

FOOD PUBLIC PROCUREMENT: SUSTAINABILITY AND PROPOSALS FOR INCLUSION OF GEOGRAPHICAL INDICATIONS

SUMMARY

INTRODUCTION	1
DEVELOPMENT.....	2
1. THE FOOD PROCUREMENT SYSTEM	2
2. THE LEGAL FRAMEWORK.....	3
3. SUSTAINABILITY.....	10
3.1 NUTRITIONAL SUSTAINABILITY	11
3.2 ENVIRONMENTAL SUSTAINABILITY.....	12
3.3 SOCIAL SUSTAINABILITY.....	13
3.4 ECONOMIC SUSTAINABILITY.....	13
4. SUGGESTIONS FOR THE INCLUSION OF GEOGRAPHICAL INDICATIONS IN PUBLIC FOOD PROCUREMENT.....	16
BIBLIOGRAPHY.....	20

INTRODUCTION

This text aims to investigate the issue of **sustainability** in public food procurement. In particular, the text develops three concepts: **an overview of the European public procurement system**, analysed from a food system-oriented point of view; the topic of **sustainability in food procurement**, examining four main declinations; and finally, the specific topic of **geographical indications**.

Public food procurement (PFP) programmes have received increasing attention as a policy tool with the potential to deliver multiple benefits to multiple audiences. (Strenght2food)

A key feature of a PFP programme is that it can determine not only **how** food is purchased, but in particular **which food** will be purchased (such as local, diverse, nutritious and healthy), as well as **from whom** (local and/or family farmers, small and medium-sized food businesses, women, young people and/or other vulnerable groups) and **from which type of production** (e.g. from agricultural production that ensures environmental sustainability and biodiversity). (Swensson T. , 2020)

The public procurement system has considerable potential to influence **both food consumption and food production patterns** and to **provide multiple** social, economic, environmental, nutritional and health **benefits** to the food system.

Thus, public food supply stands as a policy instrument used to "link" different objectives simultaneously, such as **sustainability** (economic, social and environmental), **food security** and **nutrition**. This can only happen if the system is based on sound policy and a well-defined regulatory framework, giving public management the ability to steer the system towards clear objectives and goals. (Stefani, 2017)

According to data from the Organisation for Economic Co-operation and Development (OECD), public procurement in general (not just catering) accounts for 18-20% of European GDP. Considering the economic data under different lenses, those involved in the public food sector, from production and supply management to distribution, strongly influence the development and protection of the most complex food issues. (Strenght2food)

According to the EU directives on sustainability and green procurement, contracting authorities have an incentive to involve small businesses, social enterprises and employers from disadvantaged groups. However, it has to be taken into account that economic sustainability often weighs on other nuances of sustainability, such as environmental and social sustainability. When the contracting

authority evaluates different offers, it aims to choose a **balanced**, economically sustainable contract that does not affect nutritional, social and environmental aspects. (Raj, 2020)

However, despite the enormous opportunity that PFP offers, in the publications analysed and in the theoretical contexts concerning public procurement, the topic is described as "*a story of untapped potential*". There are multiple arguments supporting this thesis; among them, the **lack of a favourable regulatory framework** is considered the most incisive. (Donati, 2020)

Through this brief contextualisation of the topic, we aim to contribute to the debate on the use of public food procurement as a policy tool and how sustainability strategies need to be implemented through the analysis of some case studies. By means of the criteria that will be explored in the following pages, it is intended to further assess how to include GI products in public food procurement, always considering sustainability in its three dimensions. This will also be done by bringing to the debate a brief discussion on the role of the regulatory framework and an analysis of existing legal and judicial mechanisms that can translate policy objectives into procurement rules and regulations that are adapted and aligned with the new sustainability standards and principles recently introduced by the European Union.

DEVELOPMENT

1. THE FOOD PROCUREMENT SYSTEM

After this brief introductory section, it is necessary to define the topic by highlighting the fundamental issues on which the burdens and honours of the public sector rest.

In the EU, until the early 1990s, the directives referring to public procurement contracts were structured in such a way as to avoid market-distorting effects by providing barriers to the application of sustainability principles in *public procurement*. The four EU directives, designed to harmonise the procedure at the Member State level, are mainly based on applying the concepts of "**lowest prices**" and "**economically most advantageous offer**", which implies the rejection of any non-economic objective such as sustainability or geographical preferences. (Stefani, 2017)

Although this approach influenced the PFP system in all its forms, this does not mean that only economic criteria determined and influenced the procurement.

In the legislation of the 2000s, following the jurisprudence of the Court of Justice, **contracting authorities were for the first time allowed to take production techniques into account**, allowing them to select bids that were more environmentally than economically sustainable. (Direttiva 2004/18/CE) This is a step forward for the legal framework as it allows contracting authorities to request special conditions in the contract, also taking into account environmental and social issues. As a result, the first debates on sustainability and steering the procurement system towards positive externalities and long-term cross-sectoral benefits are developing.

