

United Nations Environment Programme

The Emerging Landscape for Sustainable Public Procurement and UNEP's SPP activities

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Outline

- What is SPP?
- Supporting policies and regulations
- Leading countries
- 10YFP on SPP
- UNEP SPP Activities

WHAT IS SPP?



What is Sustainable Public Procurement?

- ❖ **Bringing together the procurement and the policy arms of government**
- ❖ **Harnessing the government's immense buying power in favor of sustainable development goals**
- ❖ It is something **the best of the private sector is already doing** – whether as a result of enlightened leadership or shareholder pressure.
- ❖ Something some governments **have been doing for years** to support local producers, SMEs, minorities and compliance with labor laws

“Sir Neville Simms in the Foreword to “Procuring the Future”

Definition of SPP



- Sustainable Public Procurement (SPP) is

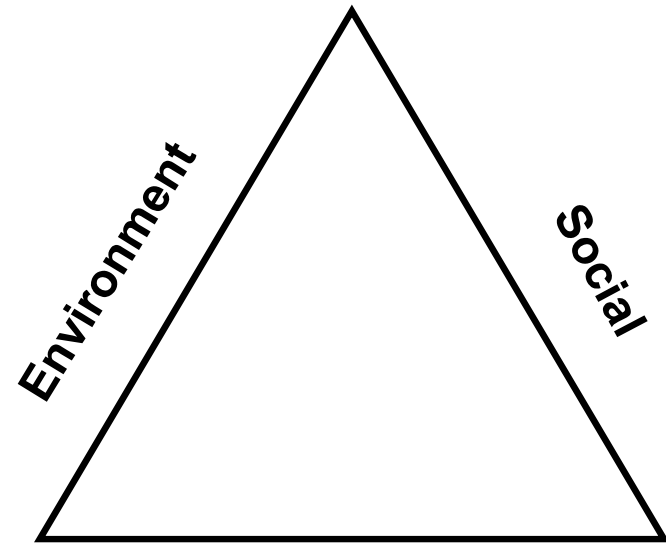
*“... the process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves “**value for money on a whole life basis**” in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimising damage to the environment”*

Defra, UK Sustainable Procurement Task Force (2006),

Green Public Procurement

In the EU, Green Public Procurement (GPP) is defined as “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.”

Sustainable procurement



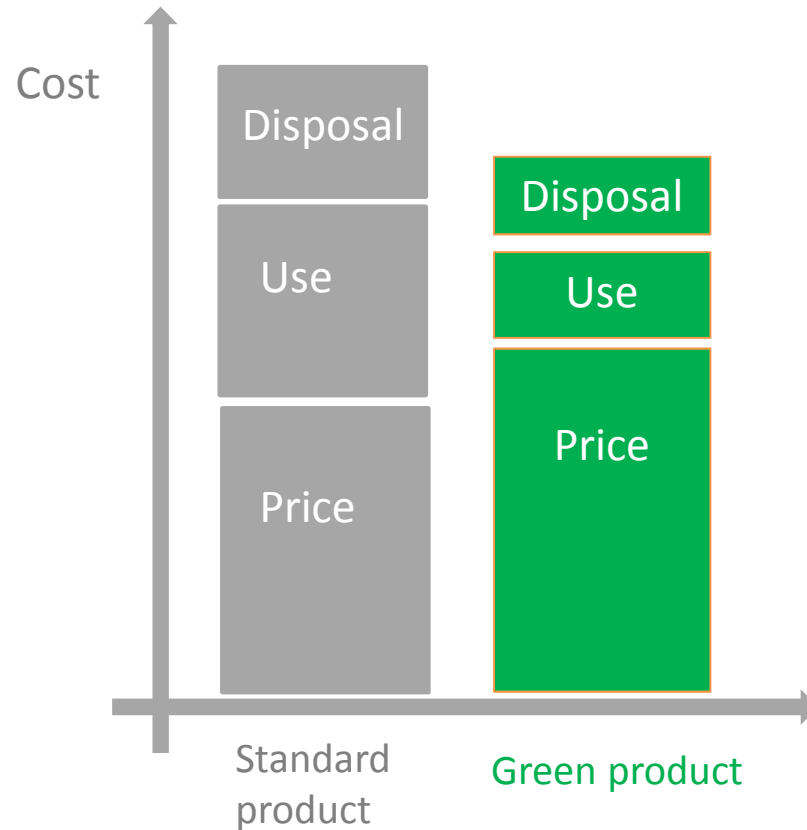
Price, Performance, & availability

Real value for money

Not just **acquisition cost** but **life cycle costing**:

- costs incurred by the **organization** over the **whole life of the good (usage and maintenance costs, disposal costs)** - **potential savings**
- Costs incurred by **society** as a whole, including negative externalities (CO2 emissions, impacts on health,) or positive externalities (increased know how, technologies, etc.) over the entire life cycle

SPP: Total cost of ownership (TCO)



The higher initial price of the greener product is more than compensated by the much lower usage and disposal costs.

