

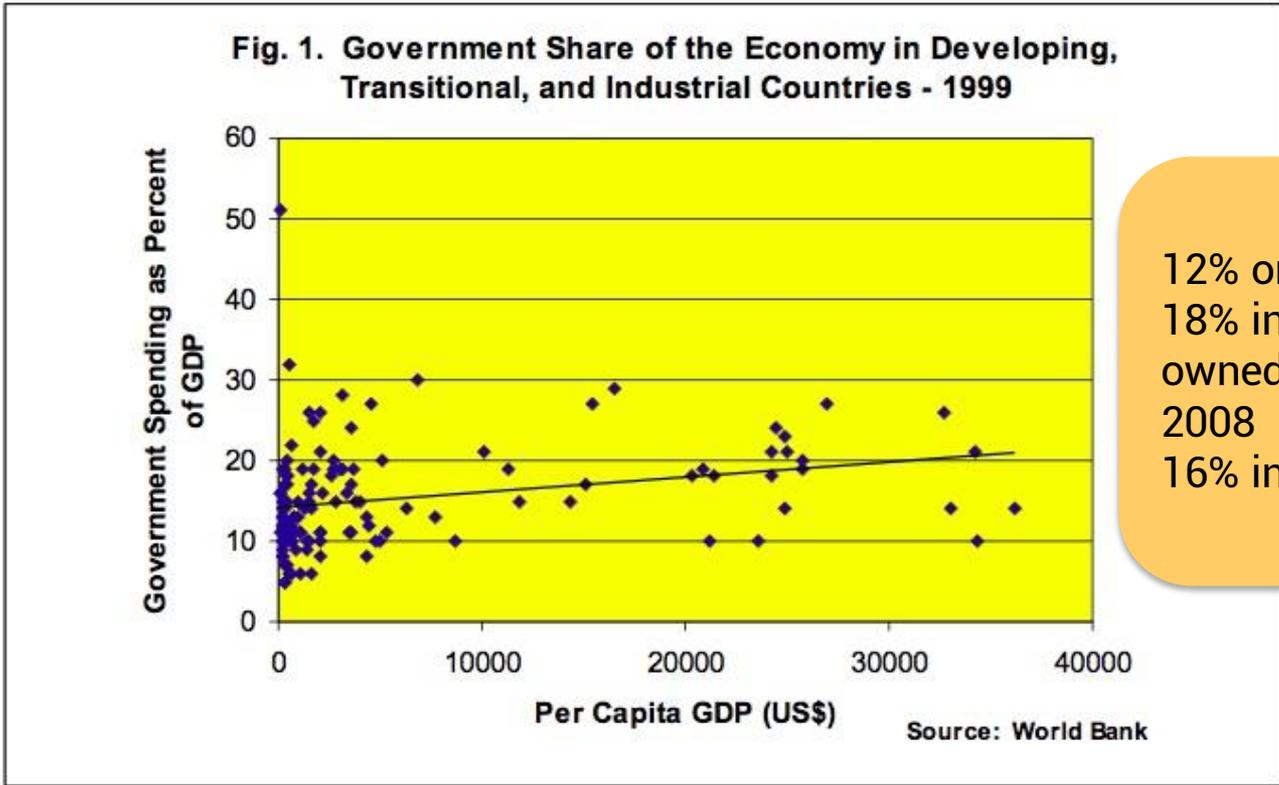
Accelerating the shift to sustainable procurement

Farid Yaker, GEN Workshop, 27 May 2019

What is Sustainable Public Procurement?



Why Sustainable Public Procurement?



12% on the OCDE,
18% including state-owned companies in 2008
16% in the EU in 2002

Harris, J. Public Sector Leadership: Transforming the Market for Efficient Products and Services

Beginnings

- ❖ It is nothing new
- ❖ First experiences in 19th and 20th centuries
- ❖ Addressing social justice issues
 - ❖ Fair working conditions
 - ❖ Fair pay
 - ❖ Integration of the disabled
- ❖ In parallel to the Welfare State

Beginnings

- ❖ Progressive extension to other fields
 - ❖ Promotion/protection of disadvantaged groups
 - ❖ Anti-discrimination
-
- ❖ Progressive concern for environmental degradation and its effect on social health and development

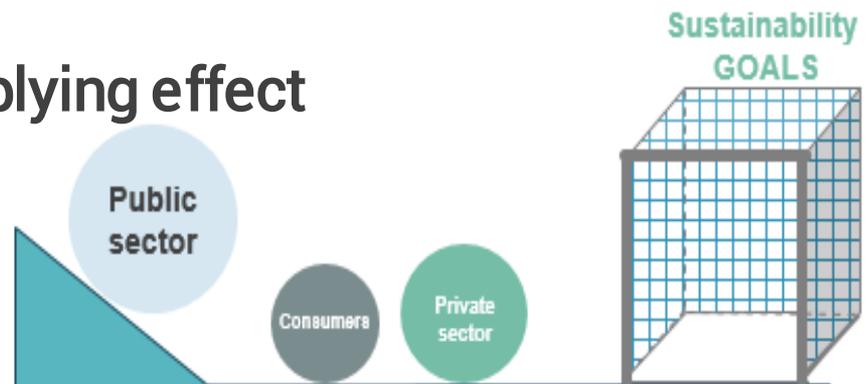
Why Sustainable Public Procurement?

- ❖ SPP has value as an instrument:
- ❖ Leverage provided by public procurement spending
- ❖ Makes more sustainable products available to the public

The Energy Star energy standard (USA) became the norm following the order of the US Federal Government for all computer purchases to meet this standard.

Sustainable Procurement can be an effective mechanism to further economic, social and environmental development

- The power of the purse: Public procurement represents between **8 and 30% of countries GDP** therefore it can be a major vector in **social progress and environmental protection**.
- Government bodies and the public sector have an **opportunity through their collective and substantial purchasing power to leverage markets** to produce more sustainable goods and services
- It can therefore have a **multiplying effect**

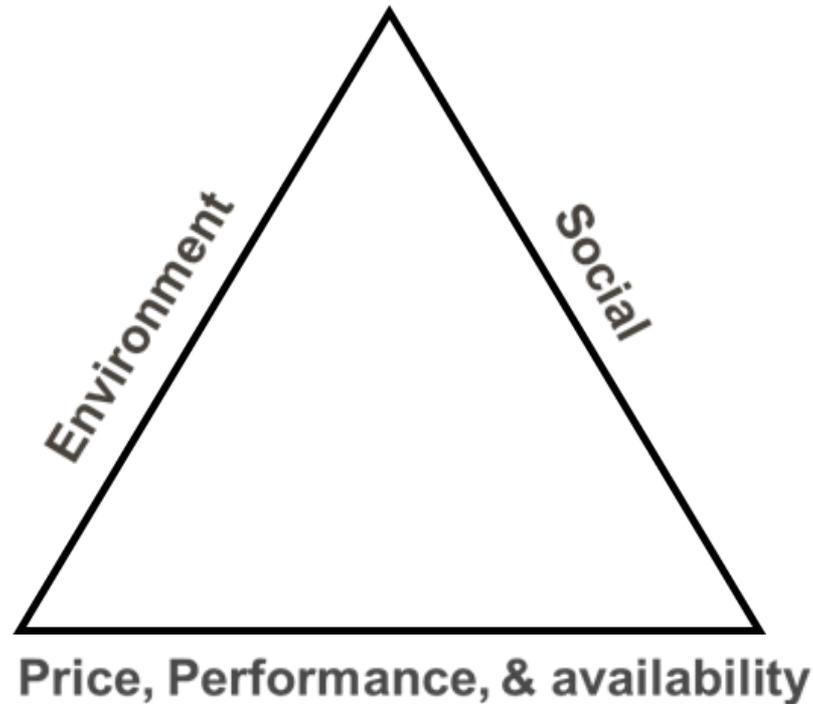


SPP is not a stand alone practice: it seeks resource efficiency, improves quality of products and optimizes costs, therefore it is good procurement

SPP follows the essential elements of good public procurement – transparent, fair, non-discriminatory, competitive, accountable, efficient use of public funds, and verifiable – whilst integrating the three dimensions of sustainable development: social, environmental, and economic.

**Therefore, Sustainable Public Procurement is
Good Procurement!**

Sustainable procurement is about buying better products from better companies



Defining Sustainable Procurement



Sustainable Procurement (SP) is

... the process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves “**value for money on a whole life basis**” in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimizing, and if possible avoiding, damage to the environment

Defining Green Public Procurement

Green Public Procurement (GPP) is

“a process whereby public authorities seek to procure goods, services, and works with a **reduced environmental impact throughout their life cycle** when compared to goods, services and works with the same primary function that would otherwise be procured.”

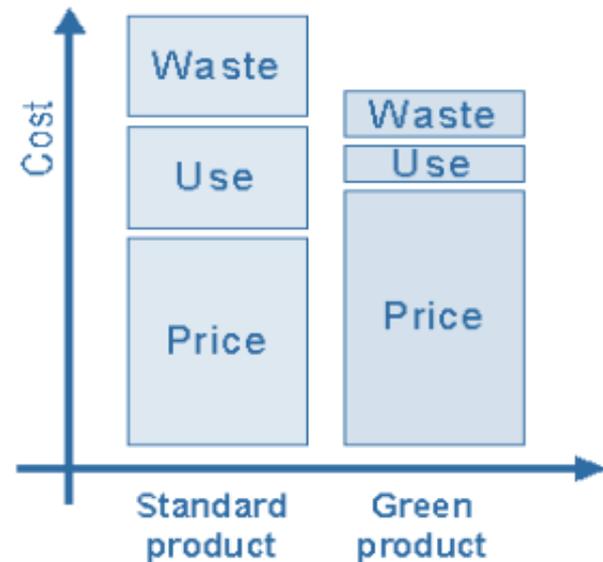
Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Public procurement for a better environment {SEC(2008) 400