This legal framework has thus provided the impetus for changing public procurement strategies towards new goals. In the several Member States, e.g. Sweden, Finland, Denmark, France and Italy, public procurement of food has been redirected towards organic and healthy food in schools and hospitals and has even introduced local and traditional food. (Caranta, 2010) Furthermore, they even introduced local and traditional food. (Bocchi, DiProVe - Università degli studi di Milano) (Legislativa, 2013)

Currently, PFP in the EU is **mainly oriented towards promoting sustainability and the food quality of the meals served in general**. This development has also been recognised as an efficient practice towards sustainability by international agencies. (OECD, 2020). However, it must always be considered that **the criteria for avoiding market distortions and ensuring free competition remain fundamental and insurmountable**.

2. THE LEGAL FRAMEWORK

In the European Union, the directive on **public procurement** defines the procedures for tenders, the types and criteria of exclusion, selection, and award that contracting authorities must comply with. The EU legal framework, however, **does not regulate** calls for tender by **private** purchasers. (2014/24/EU) (2014/23/EU) (2014/25/EU)

The reference directives at the European level entered into force in 2014. The legislative framework includes:

1. a directive on public procurement (so-called ordinary sectors), **2014/24/EU**;
2. a directive on the procurement procedures of entities operating in the water, energy, transport and postal services sectors (so-called special sectors), **2014/25/EU**;
3. a directive on the award of concession contracts, **2014/23/EU**.

The reform replaced the 2004 directives and was adopted as **part of the Europe 2020 strategy for smart, sustainable and inclusive growth**, providing member states with the tools to modernise procurement practices, implement the digital transformation and make the system strategic. The aim is to promote a more resource-efficient, environmentally friendly and competitive economy based on knowledge and innovation, and inclusive, promoting a high-employment economy that fosters social and territorial cohesion. (European Commission, 2017)

As far as public food procurement is concerned, the reference directive is 2014/24/EU. It should be noted that mass caterings are excluded from the actual scope of application but fall within the field of services when the value of the contracts is above the threshold of 750.000€ (Articles 74,75,76) (2014/23/EU)

The introduction of this directive is fundamental because it gives the Member States the option of fully exploiting the qualitative and social sustainability evaluation criteria, providing that the awarding of contracts is based on the **quality/price criterion**.

In fact, the directives go beyond the so-called equivalence of award criteria, favouring the most economically advantageous tender criterion.

The criterion of the lowest bid is a residual one. In any case, the price criterion must be calculated out of the cost **of the asset's entire life cycle**, including maintenance and final disposal. The European legislation identifies the life-cycle costing (LCC) as a key concept, a tool for achieving the strategy's objectives. The cost concept includes all costs that may arise during the entire life cycle of a works, service or supply contract. (European Commission, 2017)

In this way, the so-called negative externalities (the future costs of an asset, which are neither predetermined nor predeterminable) will not fall on the community. For example, environmental costs are part of the LCC, and they must be included in the offer. Competitors have an incentive to look for technological solutions that optimise these costs and increase the efficiency of public spending in the long term. (EPHA, 2019)

The identification of the most advantageous tender is based on the most advantageous offer on price or cost, following a cost-effectiveness approach assessed on criteria such as **qualitative, environmental and social aspects**.

The purpose of specifying such criteria is to promote quality and innovation in public procurement, to include environmental and social aspects, with particular reference to the protection of employment and working conditions and in favor of disadvantaged groups.

The innovative provision that the cost element may take a price or a value for money is noteworthy. **It can take the form of a price or fixed cost, and in that case the economic operators compete only on the basis of qualitative criteria.**

Among the grounds for exclusion, the directives provide for several cases which are considered to undermine **the free flow of competition. This is one of the criteria that most limits the introduction of the Geographical Indication and local/ regional food products.** (European Commission, 2016)

More precisely, to enhance the introduction of a specific type of product in public food procurement, it is necessary to be careful not to break laws related to **Articles 34, 35 and 36 of the Treaty on the Functioning of the European Union (TFEU)**. These articles prohibit quantitative restrictions on imports and exports between member states and measures having equivalent effects. The preferential introduction of certain products like local or regional food products is generally considered a discriminatory practice against other products from the European trade area. **The principles of protection of competition** must therefore be respected; since this rule does not allow the acts and behaviour of companies that adversely affect the competitive structure of the markets. (TFEU, 2012) (Main action for constitutional legitimacy, 2021)

This provision is directly aimed at putting in place **pro-competitive measures in the sense of greater openness to the market in favour of economic operators of small business size.**