SPP: Real value for money



Moving from acquisition cost to TCO to Global cost

Total cost of ownership

Costs incurred by the organization over the whole period of ownership (usage and maintenance costs, disposal costs) - potential savings



Real Value (what we get)

Factor in the costs incurred by **society as a whole**, including negative externalities (CO2 and ODS emissions, impacts on health,) or positive externalities (increased know how, technologies, etc) over the entire life



Real value for less money

Less Money (what we pay)

Ensure that Money paid for more sustainable goods is diminished compared to conventional items (volumes, green taxation, phasing out of subsidies for conventional items)

SUPPORTING POLICIES AND REGULATIONS



International regulatory instruments favourable to SPP



Environmental protection policies establish environmental obligations and prohibitions

- **They allow administrations to:**
 - Define **concrete specifications** in the **terms and conditions**
 - Ensure **compliance with legal obligations** in **contracts**

Vehicle emissions in Europe	<ul style="list-style-type: none">• In car purchasing, one could consider vehicles complying with a higher EURO standard than that required by law
Regulation 1272/2008 on the classification, labelling and packaging of chemical substances and mixtures	<ul style="list-style-type: none">• A building cleaning contract specifies that the products used cannot contain substances or be classified themselves as substances under risk categories R31, R40, R42, R43, R45, R46, R49, R68, R50-53, R51-53, R59, R60, R61, R62, R63 or R64. As verification, the safety data sheets will be submitted.
Brazil National Policy on Solid Waste establishing to implement system of recyclable materials separation at home	<ul style="list-style-type: none">• In a building cleaning services contract (with sorted waste collection) to require the company to sort the waste and deposit it in the corresponding containers
IRAM 62404 mandatory energy efficiency labelling of bulbs in Argentina	<ul style="list-style-type: none">• In purchasing light bulbs for maintenance tasks in buildings (or in maintenance contracts), one can request that only light bulbs with an energy efficiency greater than D should be purchased.

Example: SPP in sectoral policies

European Union

- **Directive 2006/32/EC**
 - ❖ Public administrations must apply criteria of energy efficiency in public procurement (**vehicles, IT, building, power services**) to achieve a reduction in consumption of 9% by 2015
- **Directive 106/2008**
 - ❖ EU institutions and national governments ... will specify certain energy efficiency requirements **at least as strict as the Energy Star** specifications for public supply contracts that comply with thresholds
- **Directive 2009/33**
 - ❖ Take into account **environmental and energy impact related to the whole life cycle of vehicles** in the procurement decision in life-cycle costs or as environmental specifications

USA

- **Executive Order 12843 (1994)**
 - ❖ Federal agencies (to) revise procurement practices and apply cost-effective programs, both to modify **specifications and contracts that require the use of ozone-depleting substances and substituting for substances that do not deplete the ozone layer...**
- **Rural Investment Act (2002)**
 - ❖ In purchases exceeding 10,000 USD and for products included in the guides established by the Department of Agriculture, federal Agencies will give preference to products containing a **greater percentage of organic content.**
- **Executive Order 12902 (1994)**
 - ❖ Federal facilities (to) purchase, whenever practicable and cost-effective, products in the upper 25% of **energy efficiency** for all similar products, or products that are at least 10% more efficient than the minimum level that meets Federal standards

In addition to regulatory systems, there are also voluntary initiatives to promote more sustainable production

- Policies for sustainable production define **environmental criteria** and **verification methods** as well as guarantee **compliance with legislation** and constant **improvement**.
- They allow administrations to:
 - Dispose **greater range** of more sustainable products/services
 - Promote **good practices**, and
 - Define **concrete specifications** in terms and conditions