Underlying principles of SPP

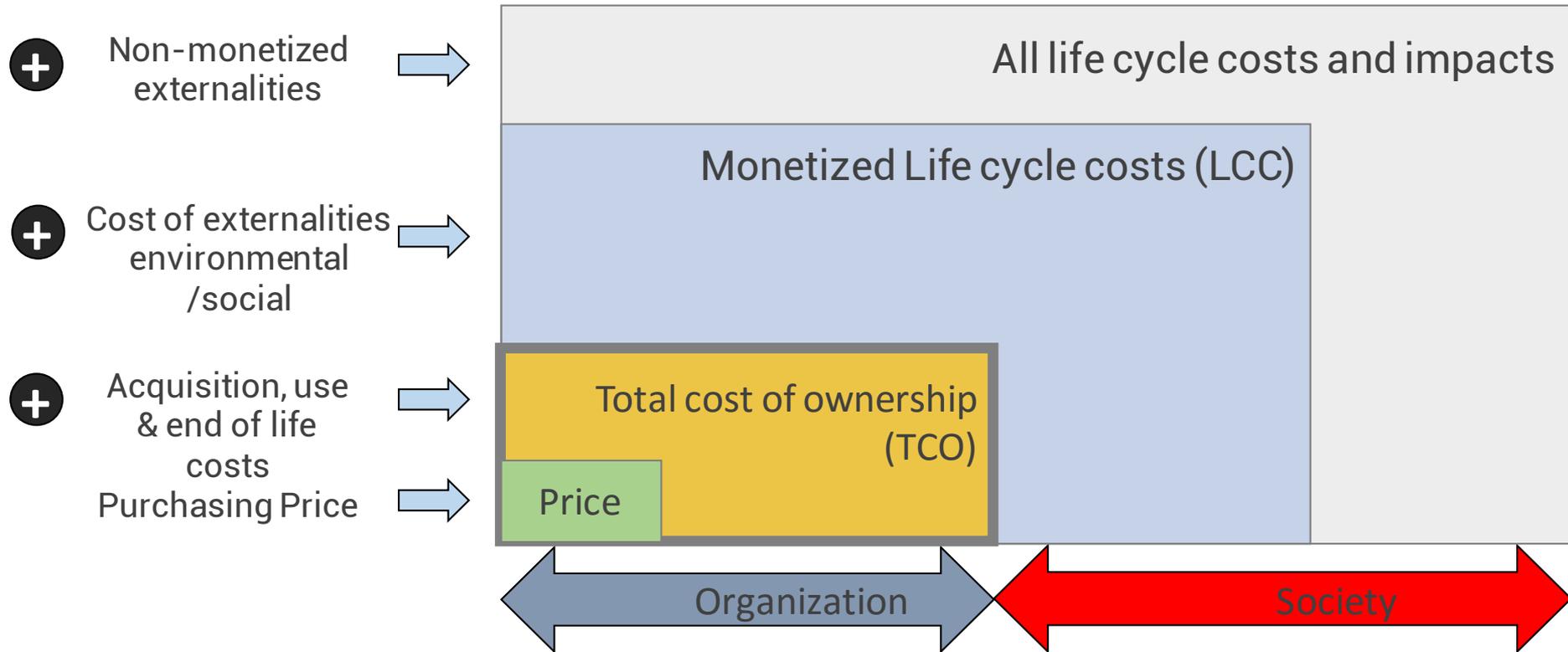
High public value
for money



Life-cycle
costing



Promoting Life Cycle Costing



Source: UN Environment/ISO 20400

What is a more sustainable product?

- Challenge to define
- Products that have a reduced environmental or social impact along their lifecycle
- Ecolabels – information tools that help to identify and choose more sustainable products

What is a “Green” product?

- Can be recycled
- Has recycled content
- Be energy efficient
- Emission reducing
- Re-usable
- Biodegradable
- Organic

Type I Ecolabelling

Patented Logo



Only the **best products** can be awarded to use the logo; Consumers may buy these products without doubt.

Sustainable Procurement?

A huge opportunity to promote sustainable development and greener economies



Greening supply chains



**“ Our acquisition of goods and services
creates a carbon footprint nine times that
of our buildings
and fleet, put together.”**



Dan Tangherlini
Administrator
US General Services Administration

Source: Remarks for SPLC's 2014 Summit in Washington, DC



DEFORESTATION



OVERFISHING



**CONFLICT
MINERALS**



SWEATSHOPS

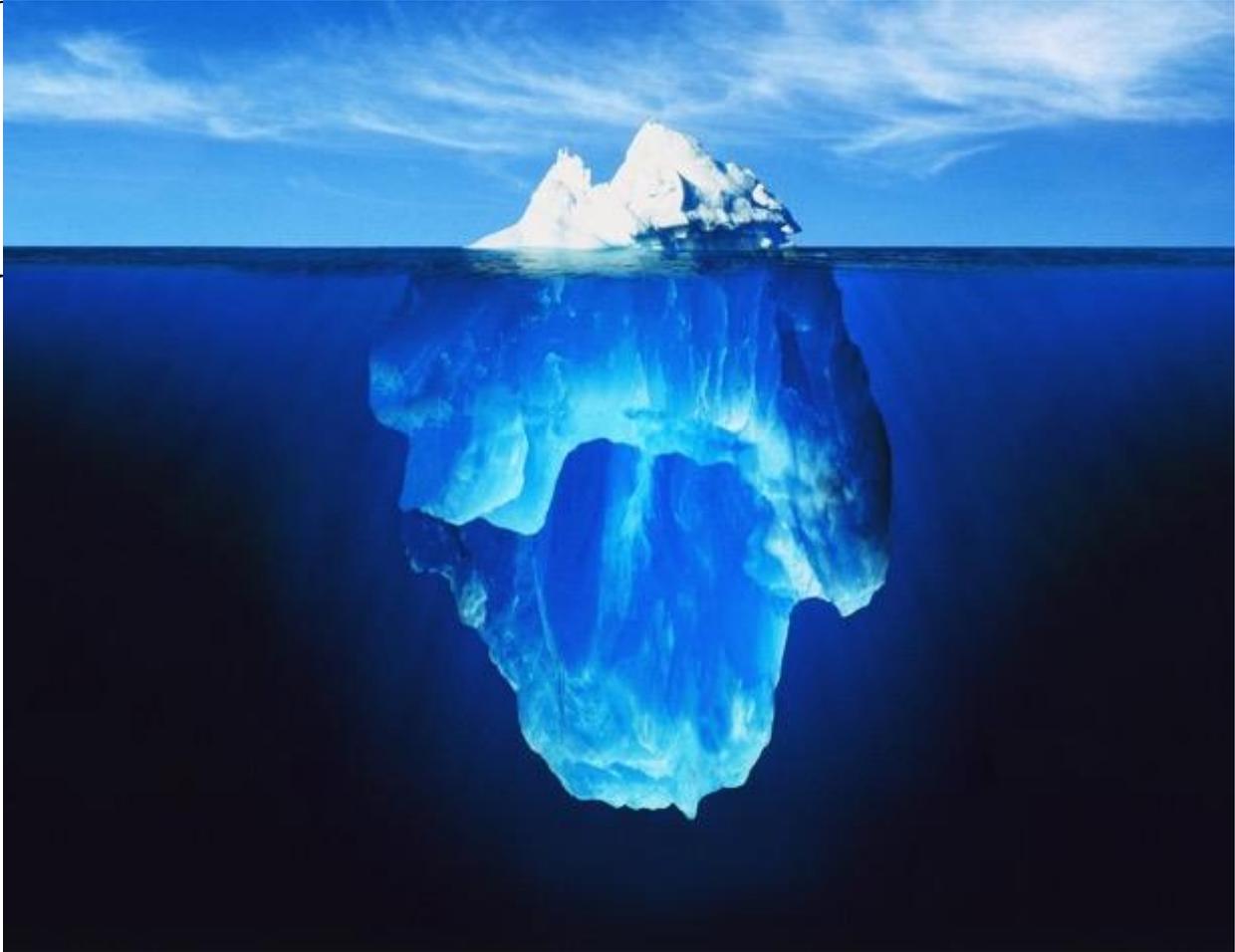


DISCRIMINATION

Sustainability Impacts & Opportunities

Within Operations

Within Supply Chain



Source: SPLC

Impacts & Opportunities

Environmental

Environmental factors affect the natural systems on which life depends, now and in the future.

- + biodiversity preservation
- + climate adaptation
- + resource optimization
- + soil health stewardship
- acidification
- desertification
- eutrophication
- freshwater pollution
- greenhouse gas emissions
- habitat depletion
- human health impacts
- land use change
- marine pollution
- ozone depletion
- radiation pollution
- resource depletion
- smog
- waste
- water consumption

Social

Social factors affect the social systems on which communities depend, now and in the future.

- + anti-discrimination
- + community engagement
- + diversity/equal opportunity
- + employee engagement
- + equal remuneration
- + fair trade
- + freedom of association
- + grievance & remedy processes
- + human rights
- + indigenous rights
- + occupational health & safety
- + right to collective bargaining
- + sustainable compensation
- + training and education
- + worker rights
- child labor
- forced/compulsory labor
- human trafficking
- sourcing from conflict zones

Economic

Economic factors affect the health of the markets on which commerce depends, now and in the future.

- + fair dealings
- + innovation research / investment
- + open competition
- + transparency of information
- + use of diverse suppliers
- + use of HUB zones
- + use of local suppliers
- conflicts of interest
- corruption (bribery, extortion...)
- dividing territories
- dumping
- exclusive dealing
- misleading market claims
- monopoly (seller collusion)
- monopsony (buyer collusion)
- patent misuse
- price fixing
- product tying
- refusal to deal

**Not just private or public
procurement but institutional
purchasing**

THE WOMAN'S BOARD G

Share of US GDP by end-use consumption



Purchasing Organizations



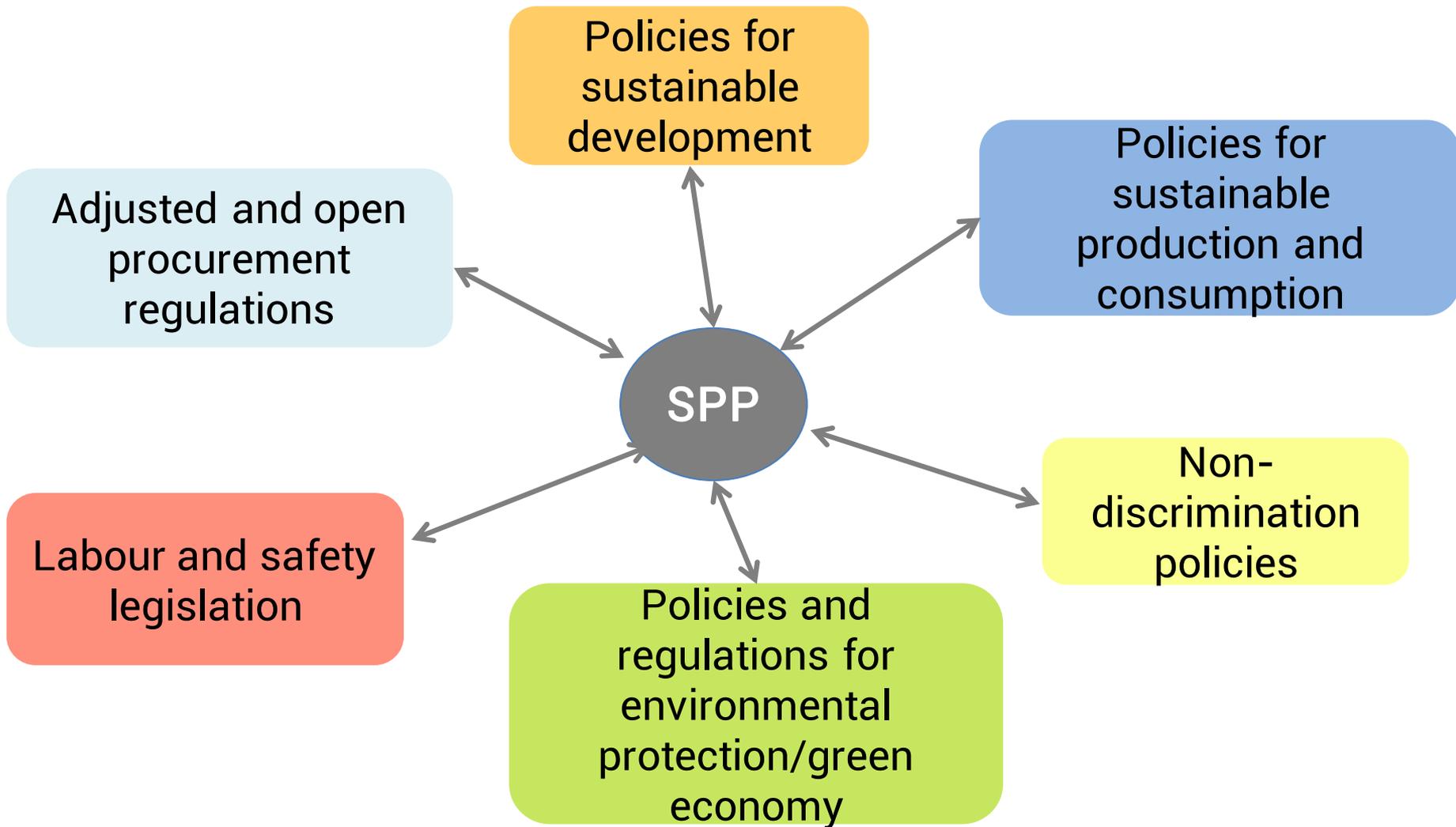
...are uniquely positioned to **demand transparency** into the upstream and downstream impacts of goods and services.