Nevertheless, one of the main innovations of the new European legislation is as a general principle introducing the **obligation** for Member States to take appropriate measures to ensure that **environmental, social and labour requirements** are integrated into tender procedures and in the execution of contracts. (2014/24/EU)

Economic operators must comply with those obligations laid down in EU law, National law, collective agreements or international law. It follows that, now even more than in the past, the regulation of public contracts, cannot apply the lens of cost-effectiveness in the strict sense of competition alone. On the contrary, it should consider also aspects connected to environmental, social and labour protection. In this way, the choices made by the Member States and the contracting authorities

increasingly represent the result of a continuous balancing of different interests. (European Commission, 2016)

For contracting authorities, it is necessary to define the concept of quality. In addition to compulsory criteria concerning provisions on recruitment and working conditions of staff, **some criteria can facilitate the introduction and choice of products with a Geographical Indication.**

According to the guides published by the European Commission to help contracting authorities along the sustainable transition, food quality is defined according to the following criteria: respect of **food hygiene and safety rules**, control of food supplies, in particular **traceability and identification** of the origin of foodstuffs; procedures and methods for **monitoring and assessing quality** (quality of food, quality of service, reception, information, etc.); **nutritional quality of products** in line with general criteria but also with new healthy lifestyles (non-compliance could lead to a loss of quality of food); **the nature of the catering service** to be provided (choice/variety of daily supply, frequency of each type of food, etc.); standards (non-compliance could lead to the exclusion); **how food is transported and stored**, always complying with any existing national legislation on this matter; the quality **food production methods**, in particular the way fruit and vegetables are grown, types of preservation, etc. (EPHA, 2019) (European Commission, 2016) (European Commission, 2019)

To encourage Member States to improve the achievement of these goals, the **European Commission published in October 2017 the Communication "Effective public procurement in Europe and for Europe"**. The communication sets out many practical steps to improve procurement in the EU, updates the current '**Social Procurement**' guide, and provides guidance on procurement for innovation. The Commission also intends to increase exchanges of good practices on strategic procurement in different sectors. (European Commission GRW.C.2, 2021)

It will promote the development of sector-specific guides on choosing the most advantageous offer in tendering procedures.

Another section of the strategy addresses the professionalisation of public contracting authorities by **proposing guidance documents showing them what they should bear in mind when conducting a tender procedure**. At the same time, Member States are encouraged to align themselves, **voluntarily**, with the activities of the Commission.

Contracting authorities are also encouraged to consult the EU guide "[Social Purchasing](#)" which provides useful recommendations for taking social considerations into account in public procurement.

In addition to social procurement, the European Commission has been working on the EU green public procurement (GPP) criteria, publishing several guides which cover the different sectors. In particular, in 2019, the EC published a guide for the **green transition** of public food procurement "[EU green public procurement criteria for food, catering services and vending machines](#)"¹ which **can be useful for the introduction of short supply chain and local food products into the system.**

EU green public procurement (GPP) criteria are designed to make it easier for public authorities to purchase goods, services and works with reduced environmental impacts. The use of the criteria is voluntary.

Key environmental impact points concern the use of energy in farming and food processing activities, the use of production land (with a focus on CO2 emissions for all stages of production), the exploitation of fish stocks and the reduction of biodiversity, the production and use of fertilisers and pesticides, pollution and waste.

Intending to minimise environmental impact during the product's life cycle, **Section 3 on food sourcing sets out the criteria to prioritise.**

Each criteria is described in detail, including qualitative and or quantitative indicators as well as specific information on how to include the criteria in the tender and how to verify that the tenderer has address the criteria rightfully in its own offer.

The section concerning **food public procurements** includes, among others, the following **criteria among the technical specifications:**

1. **Organic products:** the contracting authority has two option: A. it can include in the tender a **list of organic food and drink** to be supplied during the execution of the contract; or B. it

¹[https://ec.europa.eu/environment/gpp/pdf/190927_EU_GPP_criteria_for_food_and_catering_services_SWD_\(2019\)_366_final.pdf](https://ec.europa.eu/environment/gpp/pdf/190927_EU_GPP_criteria_for_food_and_catering_services_SWD_(2019)_366_final.pdf)

can indicated in the tender the **percentage** of the total purchases of food and drink products that must be organic.