Sustainable production initiatives

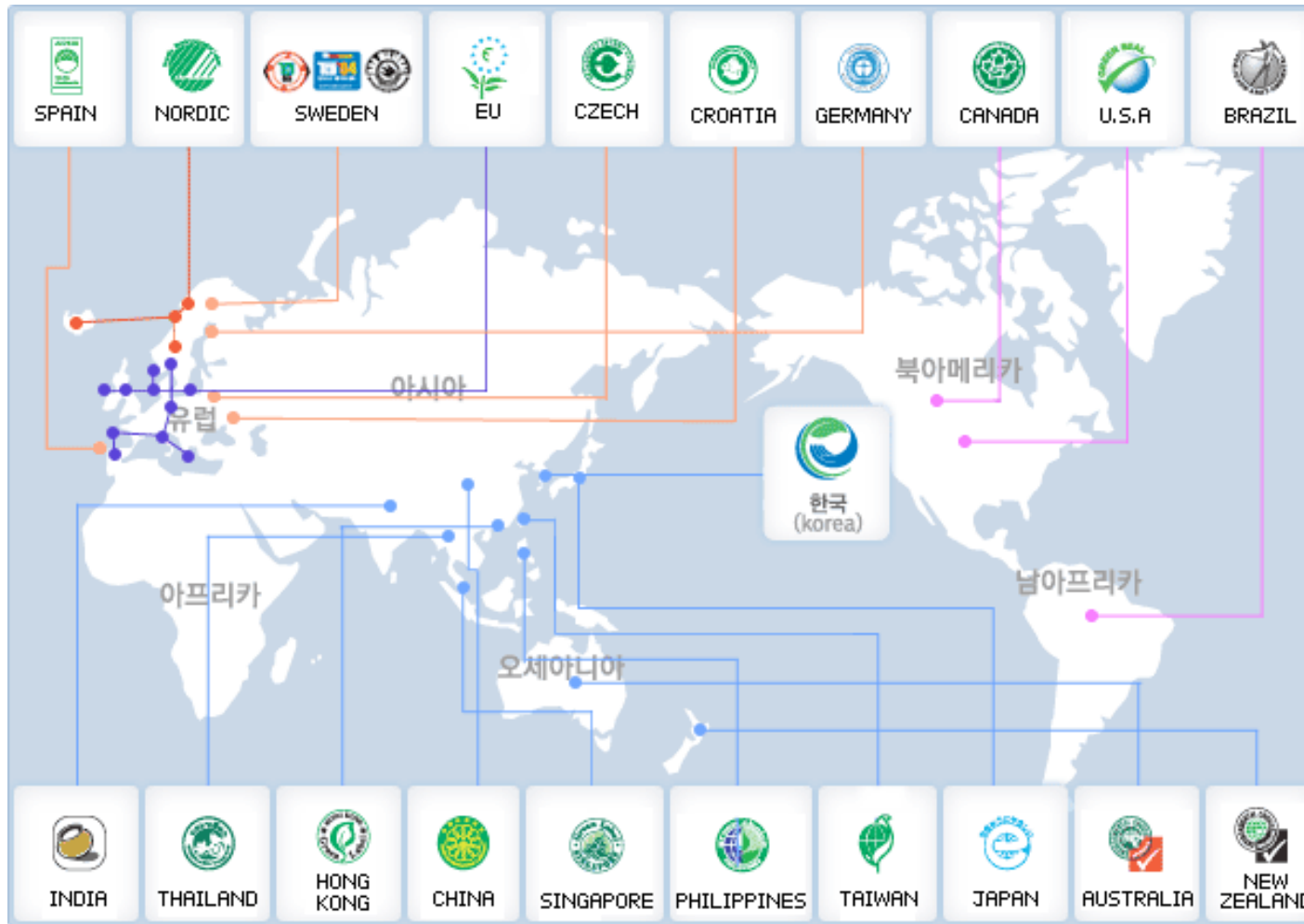
- Voluntary Ecolabels
- Environmental Management Systems
- Corporate Social Responsibility systems

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Ecodesign and environmental management in the Basque Country:

- Recommendation for selection of companies with good environmental management for certain services
- Recommendation of selection of companies with experience in ecodesign of buildings for new projects for more sustainable building (UNE standard 150301 and/or similar previous projects)

Type I Ecolabels



Conditions for successful SPP



SPP needs to be embedded and coherent with larger Sustainable Consumption and Production, Green economy or **Sustainable development strategies** – indication of commitment and allows synergies, faster deployment, institutional cooperation

Ensures the availability of resources , conducive legal framework

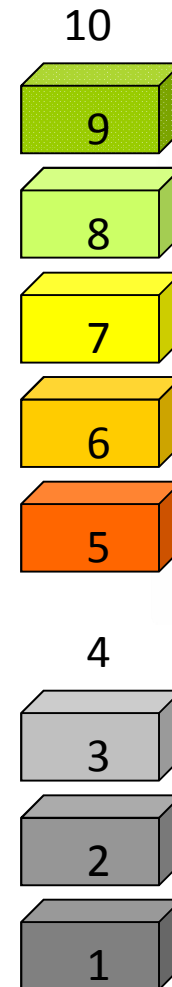
SPP should be embedded in an overarching strategy promoting sustainable products