...are capable of incorporating sustainability criteria into purchasing decisions at a **scale that can shift markets**.

Supporting policies and regulations for SPP



Policy framework supporting SPP



International regulatory instruments favourable to SPP



Policy framework supporting SPP in the EU

Policies for sustainable development



SD Strategy review (2006)
Europe 2020 Europe's growth strategy (2010)

Policies for sustainable production and consumption



Integrated Product Policy (2003)

SCP/SIP Action Plan (2008)
Clean Vehicles Directive (2009)

Policies and regulations for environmental protection



Buildings Energy Efficiency Directive (2010)

Energy Efficiency Directive (2012)

Procurement regulations



Procurement Directives (2004 and 2014)

Policy framework supporting SPP

Poland

SPP POLICY FRAMEWORK

SPP provisions in overarching and/or thematic national policies: Yes

- [Strategy for Innovation and Efficiency of the Economy "Dynamic Poland 2020", 2013.](#)
- [Efficient State Strategy 2020, 2013.](#)
- [Energy security and the environment strategy – 2020 perspective, 2014.](#)
- [National Energy Efficiency Action Plan for Poland 2014 \(in English\), 2014.](#)
- [Framework action plan for food and eco-farming in Poland for 2014 – 2020, 2014.](#)
- [National Waste Prevention Programme, 2014.](#)
- [National plan aimed at increasing the number of buildings with low energy consumption, 2015./](#)

SPP provisions in existing procurement regulations: Yes

- [Public Procurement Law \(in English\), 2004 as amended \(Journal of Laws of 2015 item 2164\).](#)
- [Regulation of the Prime Minister of 10 May 2011 on non-price mandatory tender evaluation criteria with respect to certain types of public contracts, 2011.](#)

Dedicated SPP policy(ies) in place: Yes

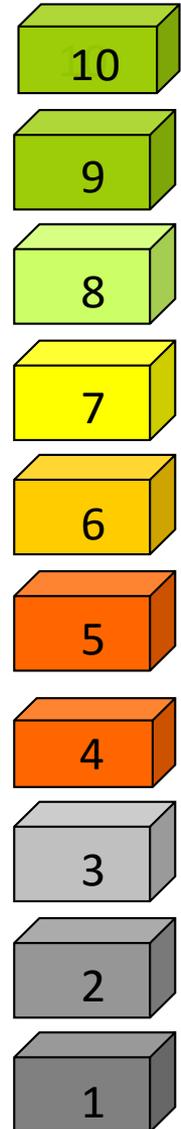
Since 2007

- [National Action Plan on Sustainable Public Procurement 2013-2016 \(SPP NAP\), 2013.](#)
- The [SPP NAP 2013-2016](#) is the 3rd planning document. The previous ones: SPP NAP 2007-2009 and SPP NAP 2010-2012 expired in December 2009 and December 2012 respectively.
- [Recommendations of the Council of Ministers on the application of social clauses by government administration in public procurement, 2015.](#)

**We need sustainable
consumption and
production/green economy
packages**

SPP can be much more effective if used simultaneously with other tools and instruments

- Pooled purchasing to increase volumes
- Coordination of institutional purchasing (governments and private sector)
- Ecolabelling schemes and SPP Criteria
- Environmental management – circular economy
- Life cycle costing
- Budgetary mechanisms that allow the use of TCO
- Economic instruments (green taxes, e.g. carbon taxes, phasing out of harmful subsidies)
- Capacity building and access to information
- Education to sustainable consumption
- **POLITICAL WILLINGNESS**



UN Environment SPP activities



UN Environment SPP Projects:

14 years of action to accelerate the shift to Sustainable public procurement at national, regional and global levels

The involvement of UN Environment in the Sustainable public procurement (SPP) area dates back from 2005 when our organization joined, from its inception, the **Swiss-led Marrakech Task Force on SPP** ; one of the 7 task forces established in the framework of the Marrakech Process on sustainable consumption and production (2003-2012).

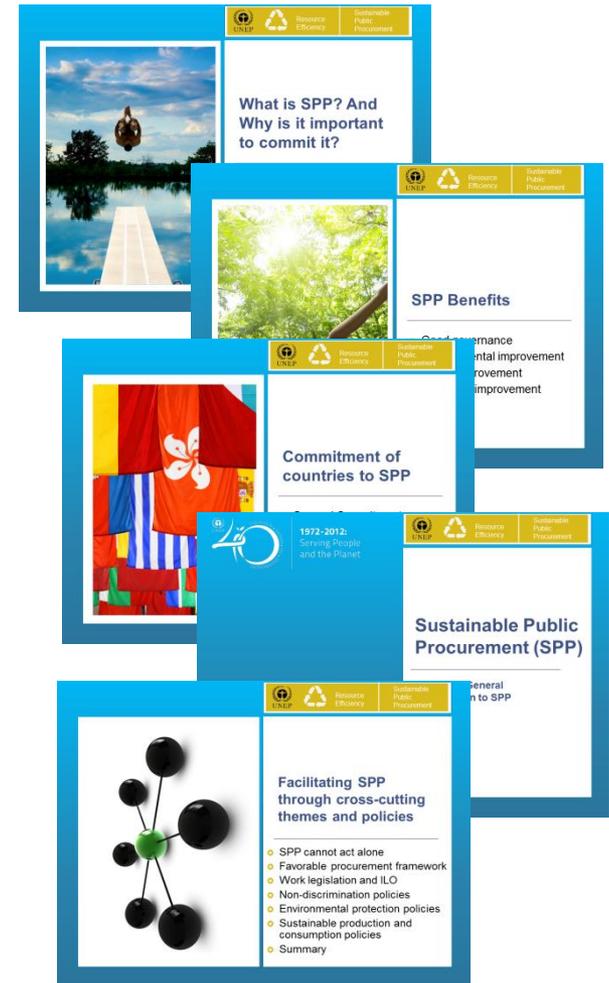
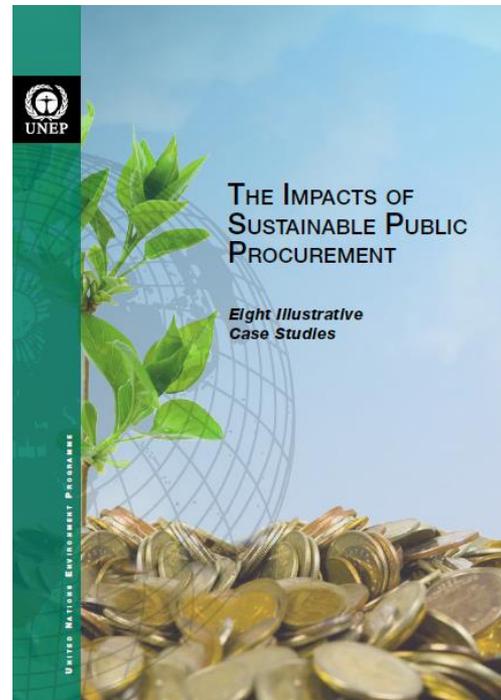
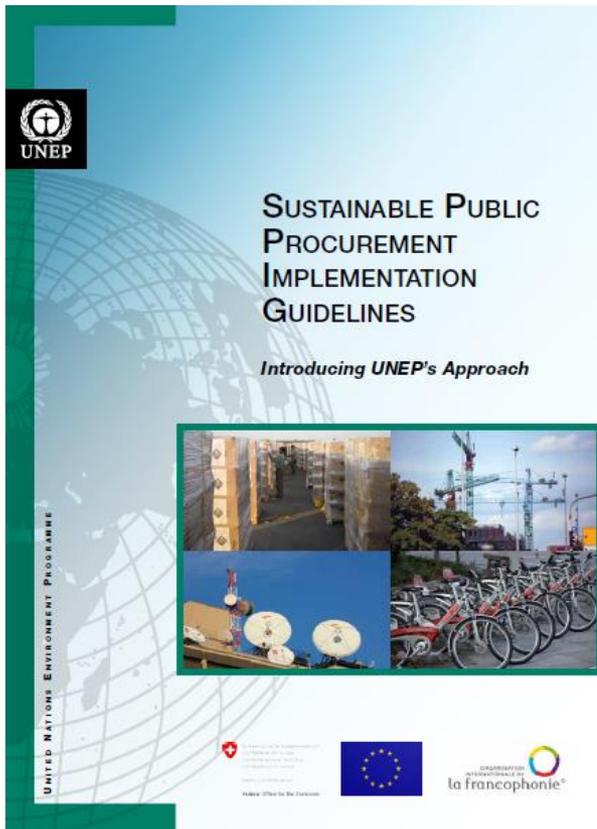


UN Environment SPP Projects

Capacity building for Sustainable Public Procurement (2009-2012): In 2008, the Task Force asked UNEP to roll out the MTF Approach in emerging and developing countries. A project document was developed and the EU offered to provide funding. Seven countries were targeted: **Chile, Colombia, Uruguay, Costa Rica, Lebanon, Tunisia and Mauritius.**



