pre-study will be concluded with a workshop in Stockholm in August 2013, where leading Nordic experts will provide their final input to the GPP project proposal and decide on the path ahead for the project.



Nordic Sustainable Development Indicator: Number of licenses for ecolabelled products and services

<http://www.norden.org/en/nordic-council-of-ministers/ministers-for-co-operation-mr-sam/sustainable-development/indicators-for-sustainable-development/sustainable-production-and-consumption/antallet-lisenser-for-miljoemarkede-produkter-og-tjenester>



Nordic countries invest in sustainable mining

The Nordic network, NordMin, was presented in Sweden on May 27-28. NordMin is a network of expertise open to all who contribute to, or are involved with, the mining and mineral industry.

Sweden's Minister for Nordic Nordic Co-operation, Ewa Björling, presented NordMin in conjunction with the annual Bergforsk Days, a mining event in Luleå in Northern Sweden.

"The issue of Europe's future metal supply is high on the European agenda and we in the Nordic countries have an important role to play. Here NordMin is an important step", says Ewa Björling.

The network NordMin will be co-ordinated by Luleå University of Technology, which is Sweden's leading research institution in the mining sector. The university has been commissioned to co-ordinate a Nordic Network of Expertise for stakeholders from industry, research, governments and regions.

NordMin's steering group has been appointed by the Nordic Council of Ministers for Business.

Read more:

<http://www.norden.org/en/news-and-events/news/nordic-countries-invest-30-million-in-mining-and-mineral-industry>



From visions to action in the Nordic building industry

The Nordic network, NordMin, was presented in Sweden on May 2-3 May, key players from across the Nordic building industry convened at the Nordic Built Arena II in Stockholm to develop common concepts for sustainable and energy efficient construction – using the Nordic Built Charter as a platform.

After two days of intense work, the participants presented their concepts to Martin Lidegaard, Danish Minister for Climate, Energy and Building, who expressed great enthusiasm.

“All public buildings should be built using the Nordic Built Charter as a platform”, he concluded.

The Minister also stressed that to overcome major challenges such as climate change and the increasing need for energy, we must take the best from the private and public sector as well as from civil society and join forces to take sustainable building to the next level, without waiting for the rest of the world to act.

The objective of the Nordic Built Arena II was to stimulate innovative solutions for sustainable and energy efficient building and, ultimately, to create new business opportunities for the Nordic building industry.

Read more:

<http://www.norden.org/en/news-and-events/news/from-visions-to-action-in-the-nordic-building-industry>



Culture is a basic pillar of sustainable development

Culture makes up the fourth pillar of sustainability, on an equal par with the environmental, social and economic pillars which are used to define sustainability and sustainable development, according to Katriina Soini, researcher at the University of Jyväskylä in Finland.

Soini spoke at a seminar in May on the role of culture in sustainable development in the Baltic Sea Region, co-hosted by the Nordic Council of Ministers and the ministries of culture from Poland and Schleswig-Holstein.

“Cultural resources are renewable, which is highly valued in the current economic and environmental crisis. A renewal of the sustainable concept, a kind of “culture laundry”, is also welcome to ensure that the sustainability concept does not lose momentum, according to Soini.

The report “Culture and sustainability in the Baltic Sea Region” was presented during the seminar. The report contains an overview of the stakeholders in the Baltic Sea Region who are working with culture as part of sustainable development and lists opportunities for further concrete initiatives

Read more:

<http://www.norden.org/en/news-and-events/news/culture-is-a-basic-pillar-of-sustainable-development>

<http://www.norden.org/sv/publikationer/publikationer/2013-913>



CSR – a competitive advantage for the Nordic region?

Experts at a Nordic conference on corporate social responsibility last year agreed that CSR is part of the Nordic DNA. But what is the Nordic DNA, the common background for the Nordic countries? The Nordic Welfare model is a good starting point, according to Norwegian minister for Trade and Industry Trond Giske.

- Many elements of CSR are at the core of the Nordic Welfare model, such as decent work, gender equality, involvement of citizens and social dialogue, said Trond Giske in his opening speech at the Conference.

This together with a tripartite dialogue between workers' unions, employers' organizations and the government are key success' factors for creating an enabling environment for CSR, Giske continued.

In connection with the conference, a **Nordic Strategy for Corporate Social Responsibility** was also introduced by the Nordic Enterprise Ministers.

- Nordic businesses have shown themselves as pioneers in CSR, added researcher Maria Gjølberg at the conference, based on her doctoral work.

Gjølberg also highlighted the fact that the Nordic countries are small, open economies which are highly dependent on export to the world market, together with a strong commitment to international institutions like the UN and OECD, as reasons for the high achievements within CSR.

Read more:

www.norden.org/en/news-and-events/news/csr-2013-a-competitive-advantage-for-the-nordic-region/

<http://www.norden.org/en/publications/publikationer/2012-755>



Efficient strategy to support renewable energy

In a report commissioned by the Nordic Council of Ministers, Copenhagen Economics reviews how the Nordic countries can develop a strategy for renewable energy that delivers efficiently on the two underlying policy objectives of climate change and energy security challenges.

The overarching elements in the evaluation of existing policies and the policy recommendations that follows from the analysis falls into three main parts:

- Expanding renewable energy is not an end in itself, but a tool to deliver on the two real policy targets: climate change and energy security.
- Too much policy focus at the Nordic and EU level is dedicated to boost renewable energy share of energy production in the near term, and insufficient resources are allocated to develop future low carbon technologies, which are required when CO2 abatement targets become more ambitious.
- The long term nature of the challenges and huge investments in low carbon technologies required to deliver on long term targets puts a very high premium on policies that reduces policy risks as perceived by investors.

Read more:

<http://www.norden.org/en/publications/publikationer/2013-545>

Green Growth Report to the Nordic Prime Ministers, May 2013

<http://www.norden.org/en/publications/publikationer/2013-747>

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<http://norden.us1.list-manage1.com/subscribe?u=2ae7555a63b425e-fb432b715d&id=44b86e3d13>

REPORTS

Sustainability certification of Nordic tourist destinations <http://www.norden.org/da/publikationer/publikationer/2013-530>

Nordic Environmental Action Plan 2013–2018 <http://www.norden.org/da/publikationer/publikationer/2012-766>

Nordic Strategy for Corporate Social Responsibility <http://www.norden.org/en/publications/publikationer/2012-755>

Culture and sustainability in the Baltic Sea Region <http://www.norden.org/sv/publikationer/publikationer/2013-913>

Efficient strategy to support renewable energy <http://www.norden.org/en/publications/publikationer/2013-545>

China's State-Owned Enterprises as Climate Policy Actors <http://www.norden.org/da/publikationer/publikationer/2013-527>

The Potential for Green Textile sourcing <http://www.norden.org/da/publikationer/publikationer/2013-540>

UPCOMING EVENTS

The Art of Co-creation – Nordic conference on sustainable development (Medskapande 2013) <http://co-creation2013.se/>

See also material from previous events: Cleantech Venture Day <http://www.cleantechday.fi/>

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