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



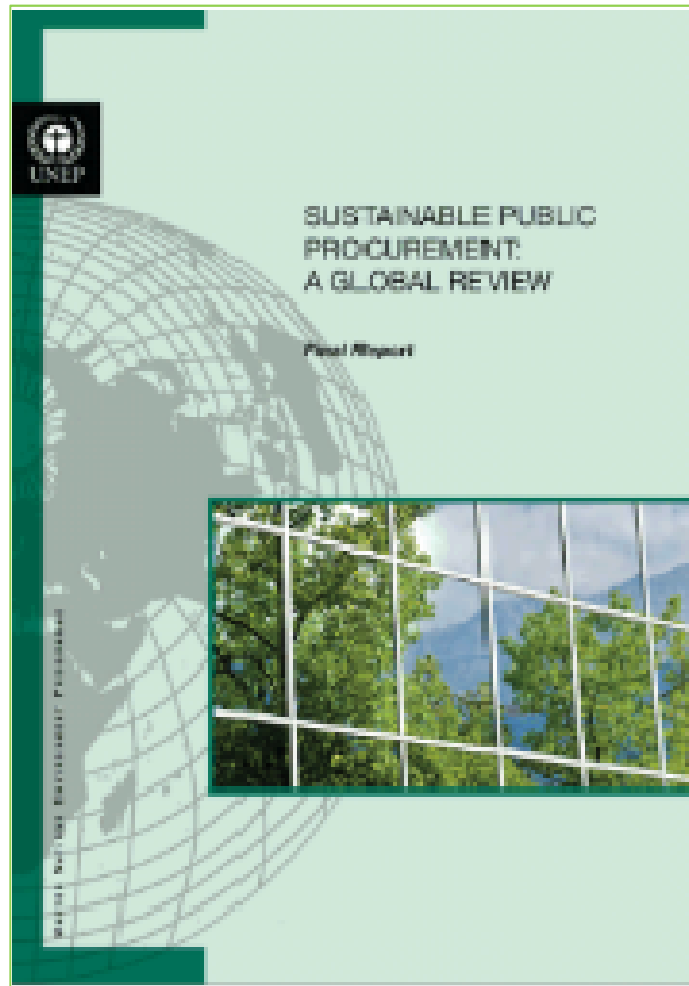
- Pooled purchasing to increase volumes
- Coordination of SPP (Central governments and local authorities as well as private sector) – paper
- Ecolabelling schemes
- Environmental management
- Life cycle costing
- Budgetary mechanisms that allow the use of TCO
- Economic instruments (environmental taxation – subsidies – reduced duties)
- Capacity building and access to information
- Education to sustainable consumption
- **POLITICAL WILLINGNESS**



LEADING COUNTRIES



SPP/GPP: A Global review 2013



A progressive extension of SPP/GPP policies and practices at world level

- Most OECD countries now have a national SPP policy or program.
- Brazil and China have developed national legal frameworks on SPP. In India, public procurement legislation is being revised and will include a provision for GPP accompanied by GPP Guidelines.
- A number of countries, including Bulgaria, Chile, Costa Rica, Colombia, Mauritius, Israel, Romania and Slovenia have adopted and are now implementing SPP policies.

56 countries have a ministry/government that has adopted an SPP policy (2012)