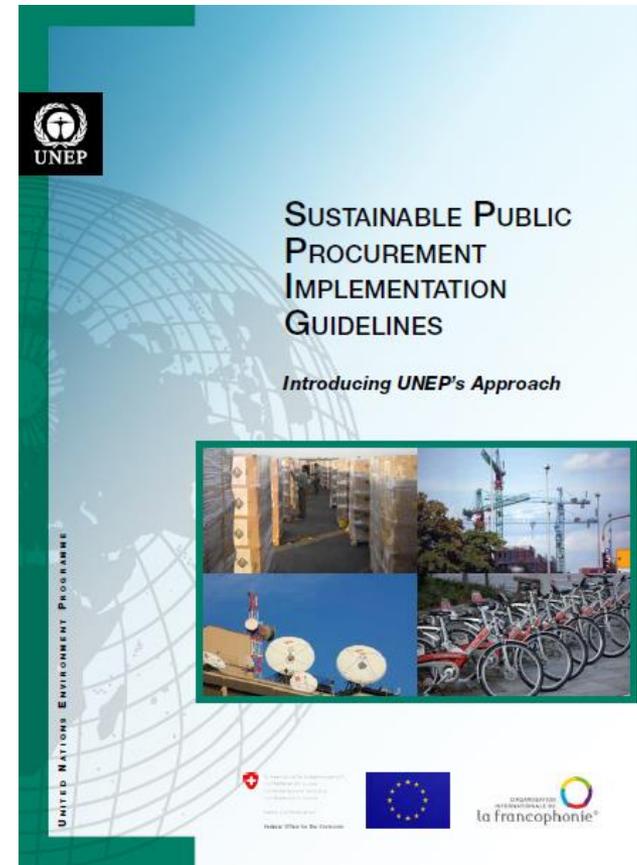
UN Environment SPP tools include:



Introducing UN Environment Approach

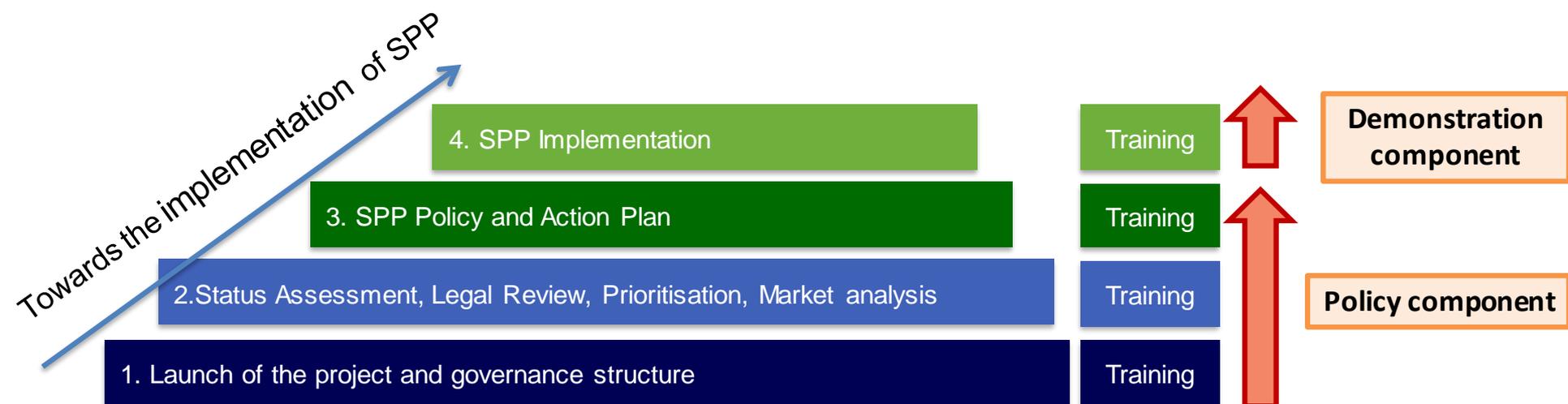
Sustainable Public Procurement Implementation Guidelines

The Guidelines for the UN Environment SPP Approach incorporate the lessons drawn from the testing of the MTF Approach to SPP that UN Environment rolled out in 7 pilot countries from 2009 to 2012.



UN Environment SPP Approach

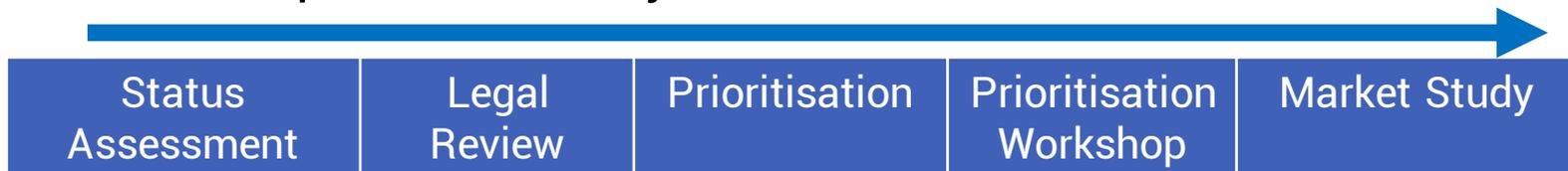
4 main steps



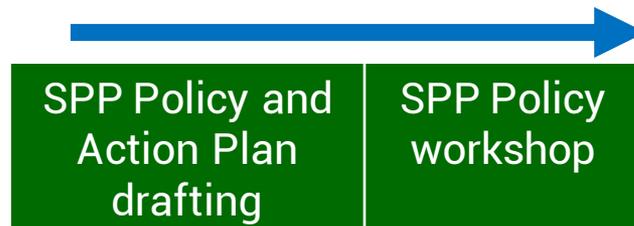
Step 1: Project launch and governance establishment



Step 2: Preliminary studies



Step 3: SPP Policy and Action Plan



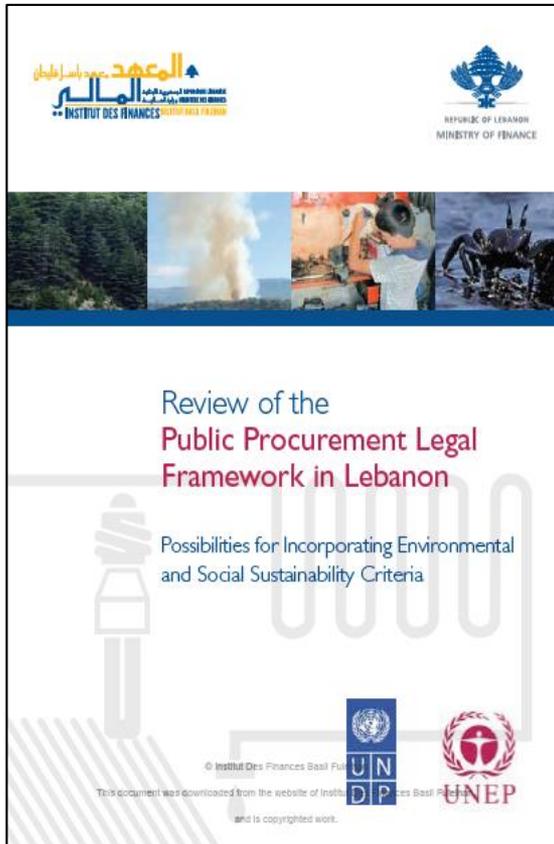
Step 4: Implementation



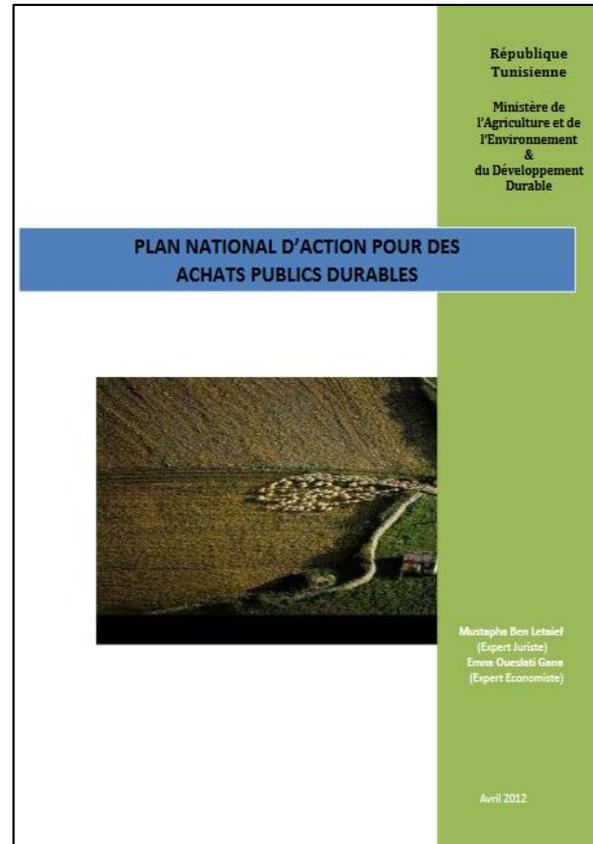
Assisting 16 governments in SPP Implementation with the support of the EU and PAGE Programme (2013-2017)



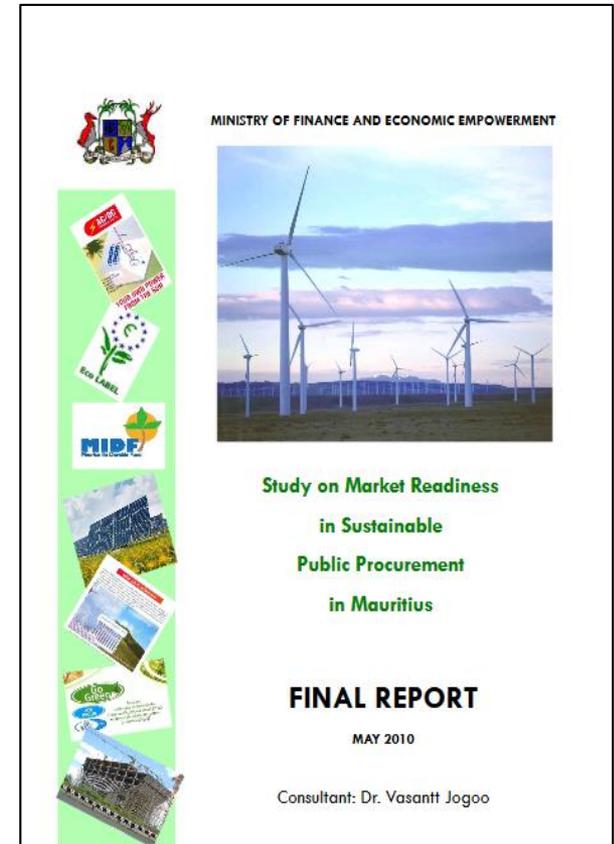
Example of outputs



Lebanon, [Legal Review](#)



Tunisia, [National Action Plan](#)



Mauritius, [Market Readiness Analysis](#)