2. **Marine or aquaculture products:** the contracting authority can demand that no fish or fish products are used from species and stocks identified in a “*fiche to avoid*” list that reflects the state of fish stocks in different regions. A specific list should be attached to the tender.
3. **Products that guarantee animal welfare:** the contracting authority can demand that none of the eggs in shell coming from conventional farming are labelled code 3 of Regulation (EU) 589/2008.
4. **Seasonal production:** More consideration is given to products from seasonal production. The aim is to increase environmental, health, economic and social benefits by developing responsible territorial production. Contracting authorities might decide to include seasonal produce criterion in their tenders on an **individual basis** by indicating at **what time of the year which food and drink products** are to be delivered/offered.
5. **Integrated production:** The tender can stimulate integrated production. The contracting authorities may decide to include an integrated production criterion in the tenders on an individual basis by indicating the percentage of total purchase not complying with organic food products criterion that must comply with the rules in place where the food products are produced or a specific private scheme. The percentage of product on total mass to be purchased can be indicated either by volume or value. The criterion is not complementary to the organic product.
6. **Agricultural products protected by Geographical Indication:** The quality guaranteed by Regulation (EU) No 1151/2012 is often sought after by citizens as a guarantee of traditional products that have the potential to protect the natural resources or landscape of the production area. The contracting authority may therefore include GIs on an individual basis by indicating the list of such products that can be offered. (European Commission, 2019)

Useful guides

[BUYING SOCIAL - A GUIDE TO TAKING ACCOUNT OF SOCIAL CONSIDERATIONS IN PUBLIC PROCUREMENT \(2ND EDITION\)](#)

[EU GREEN PUBLIC PROCUREMENT CRITERIA FOR FOOD, CATERING SERVICES AND VENDING MACHINES, 2019](#)

[BUYING GREEN! A HANDBOOK ON GREEN PUBLIC PROCUREMENT 3RD EDITION, 2016](#)

[GOING GREEN: BEST PRACTICES FOR SUSTAINABLE PROCUREMENT, OECD 2015](#)

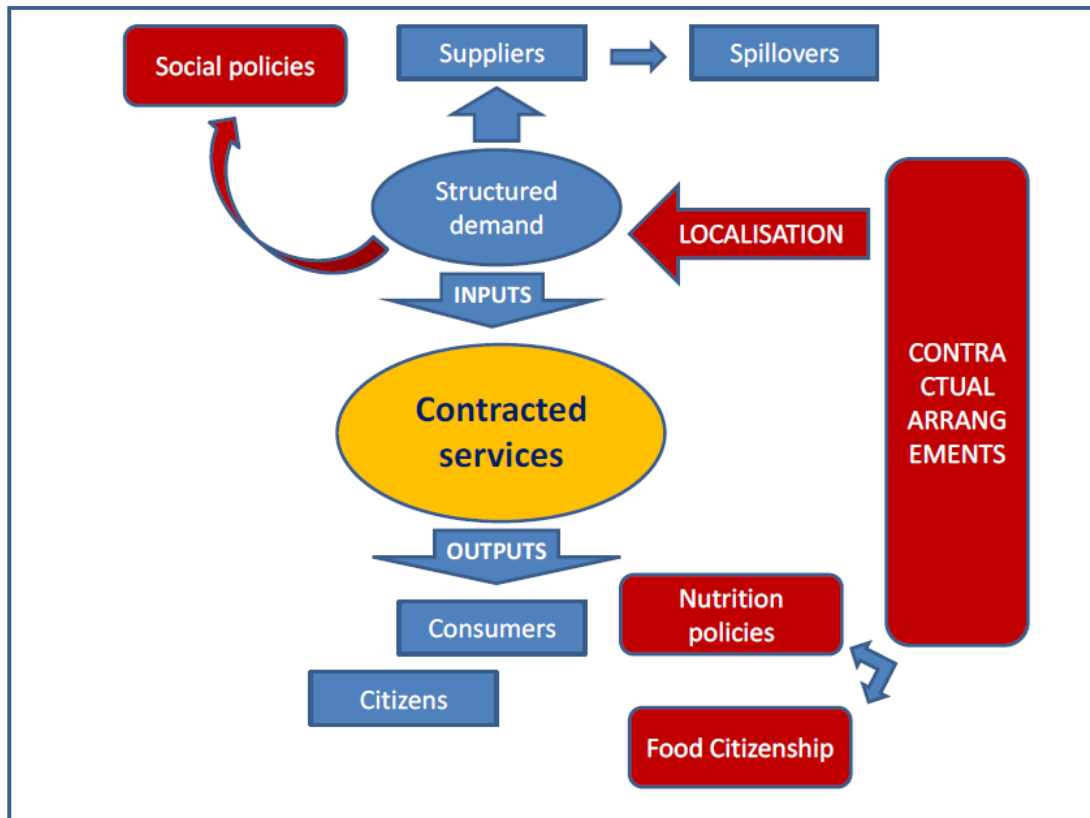
[SUSTAINABLE PROCUREMENT PLATFORM](#)

The idea of using public procurement to achieve socio-economic objectives is supported by the **UN Sustainable Development Goals**, which aim inter alia to "*promote sustainable public procurement practices, i.e. that include environmental, economic and social aspects, in accordance with national policies and priorities*". Sustainable public procurement is thus recognised as a **critical prerequisite for achieving consumption and production patterns**. (UNEP, 2019)

This has recently found increasing recognition at the international level in the economic and political studies set out by the FAO (Kelly, 2017) and at the EU level in the 2014 revision of the [European Union\(EU\) Public Procurement Directive](#).