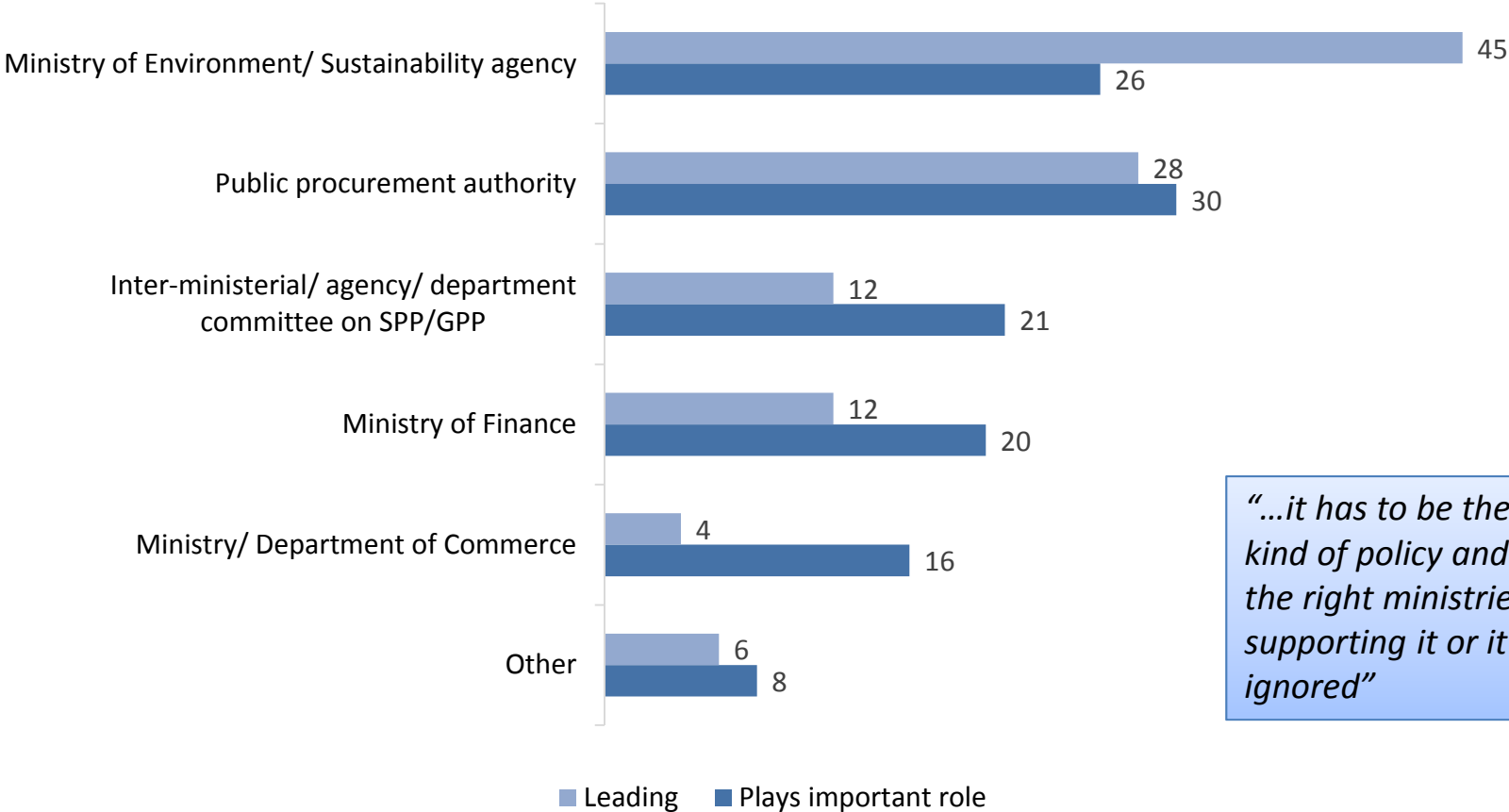


43 identified through our survey + 13 through additional desktop research

Many countries around the world have committed to SPP

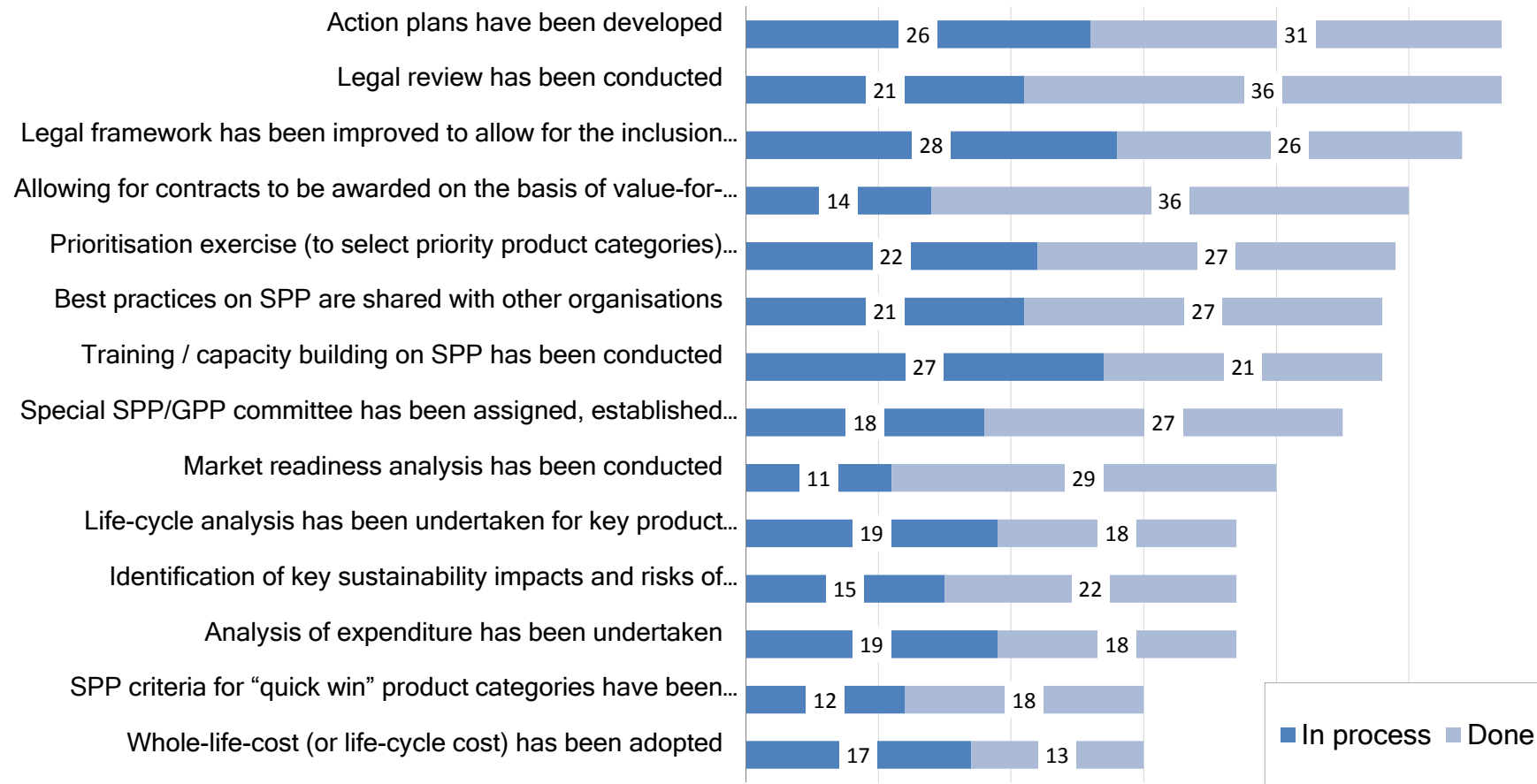
- There are **different ways** of committing to SPP and at different levels of detail
 - ❖ **Max level = National Constitution**
 - ❖ **Global strategies on sustainable development**
 - ❖ **Environmental protection policies and strategies**
 - ❖ **Specific SPP Action Plans**
 - ❖ **Sectorial policies with SPP obligations**
- There is a **growing trend of commitment**
- Most with specific **green procurement policies** and some with more **obligatory sectoral policies**
- Social dimension is **regaining momentum**

What agencies are leading SPP initiatives?