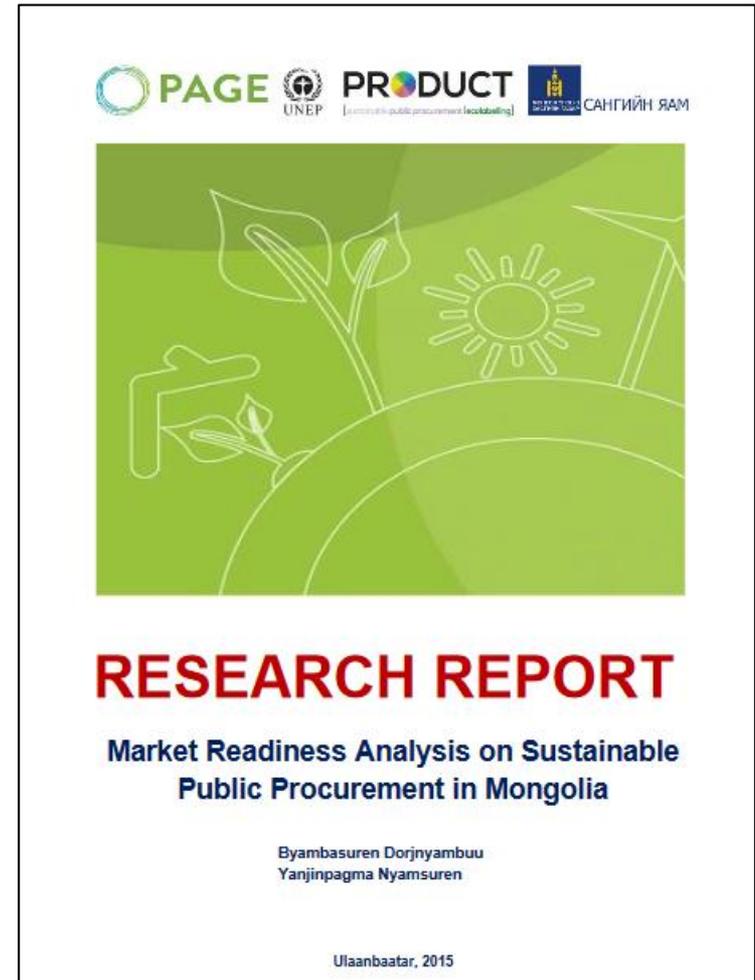
More outputs can be found here :

<https://www.unenvironment.org/explore-topics/resource-efficiency/what-we-do/one-planet-network/project-countries>

Example of outputs

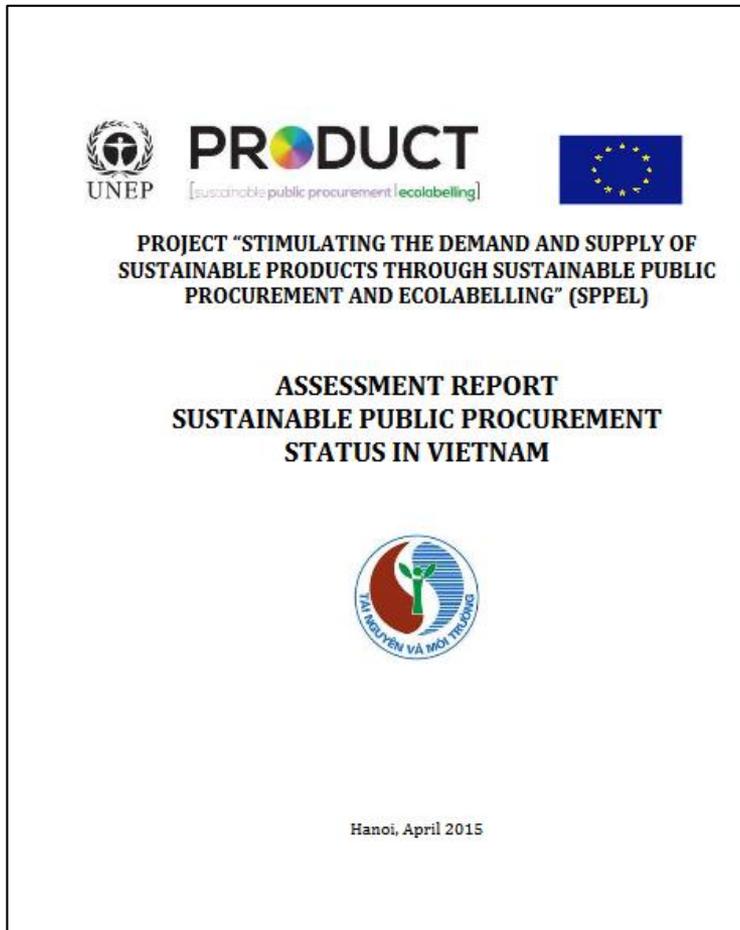


Costa Rica, [Technical Normative for the application of sustainability criteria in public procurement and guidelines for implementation](#)

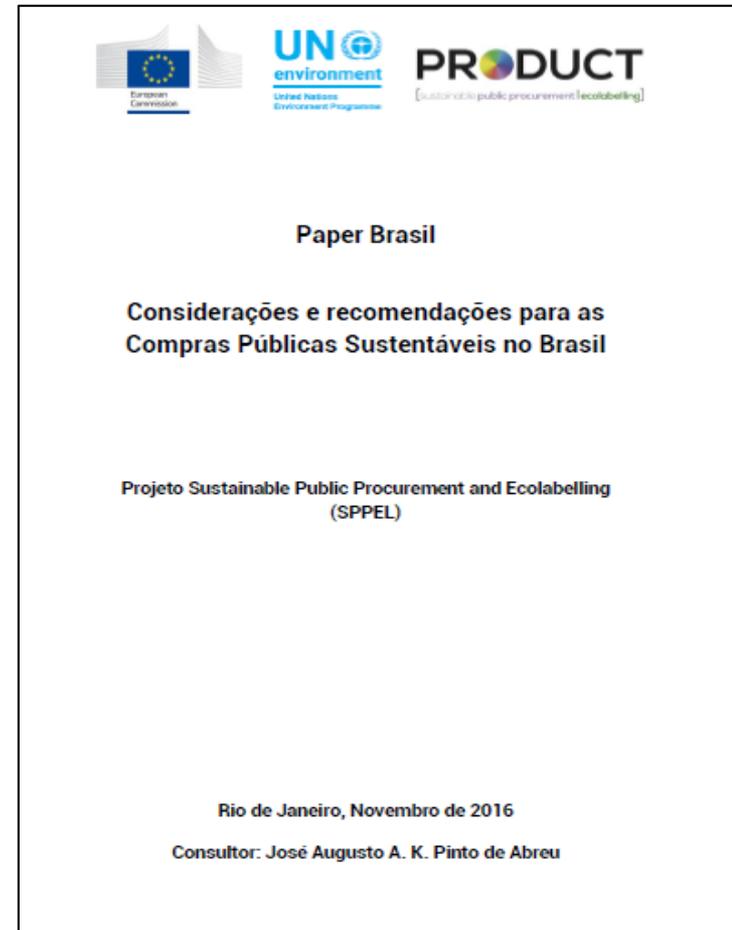


Mongolia, [Market Analysis](#)

Example of outputs

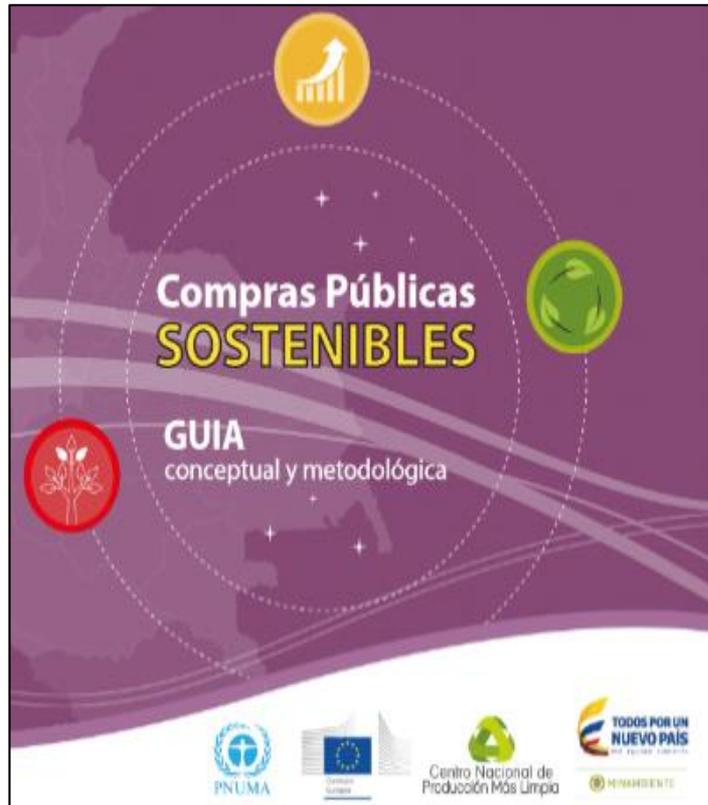


Vietnam, [SPP Assessment Report](#)

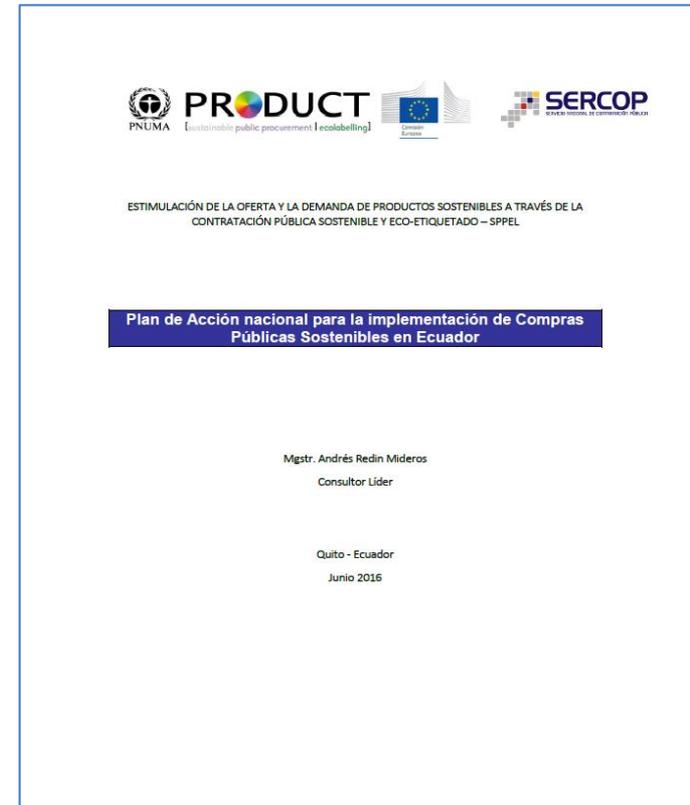


Brazil, [Considerations and recommendations for SPP in Brazil](#)

Example of outputs



Colombia, [SPP Guidelines with sustainability criteria for goods and services](#)



Ecuador, [SPP National Action Plan](#)