3. SUSTAINABILITY

The change in approach over the years shows that public food procurement is an excellent example of a policy instrument used to "link" different objectives simultaneously; the term "*linkage*" is used in legal studies to describe the link between procurement and social policies. For example, an obligation to buy a particular share of organic products regardless of origin is a way of "linking" public demand for food to environmental and health issues. Alternatively, the obligation to use territorial enterprises is linked to social and cultural issues.



Source: (Stefani, 2017)

In the proposed image 1.1, the current functioning of the public procurement system is schematically illustrated. It shows how the various sustainability concepts affect different points in the chain. In red, the procurement principles are highlighted and the points that affect the system structure. The social theme impacts the demand and supply of products, producing externalities in the place to which the procurement relates. Nutritional/health policies and the concept of "*Food Citizenship*" (i.e. the development of a democratic, socially and economically just and sustainable food system), on the other hand, affect the consumer; it is therefore intertwined with the concepts of territory and local development. (Pettenati, 2018)

The notion of linkage relating to PFP (McCrudden, 2004) will also include the concepts of **contractual conditions, qualifications of contractors and criteria for awarding contracts**. In PFP, both the inputs and outputs of the contracted service are influenced by contractual arrangements and respectively linked to social policies addressed to providers and/or citizens/consumers. (Vieux, 2020)

In particular, the discriminating factor concerning the impact of PFP on suppliers seems to be contractual requirements, specific contractual requirements on the location of suppliers.

(Lindstroem, 2020) This indirectly affects the environment where the food is produced, the health of citizens where the food is consumed, etc. In a sense, the linkage made by PFPs always directly or indirectly addresses both suppliers and citizens/consumers of food, who can be defined as the main actors in the procurement system. (Stefani, 2017)

The principles governing procurement are linked to sustainability in its four primary forms in this field: **nutritional, environmental, economic and social**.

In the procurement selection process, public stakeholders are therefore required to conduct evaluations according to these principles.

The following sections highlight the criteria that make up and characterise these declinations. These criteria can be the starting point for arguments for introducing geographical indications into the public procurement system.

3.1 NUTRITIONAL SUSTAINABILITY

Nutritional sustainability refers to **the health impact of the food on offer**. In this way, we aim to ensure the health and nutritional wellbeing of our customers by proposing, through the menu, balanced, targeted and modulated diets based on the nature of the customer.

The diets are structured according to the main directions provided by the class of nutritional biologists, following the Reference Intake Levels of Nutrients and Energy (LARN). (Lombardia, Linee guida della Regione Lombardia per la ristorazione scolastica , 2009)

The diet is also modulated in respect of social and cultural characteristics: diets are structured for vulnerable people with allergies, intolerances and illnesses, and diets linked to religious reasons or environmental sensitivity. Finally, food must also be considered healthy and safe from the point of view of the **food safety and hygiene system**. (Direttiva 2004/18/CE)

Nutritional sustainability also critically assesses the impact of nutritional loss due to **food wastage**. By also defining "*what food to buy*" (as nutritious, healthy and biodiverse), PFP programmes are a powerful tool to improve food security and nutrition for those who receive and consume food and **influence their eating patterns towards more sustainable and healthy diets**. (Watermeyer, 2012)

When linked to local and smallholder agricultural production, PFP can also contribute to the nutrition and food security of smallholder farmers and their communities through increased and diversified food production and consumption and improved incomes. (Lindstroem, 2020)

3.2 ENVIRONMENTAL SUSTAINABILITY

As far as environmental sustainability is concerned, the impacts of the catering service on the mode and sources of supply and, therefore, the impact on the territorial ecosystem and the supply area is assessed.

This involves assessing the natural resources present in the geographical area of interest, evaluating the carbon emissions generated throughout the supply chain, starting with production, and constantly checking whether it is possible to reduce them.

Environmental sustainability can also be a decisive criterion for introducing **GIS** into the public system as they **guarantee sustainable quality criteria by definition**. (European Commission, 2020)

This is argued through the introduction of environmental certifications that are often linked to quality certifications. (Lindstroem, 2020)

A PFP program can also target food produced in a specific way and thus use its purchasing power to support and promote agricultural production that ensures both environmental sustainability and biodiversity.

According to the documents analysed, there is a substantial incidence of environmental certifications in urban or regional food planning strategies, which also influence the territorial social quality of life, translated in assigning a higher score in the contract awarding.