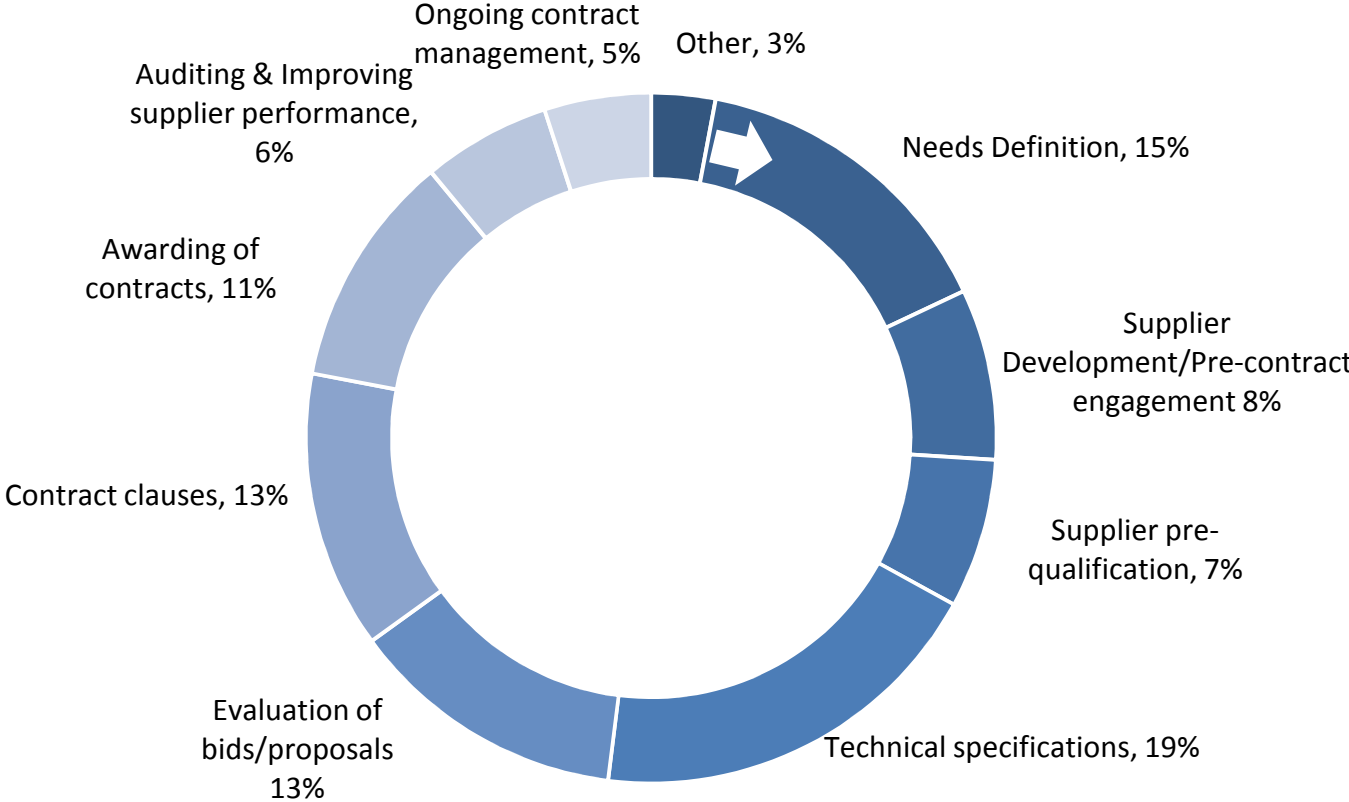


"...it has to be the right kind of policy and with the right ministries supporting it or it gets ignored"