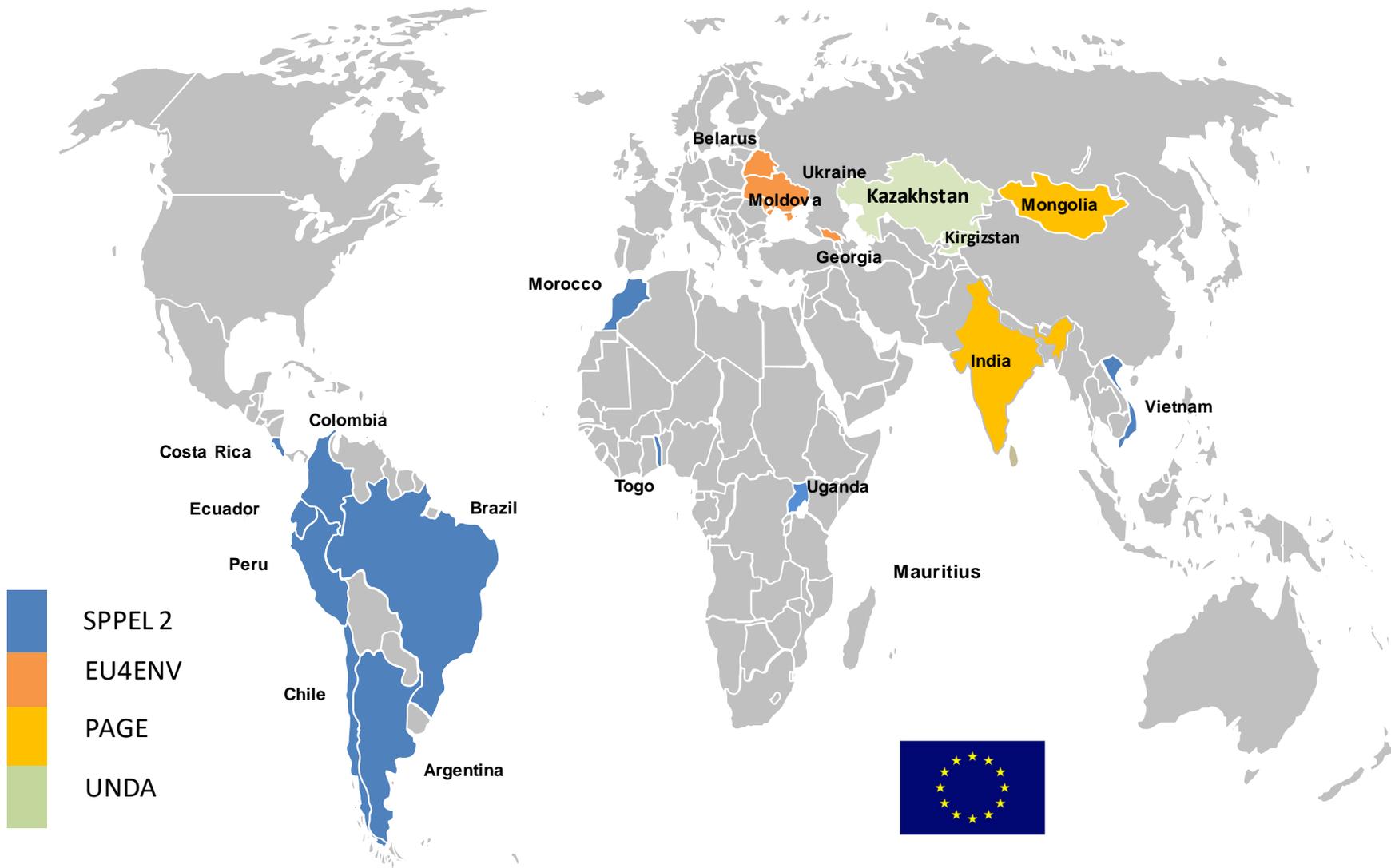
More outputs can be found here :

<https://www.unenvironment.org/explore-topics/resource-efficiency/what-we-do/one-planet-network/project-countries>

UN Environment Ongoing projects



Assisting governments in SPP Implementation (2019-2021)





One planet
consume and produce with care



The One Planet Sustainable Procurement Programme (formerly 10YFP)



One planet
procure with care

UN ENVIRONMENT SPP PROJECTS

PROGRAMME OBJECTIVES	PROJECTS	COUNTRIES
<p>Objective 1: Provide policy support and technical assistance to countries for the design and implementation of SPP Policies</p>	<p>UNDA (Europe R. Office)</p> <p>EU4ENV (Europe R. Office)</p> <p>PAGE (Asia Pacific, India offices)</p>	<p>Kirgizstan, Kazakhstan</p> <p>Belarus, Ukraine, Moldova, Georgia</p> <p>India, Mongolia</p>
<p>Objective 2: Promote worldwide implementation of SPP through increased cooperation between key stakeholders and a better understanding of its potential benefits and impacts.</p>	<p>Participation in the One Planet SPP Programme</p> 	<p>Global</p>

Introduction – 10YFP



One planet
consume and produce with care



The **10YFP** was adopted at the **Rio+20 Conference**. It is a global framework of action to enhance international cooperation to accelerate the shift towards SCP patterns in both developed and developing countries.

It **supports capacity building** and **provides technical and financial assistance** to developing countries for this shift and encourages **innovation and cooperation among all countries and stakeholders**.



RIO+20
United Nations
Conference on
Sustainable
Development



Sustainable Development Goals

Align our SPP policies with the 2030 development agenda



Achieving SDG12, serving Agenda 2030

SDG 12

Goal 12: Ensure sustainable consumption and production patterns

Target 12.7: Promote public procurement practices that are sustainable in accordance with national policies and priorities

Indicator 12.7.1 Number of countries implementing sustainable public procurement policies and action plans





- UN Environment established the international SPP Initiative (2012-2014) then led the One Planet SPP Programme – 2014-2018 (KEITI and ICLEI as co-leads)
- New co-leads are ICLEI, Min. of Environment and Infrastructures of The Netherlands and Center for Environmental Certification of China
- 133 partners by May 2019



One planet
procure with care



UN Environment planned contribution to the One Planet SPP Work plan

Deliverables	Years	Leads/Participants	Funding/HR	Concept note
Development of the SDG 12.7.1 methodology	19-20	UN Environment	In kind contribution from UN Environment. Secured: 5,000 USD Fundraising ongoing.	See note in annex
Third edition of the 10YFP SPP Global Review 2013 edition – 2017 edition	20	UN Environment	Fundraising ongoing	See note in annex
Harmonized generic monitoring and measurement model	19-20	SPLC, Ecoinstitut, ECPAR, TCO, GEC, UN Environment, etc.	ECPAR: 1 day/month till Sept. 19 then 2-4 days/month GEC: time contribution if aligned with GEC activities related to the use of technology to better capture and report on sustainable procurement TCO: possible time contribution to be determined	Note in preparation
Development of a tool and guide for reporting SPP impacts on SDGs + <i>Develop a set of certified implementing partners</i>	19-20	TBD	Microsoft 80,000 USD over two years. To be confirmed.	Note in preparation
Updating of the 2016 study on the Measurement of SPP benefits.	20	GEC and UN Environment	Tbd	Note in preparation
Updating the 2016 study on monitoring of SPP	20	UNEP	Tbd	Note in preparation



Sustainable Public Procurement

Portfolio of work



About

Actors

Portfolio of work

How to get involved

- 450 resources in the Knowledge Hub
- Latin America SPP portal
- 60 initiatives and projects on SPP
- 25 webinars
- 130 partners

Communication and outreach activities

YouTube library of informative webinars on SPP:

<https://www.youtube.com/user/SCPClearinghouse>

1) Ecolabel, what is that? And how to develop a new ecolabel: introductory webinar, 11 February 2019,

https://www.youtube.com/watch?v=HGrxpC_PS1A

2) Introduction to the SCP Clearinghouse for SPP network, 16 November 2017, <https://www.youtube.com/watch?v=QoOHllq2wdg>

3) Presenting the 2017 Global Review of Sustainable Public Procurement, 21 April 2017, <https://www.youtube.com/watch?v=ZWIQ2iSqJMU>

4) Sustainable procurement in the ICT sector, 31 mars 2017,

<https://www.youtube.com/watch?v=vxHluvBzfhU>

5) Linkages between public procurement, deforestation, and sustainability standards, organized by ISEAL alliance in the framework of Working group 4B2 on 23 February 2017. [https://www.youtube.com/watch?v=bbemz-](https://www.youtube.com/watch?v=bbemz-PNihg&t=18s)

[PNihg&t=18s](https://www.youtube.com/watch?v=bbemz-PNihg&t=18s)

6) European Union Green Public Procurement Policy and Ecolabel (Asia-Pacific GPPEL Training Workshop, December 2016),

<https://www.youtube.com/watch?v=49N810V-aLA>

Communication and outreach activities

7) Fourth webinar of the Asia-Pacific GPPEL Network: "GIZ activities and presentation of the new Comparative Study and Compendium of Case Studies on GPP and eco-labelling in Asia-Pacific (December 2016)

[\[Recording\]](#)

8) "Sustainable Public Procurement and the Circular Economy" (February 2016) [\[Recording\]](#)

9) How to successfully implement a sustainable procurement programme (November 2016) [\[Recording\]](#)

10) Human Rights and Public Procurement Emerging good practices and lessons learned from 6 SPP programmes (October 2016) [\[Recording\]](#)

11) "Presenting 20 years of Sustainable Procurement at ICLEI – Local Governments for Sustainability" (September 2016) [\[Recording\]](#)

12) Third webinar of the Asia-Pacific GPPEL Network: "Linkages between GPP and Ecolabelling" (July 2016) [\[Recording\]](#)

13) Second webinar of the working group 3c by CEGESTI (August 2016)

14) Webinar of the working group 4b2: "New Tools and Guidance for Sustainable Procurers" (June 2016)

<https://vimeo.com/172582373> Password: SPPtools

Communication and outreach activities

- 15) First webinar of the working group 3c by CEGESTI (May 2016)
- 16) Recording of the 10YFP SPP side-event at COP21 (January 2016)

[\[Recording\]](#)

- 17) YFP SPP side event at the COP21, December 2015

<https://www.youtube.com/watch?v=ZpIJ38wVUKo>

- 18) Presenting the activities of 3 Asian partners of the 10YFP SPP programme, 9 December 2015, <https://www.youtube.com/watch?v=-qkhXfda92q>

- 19) Measuring Impacts & Communicating Benefits of SPP, 9 September 2015, <https://www.youtube.com/watch?v=ykNajOi5SJ8>

- 20) Asia Pacific GPP EL Network 2nd webinar, 26 August 2015,

<https://www.youtube.com/watch?v=-OvKj7EHjUk>

- 21) Dealing with Sustainability Claims in Public Procurement - 10YFP SPP Programme Working Group 4B. 3 August 2015

<https://www.youtube.com/watch?v=ZrmJWZJ97Js&t=12s>

- 22) Dealing with Sustainability Claims in Public Procurement, ISEAL Alliance Working group 4b2 (20 July 2015)

<https://vimeo.com/135232635> Password: sppclaims

Communication and outreach activities

23) Green Public Procurement experience of Sweden and GPP-related activities of the Swedish EPA, June 30, 2015

https://www.youtube.com/watch?v=_78hAHVZStg

24) 10YFP SPP Webinar: US EPA's Draft Guidelines for Environmental Performance Standards & Ecolabels (12 December 2014),

https://www.youtube.com/watch?v=6M00M1bH_hU

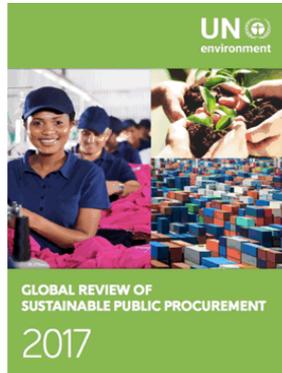
25) Presenting the OECD's and UNEP's 2C Compendium of Best Practices in GPP (4 November 2014)