This includes, for example, buying food from low-impact production methods with reduced carbon and greenhouse gas emissions, organic production and biodiversity-friendly practices, and integrated agricultural production. (FoodLinks, 2013) (IPES, 2016). In this context, inclusive PFP has also been recognised as a tool that can positively influence water and land use, counter climate change, and contribute to the conservation and sustainable use of biodiversity. (FoodLinks, 2013) (Valencia, 2019)

It should not be forgotten that the positive environmental impact can also have repercussions on the food tourism system and cultural and territorial awareness, increasing people's regular supply from a short *food supply chain* (SFSC). (FoodLinks, Galli, Brunori, 2013)

3.3 SOCIAL SUSTAINABILITY

Through the **social sustainability** assessment, we look at how the provision of the food service impacts the well-being of the people involved, considering producers, intermediaries in the chain, and consumers. It is then required to assess the impact on the community and the satisfaction and livelihood of the service to people while also taking care of relationships and a sense of inclusiveness for the local community, contributing to the social fabric.

It is also recognised that the PFP system benefits both those who receive food through public institutions (food consumers) and those who provide food (food producers) and the community at large.

Depending on the producer's choice "from whom" the food should be purchased (e.g. local farmers and smallholders), PFP can become a tool to support local and smallholder agricultural production and stimulate community economic development. As women and/or young people are often the owners of these businesses, PFP programmes and school feeding initiatives also have the potential to contribute to youth empowerment and gender equity as well as job creation. (FAO & WFP, 2018) (FoodLinks, Galli, Brunori, 2013)

From a social point of view, the introduction of geographical indications in the public food supply system could also influence the education system, generating greater territorial and cultural awareness and stimulating a productive generational change interested in maintaining tradition.

3.4 ECONOMIC SUSTAINABILITY

Finally, the pillar that is often necessary for balancing and contractual equilibrium is economic sustainability: the budgets of the proposed services, the effect on the recipients and the maximisation of the positive economic return are evaluated with an eye to the local economic system.

The evaluations apply to all stages of the procurement process: **commissioning, supply in its entirety (production, processing, distribution, service) and waste management.**

As mentioned above, the PFP can become a tool to support local and smallholder agricultural production and stimulate community economic development, which is even more relevant if linked to the inclusion of GIs, considering that most GI producers are considered medium-small. The introduction of GIs mainly supports the local economy, favouring the creation of new jobs and the development of alternative commercial channels such as short production chains and zero km. (Pettenati, 2018) (European Commission, 2020) (FoodLinks, Galli, Brunori, 2013)

PFP can be an important market opportunity for small processors and micro, small and medium-sized food enterprises. However, concerning the introduction of geographical indications, some economic criteria prove to be a barrier. Therefore, let us highlight the most complex points from an economic point of view, which also turn out to be the contradictory point of introducing sustainability principles, particularly in the public sector.

A key feature of public food procurement, which is a distinguishing factor from private procurement, is that government institutions are not entirely free to choose what food to buy, how to buy it and, in particular, from whom to buy it. The public procurement framework shapes and limits these choices, which provides specific and detailed rules governing the entire procurement process. (McCrudden, 2004)

Many public procurement systems share several objectives. One key to the system found in virtually every country in the world is **"best value for money" in acquiring the goods, works or services required.**

The definition of "value" can vary from a narrow interpretation limited to the lowest cost to a broader one including other social, environmental and economic values. Other objectives are: maintaining the integrity of the system, i.e. avoiding corruption and conflicts of interest; accountability, i.e. ensuring that the system provides the means for stakeholders to determine whether the government is achieving its objectives and thus have a measure of control; equal opportunities and equal treatment for all suppliers, i.e. ensuring that all individuals and organisations participating in tenders have an equal chance to benefit from the opportunities offered by public procurement; fair treatment of suppliers, i.e. ensuring due process; and finally, efficiency in the procurement process, i.e. ensuring that the process takes place without unnecessary delay or waste of resources. (Arrowsmith, 2013)

The principles of public procurement support the realisation of these objectives. The most common are transparency, competition and equal treatment.

These traditional public procurement objectives and principles are of fundamental importance as they shape rules and practices.

These rules may limit the introduction of sustainability criteria by denying procurement programmes the possibility to target specific types of suppliers (i.e. small farmers and small and medium-sized food enterprises).

Similarly, targeting local products and producers is prohibited in most public procurement systems as it is considered a discriminatory practice.

In this sense, we report as an example the case of the Tuscan Regional Law of 10 December 2019, n.75, concerning norms to incentivise the introduction in school canteens of **zero-kilometer products** coming from short supply chain and selected based on their connection with the regional territory (among which also regional PDO and PGI). This law has been challenged before the Italian Constitutional Court on the grounds of constitutional illegitimacy.