Implementation: SPP Activities in process, and already done

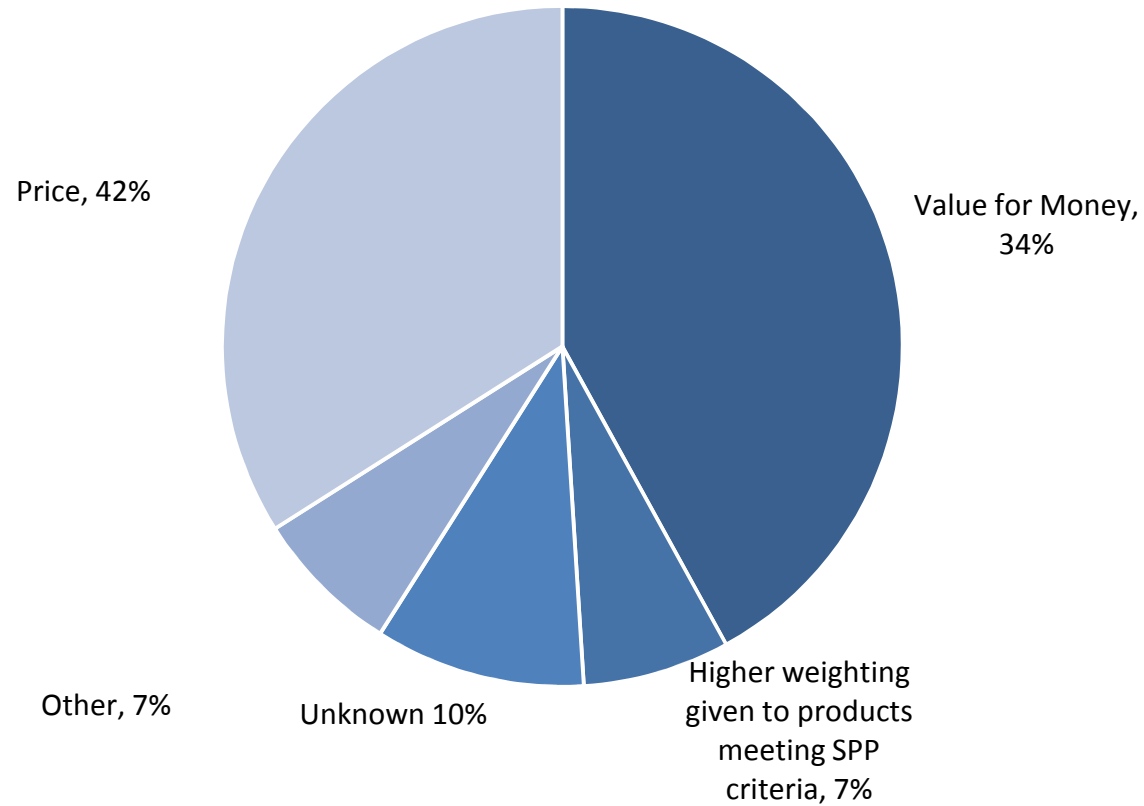


Implementation is about more than adding new specifications



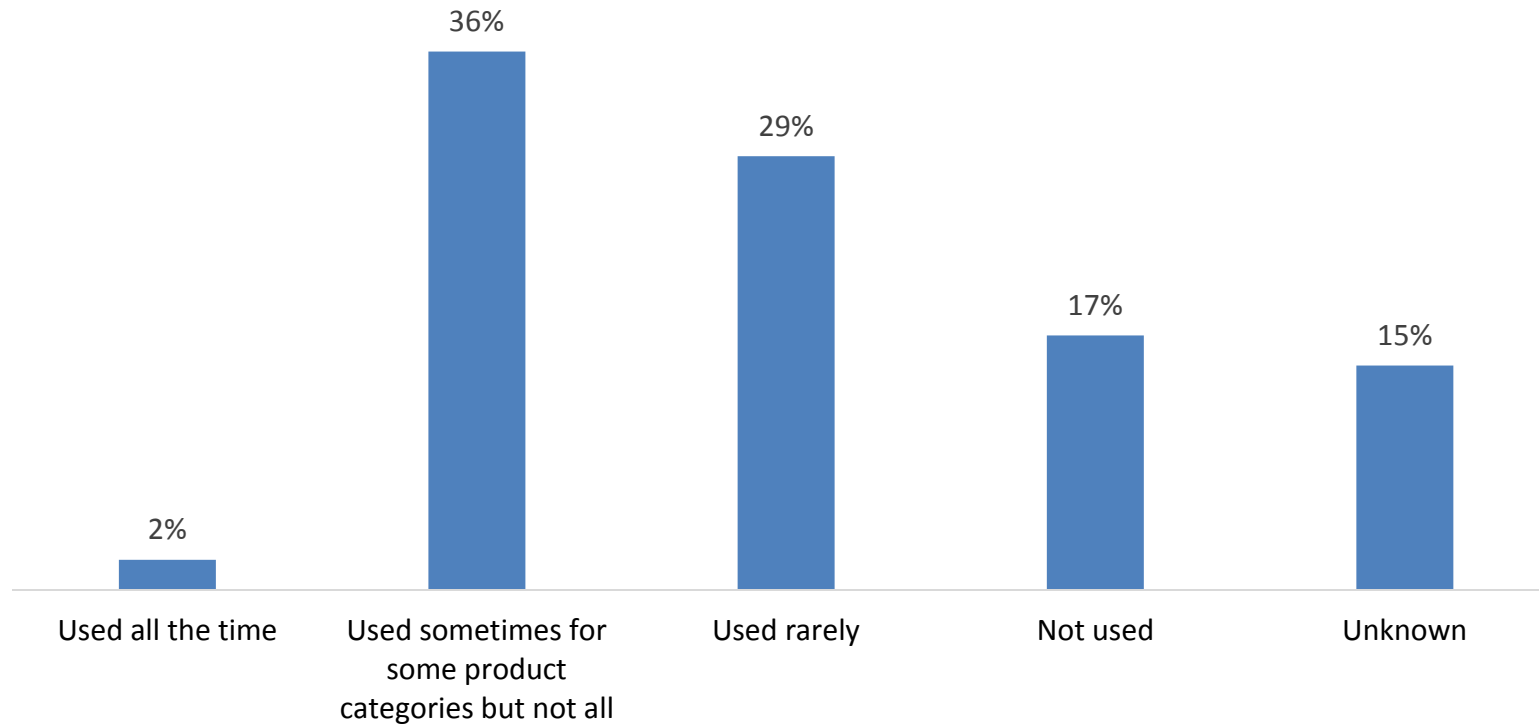
Q: In what stages of the procurement cycle is your national government currently emphasizing SPP/GPP considerations?