<https://www.youtube.com/watch?v=zh15W6T6ky8&t=2s>

26) SPLC and their Work on Sustainable Purchasing and Ecolabels 25 August 2014), <https://www.youtube.com/watch?v=PgZblaYOSsY>

27) Introduction to Indian Railways and Their Work on SPP (10 September 2014), <https://www.youtube.com/watch?v=IG9JJ5NOIbc>

10 YFP SPP Programme outputs include:



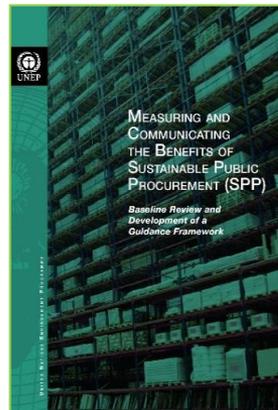
2017 Global Review of SPP



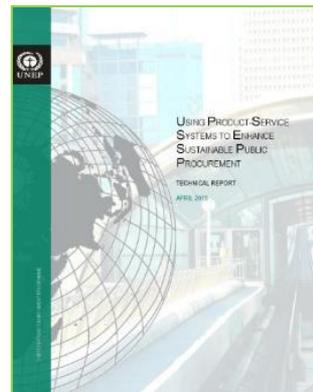
Factsheets on SPP in national governments, 2017



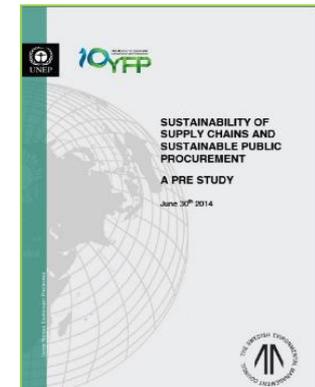
Monitoring SPP Implementation, 2016



Measuring & communicating benefits of SPP, 2015



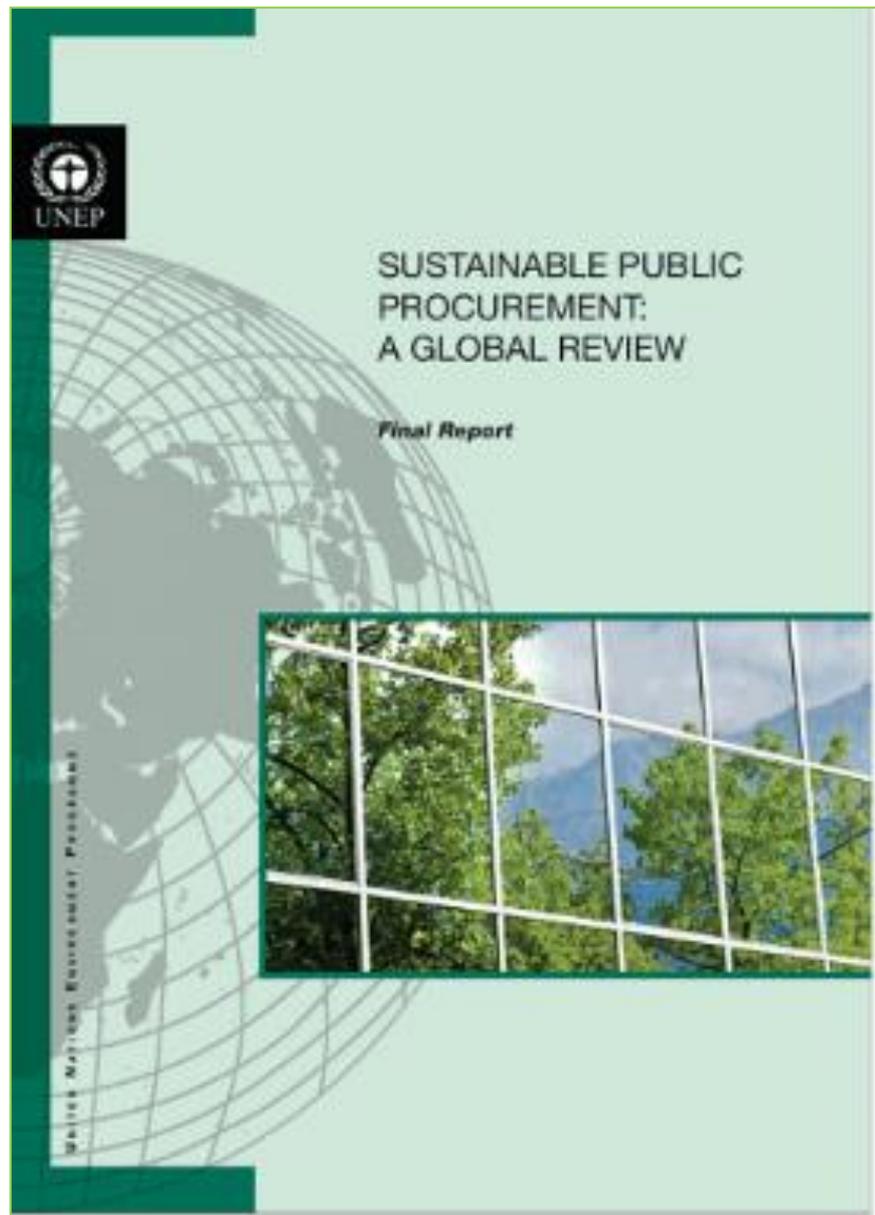
Using PSS to enhance SPP – technical report, 2015



Pre-study on the sustainability of supply chains, 2014

2013 Global SPP Review

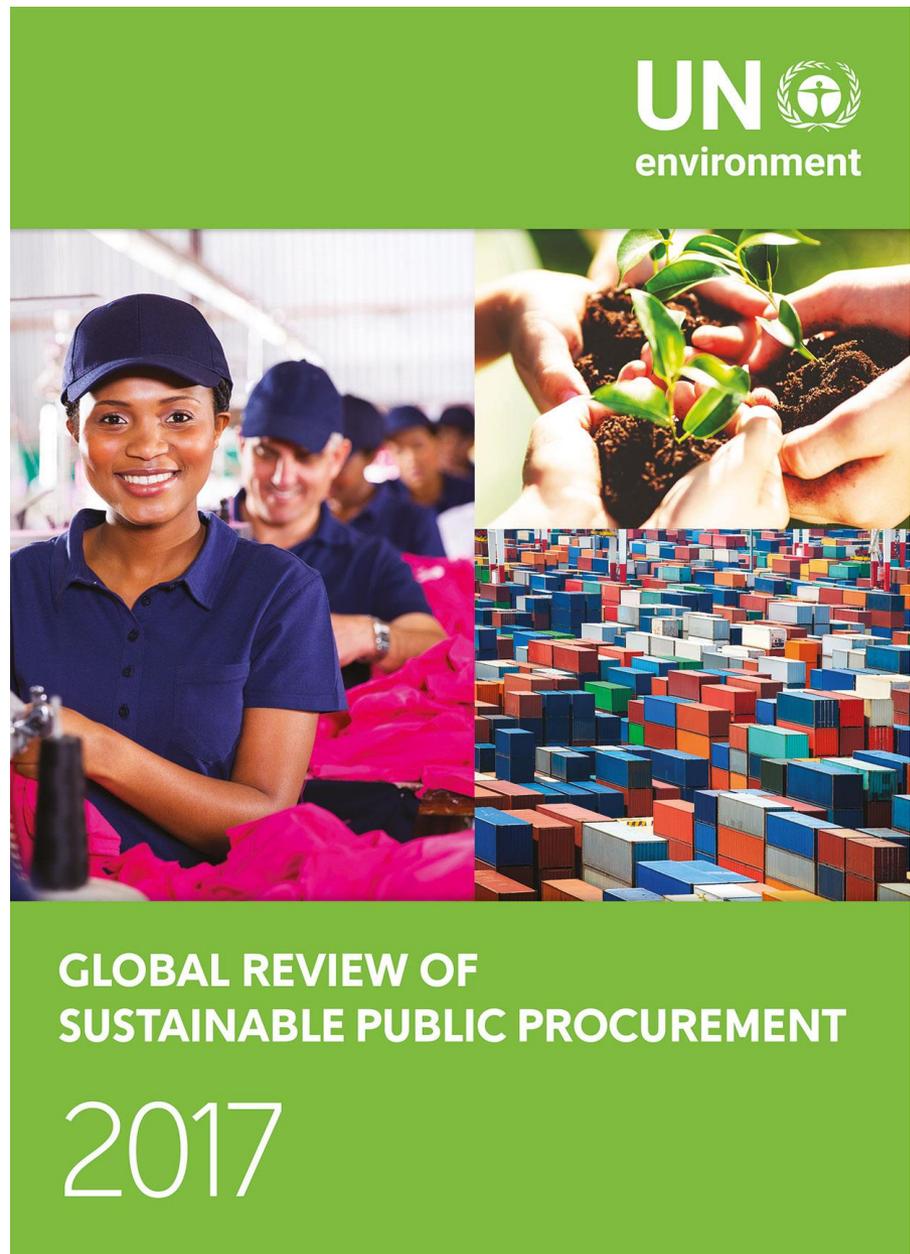
A global report periodically reviewing the implementation of SPP



<http://www.scpclearinghouse.org/resource/sustainable-public-procurement-global-review-2013>

2017 Global SPP Review

A global report periodically reviewing the implementation of SPP



<http://www.scpclearinghouse.org/resource/2017-global-review-sustainable-public-procurement>