In detail, the Constitutional Court held that the legal system does not allow the region to give priority to food produced or processed within the regional borders.

The law of the Region of Tuscany, while pursuing the aim of enhancing the value of local products, **favouring regional products and producers, has led to clear discrimination against those who use products of different origins**, which, although outside the region, may well be at an equal or shorter distance from the place of consumption, **thus distorting competition and hindering the free movement of goods.** ²

Standard public procurement rules may also limit the possibility of taking social, environmental and food-related aspects into account in the awarding of contracts, especially if a narrow interpretation of "best value" based on the lowest price is adopted as the main criterion for awarding contracts.

Public procurement rules can also significantly limit and shape choices on how to procure service providers; this is mainly the case when referring to specific methods of mandatory participation

² Judgement 31/2021 (ECLI:EN: COST:2021:31), Constitutional Court, Italy, 09/02/2021, <https://www.cortecostituzionale.it/actionSchedaPronuncia.do?anno=2021&numero=31>

requirements, procedures for publishing tender opportunities, the size of contracts and so on. (Swensson, 2018)

Also, to consider the introduction of geographical indications in the public procurement system, the evaluation by the contracting authority has to be very thorough.

When the PFP requires local entity suppliers, the interventions create a structured demand within a local economy to simplify the process; simplification is to make the bureaucratic process less burdensome and less risky for specific target groups within the population of small and medium-sized suppliers (e.g. by facilitating companies that are considered very small, or suppliers with a commitment to social issues). (Stefani, 2017)

In contrast, a part of the literature reviewed agrees that if the contract conditions specify that the food must be purchased from local suppliers, the PFP represents a disruption of external demand for the economic system linked to the area. Considering the high demand for the good, and as public procurement is often a resource-intensive contract, it significantly increases the demand on the local system, which is often limited according to the quantitative factor of production scale, thus risking adverse effects. The extent to which positive economic effects occur depends on the structure of the local economy, its ability to cope with the increased and structured demand and the definition of what is meant by local. (Sonnino, 2016) (Saint Ville, 2019)

On the contrary, however, it is pointed out that when no local requirements are included in the contractual arrangements, the impact of PFP on the supplier is rarely identifiable and is diluted on a global scale.

PFP - especially when linked to local agricultural production and smallholder farming - has the potential to achieve the sustainability goals set by the European Union, adding value to the entire production sector and the territory in which it is developed. (FoodLinks, 2013) (Sonnino, 2016)

4. IDEAS FOR INCLUDING GIS IN PFPS

Once the characteristics of sustainability have been analysed, and the most critical points for protecting geographical indications have been assessed, it is necessary to understand the channels for inclusion.

At the legal level, contracts can be published according to different schemes.

The **reservation** scheme allows **only targeted beneficiaries of horizontal policies to participate in the selection process** and thus be eligible for a contract. Reservation is a legal mechanism that allows the government to reserve specific procurement opportunities (such as providing food to the school feeding programme) for specific categories of suppliers that meet certain prescribed criteria linked to the designated policy objective. (Watermeyer, 2004) The scheme also has other rules that allow and require contracting authorities to apply specific award criteria to prioritise the process to different categories: local producers, vulnerable producers, organic and agroecological producers. The most frequent example of this is the introduction of organically certified food, supported by arguments of environmental, nutritional and health sustainability.

On the other hand, the **preference** scheme is a legal mechanism that allows the government to give an **advantage to** a defined category of suppliers within a fully competitive procurement process. In contrast to reservation schemes, the **selection process is open to any interested supplier** who can compete with the targeted recipients for contract opportunities. (Watermeyer, 2004)

However, preferential treatment is given to those suppliers who meet the prescribed criteria (e.g. qualify as local or small farmers) or who commit to specific targets in the execution of the contract (e.g. restaurateurs who commit to buy from small local farmers), linked to the government's policy objective.

On the other hand, an indirect scheme is a mechanism that allows the government to use public procurement to pursue horizontal policy objectives and support a specific category of suppliers even if it does not purchase contracted products or services directly from the beneficiaries the policy intends to support. (Watermeyer, 2004)

Indirect procurement is, therefore, an exception to the traditional objectives of open competition and equal treatment of suppliers, allowing the government to make choices that tend to be more considerate; this is mainly aimed at sustainably evaluating suppliers and allows public procurement to achieve specific policy objectives (such as the introduction of a diet considered healthy or food education). The proportion of purchases from targeted beneficiaries is also used as an award criterion. **Price** remains the main award criterion, but when two or more potential contractors offer the same price, the offer with a **higher percentage of procurement from targeted beneficiaries will take priority over the others**. (Watermeyer, 2012)

Geographical indications can take advantage of the fact that they are protected by quality certification and therefore have a strong, sustainable component. GIs represent a collective for the promotion and preservation of traditional quality products and a way to enhance the supply of public goods, such as food heritage, landscapes, traditional knowledge, and the rural economy. (Pettenati, 2018)

As they have a strong link with the designated geographical area, they play a key role in the area's **sustainable development**. Moreover, they have the possibility of guaranteeing a solid economic return to producers in local communities. However, it should be noted that the added value of quality certification could negatively affect the idea behind economic sustainability, namely access to the product at a better price.

Local sustainability is also measured at an environmental level, emphasising that GIs promote the protection of biodiversity also with a view to diversified agricultural production.

On a social level, however, they represent a vital component in **educating people to choose quality products** that reflect the local area and all the criteria listed above, helping to strengthen the social fabric and the preference for sustainable development at all levels. The tourism sector is also positively affected, increasing research, and bringing consumers closer to the rural production system close to urban centres. (FoodLinks, Galli, Brunori, 2013)

In order to strengthen the use of GIs in public contracts, it is highlighted by a study (Raj, 2020) that **coercive institutional pressure can achieve good results**.

Other strategies that can help are, for example, the scheduling of discussion moments on the issue such as dialogue tables with institutions, the organisation of new calls for proposals that are more flexible and allow preferential participation for GI products, the promotion of the use of GI products as an ingredient in a structured food diet and greater food education. (Donati, 2020)

It should be noted, however, that government directives and strategies in some regions encourage the introduction of sustainability at the public level. In the current debate related to the new food networks (**alternative food networks**), real food supply plans (**urban food planning**) have been developed in many regions and cities, which give greater centrality to the sustainable system and locality, implementing a stronger territorial policy. (Pettenati, 2018)

As a result, GI may have a place to give more weight to geography and its intrinsic value.

In addition, this also points to the possibility of introducing food into the system that is considered *zero km* or from the area.

Cities already represent a space for action for food policies, particularly for incorporating new approaches to food. The theme of sustainability translates into policies aimed at integrating and connecting actors, resources and tools in terms of **multiple dimensions of food** (environment, production activities, logistics and transport, education and training, economic and employment development, health and social welfare, culture and tourism), **different stages of the agri-food chain, geographical scales and related levels of territorial government, urban and rural territories, the public and private sectors and civil society**. The pioneering realities of Urban Food Planning are represented by cities in North America and the United Kingdom, Greece, Italy, France, Belgium, and Spain. (Sonnino, 2016) (Valencia, 2019)³

At the European level, the 'Strength2Food' project is one of the main strategies for a sustainable transition.

It should be noted that the Strategic Guide (FoodLinks, 2013) (Strenght2food) for the public food procurement sector shows excellent benefits for the communities where it has already been implemented. These include reductions in carbon emissions, an incentive to increase the budget to spend on suppliers in the neighbourhood, improvements in the social fabric linked to the physical locations of the production chain, promotion of sustainability and product quality through information and education, and encouragement of vertical and horizontal supply chain integration. The future objectives underlined are those of improving the contractual system and expanding the vision of the foodservice, "piloting" it towards healthy habits.

Successful examples of introducing sustainability concepts into the public system include Denmark and Italy. With a focus on organic food, Denmark has managed to bring the majority of its food supply with organic certification, highlighting significant socio-economic benefits for the nation. (IFOAM, 2020)

There are also regional supply plans with clear suggestions for transition: we have an example with the Catalan strategic food plan 2021-2026 that embraces FAO principles, or even with the previous

³ A link to an ensemble analysis of the European Regional Committee's case studies conducted in 2018 is noted: <https://cor.europa.eu/en/engage/studies/Documents/sustainable-public-procurement-food.pdf>. In the first case study, reference is also made to the introduction of GI in a school food system.

plans formalised by the Lombardy and Emilia-Romagna regional councils, which give space to green, organic, sustainable and local food (referring to the geographical area and the concept of zero km). (Bocchi, DiProVe - Università degli studi di Milano) (Lombardia, 2014) (Romagna, 2016) (Catalunya, 2021)

A successful case study concerning the introduction of geographical indications in the procurement system is the awarding of the school catering service with reduced environmental impact in the municipal and state preschools, primary and secondary schools located in the territory of Roma Capitale. The process began in 2001 with the introduction of organic food and has now led to the introduction of PGI and PDO foods as a requirement and selection criterion.

The use of local products was encouraged by making reference to specific characteristics of PDO and PGI products coming from the region or from neighbouring regions; or by referring to the maximum distance to be travelled and the time to be taken by-products (e.g. fruit and vegetables) to reach the place of consumption.

The evaluation criterion for the bidders' offer in the section on food supply policies is based on the award of 15 points out of 28 for the introduction of PDO or PGI products and those provided for as mandatory in the special tender specifications. (City of Rome, 2020)

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