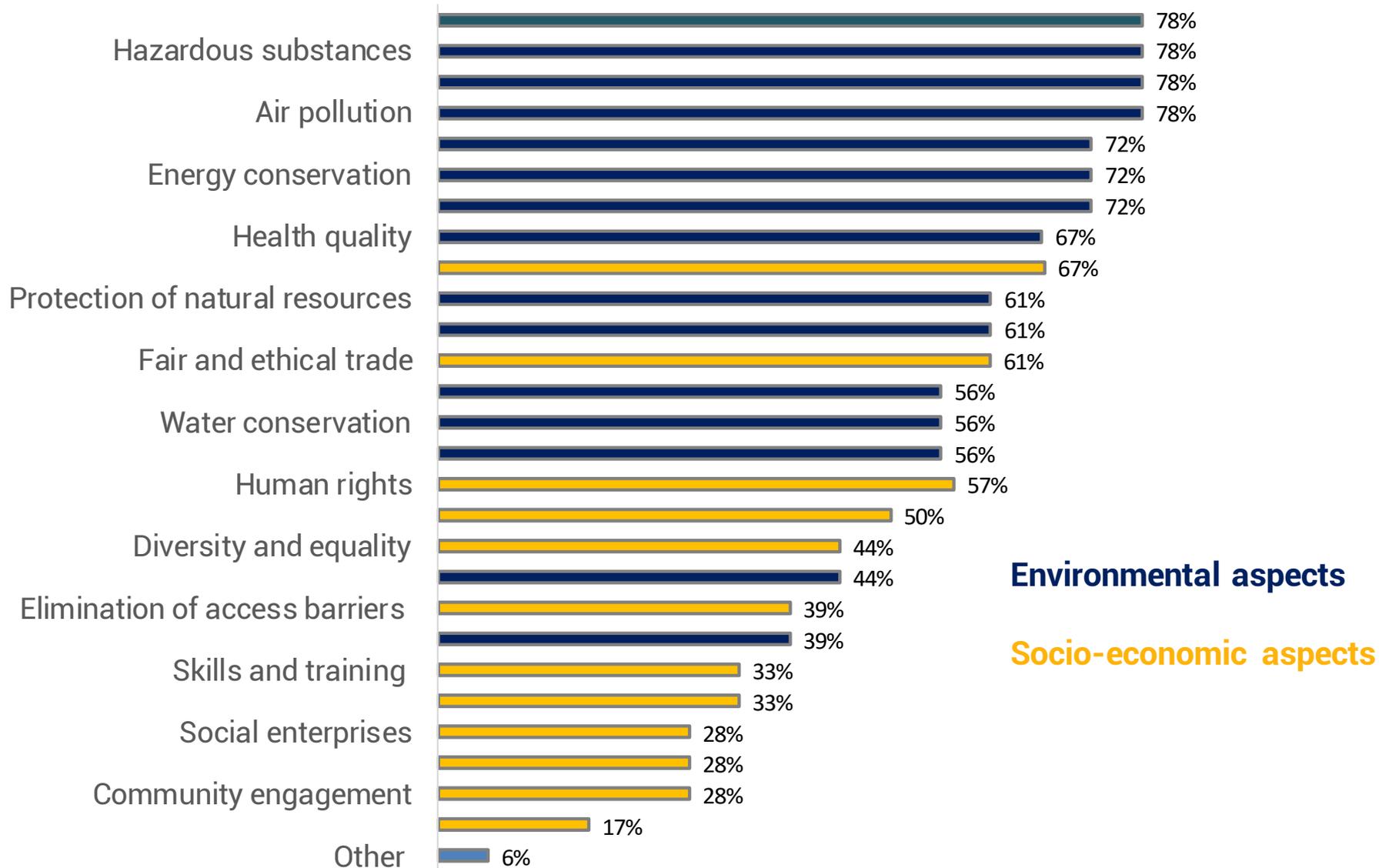
Key lessons

- Governments are moving towards a strategic use of procurement as an instrument to achieve policy goals
- Training and provision of information is continuous to build expertise
- Peer collaboration and coordination with the market are increasing to maximise efficiency
- Monitoring is becoming a key issue with different strategies being tested and put in place

Overview of SPP implementation



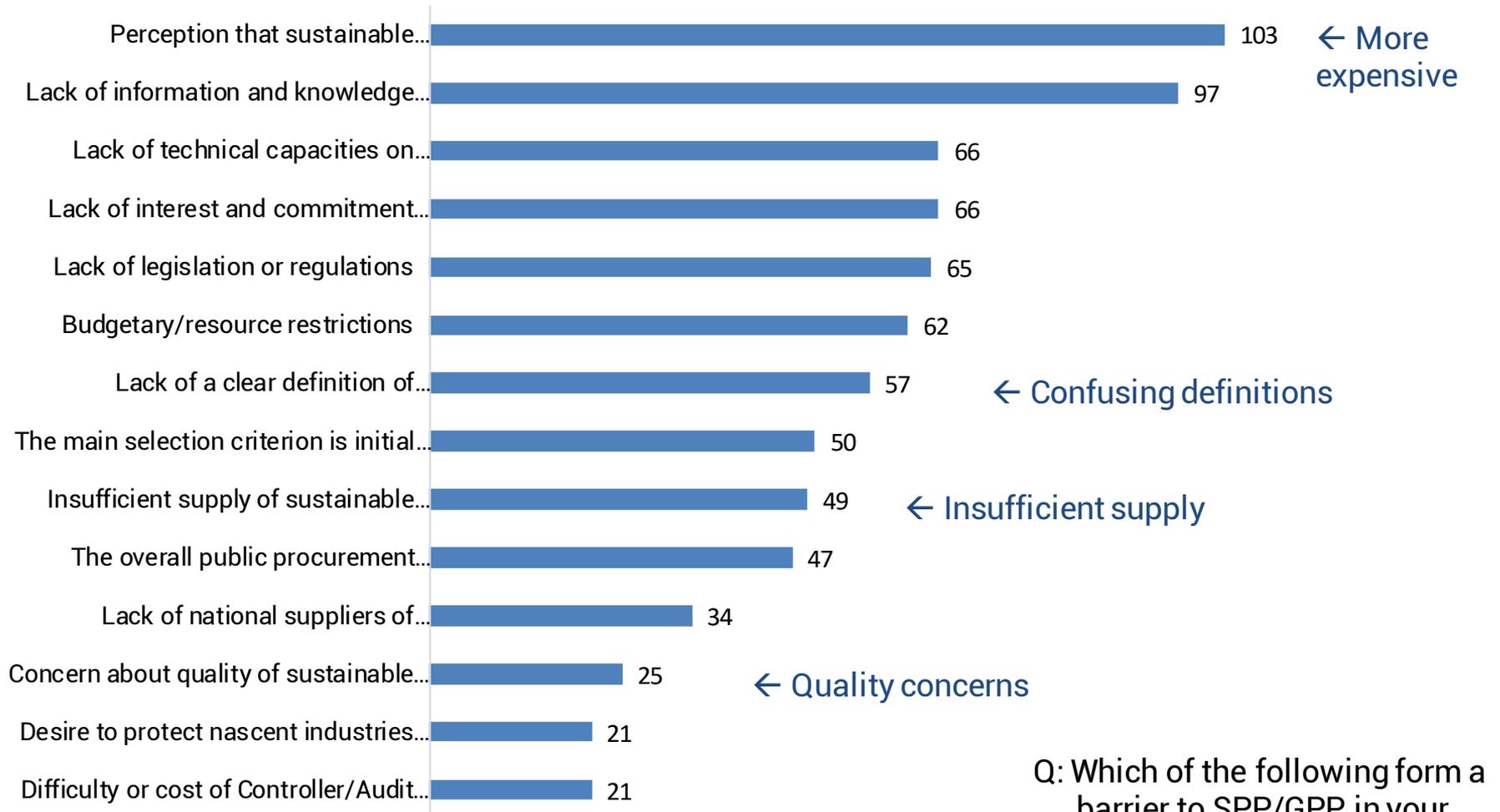
Sustainability aspects addressed by SPP policies



Categories of products prioritized by SPP policies

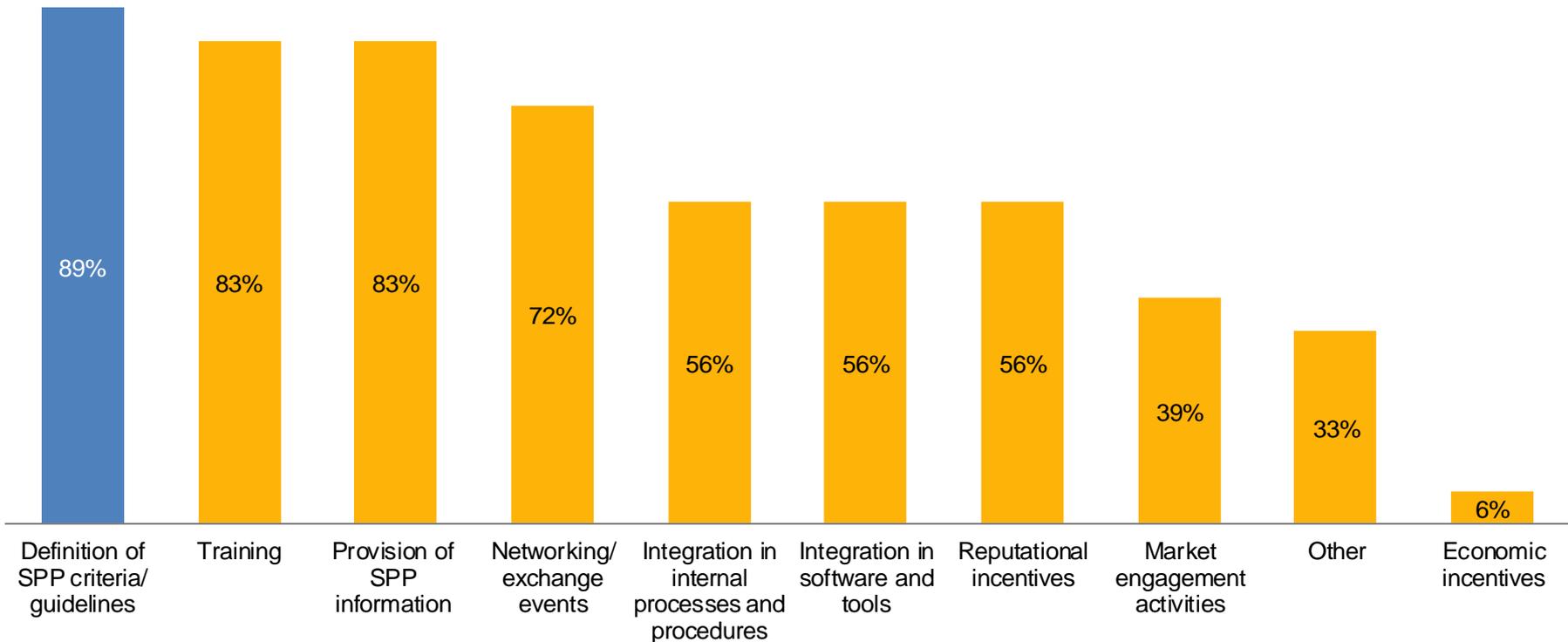
Office IT equipment	50%
Vehicles	50%
Energy supply and energy services	44%
Office paper and stationary	44%
Cleaning products and services	39%
Food and catering	39%
Furniture	33%
Buildings design and construction	33%
Building equipment	22%
Building materials	17%
Household appliances	17%
Travel services	17%
Chemical products	11%
Execution of work contracts	11%
Infrastructure design and construction	11%
Waste collection	6%
Other	6%

There are many perceived obstacles



Q: Which of the following form a barrier to SPP/GPP in your country?

SPP Implementation: main activities



Which impacts are being estimated?



GHG emissions



Energy
consumption



Water
consumption



Economic
savings

Approaches to measure SPP impacts

- **Cost-benefit approaches (potential benefits of implementing SPP)** e.g IISD: system dynamics modelling approach to present different trade-offs when doing GPP
- **Estimating benefits based on actual sustainable purchases** and contracts with various scopes: case studies of single purchases or tendering processes to assessment of overall SPP policies and programmes i.e. actual SPP achieved by public administration in Korea, Japan, Netherlands and Massachusetts
- Methodologies differ in terms of what is defined as **sustainable**, what is the **baseline**, what **products** are compared, what **benefits** are estimated and what **factors and tools** are used to evaluate benefits.

Purpose of different approaches



Korea, Japan and the State of Massachusetts:
methodology has been in place for years and is built on existing monitoring of GPP implementation based on purchases reported annually

Netherlands: the approach is an attempt to define a possible methodology for evaluating SPP impacts

State of Berlin: the approach was a one-off exercise providing a cost-benefit analysis to highlight potential benefits of SPP

Thank you!



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