Price vs Value for Money



Q What is the dominant awarding rule used to determine contract awards by national government procuring entities?

Use of life cycle costing: sometimes for some product categories



Q: To what extent is life cycle costing / whole of life costing used by national government procuring entities?

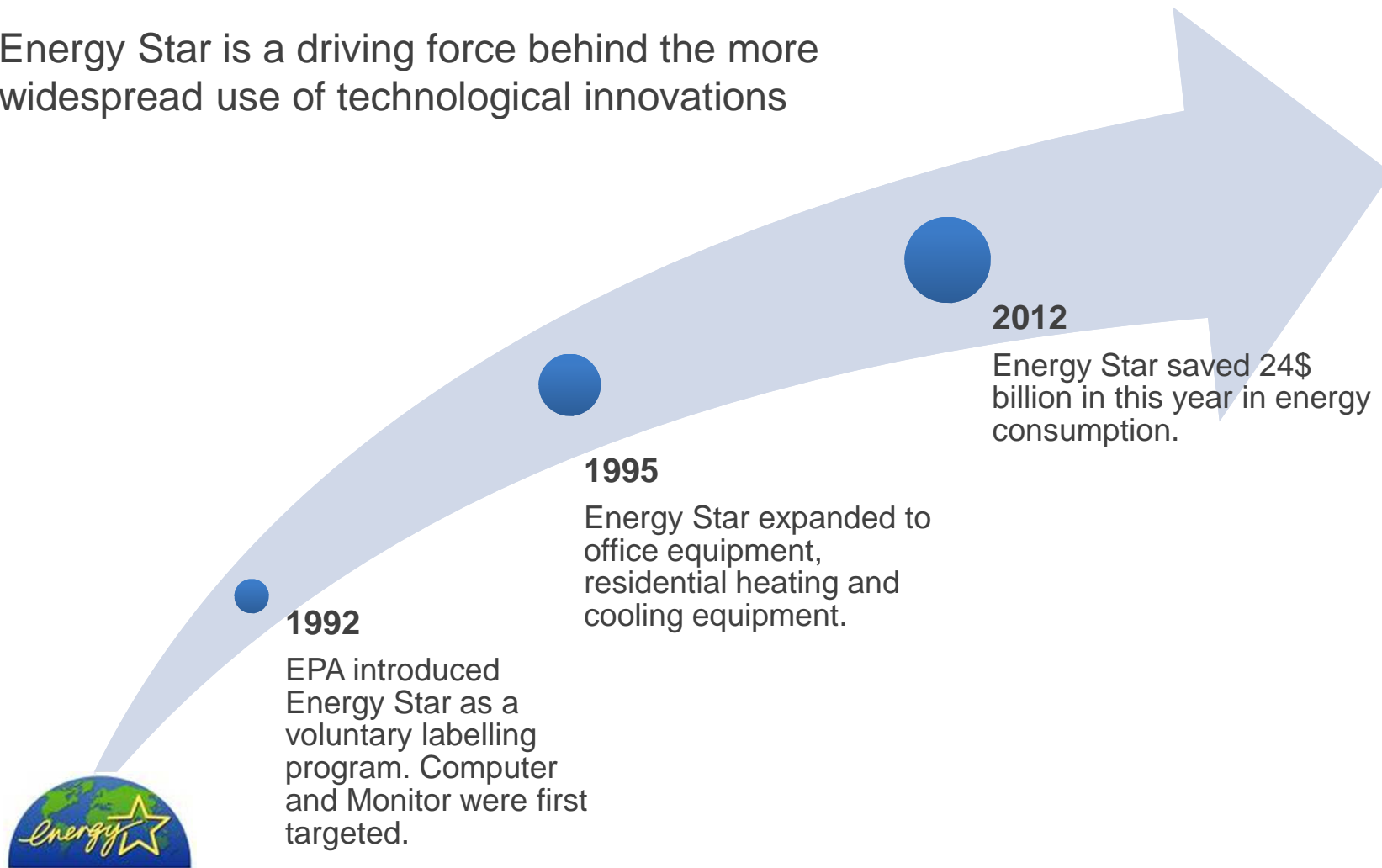
United States



The Federal Government has incorporated sustainability requirements into purchasing regulations. Additionally, **an Executive Order stipulates that 95 per cent of all new contracts use products and services that are energy- and water-efficient, environmentally preferable, non-ozone depleting, and contain recycled content.**

Example: USA and Energy Star

Energy Star is a driving force behind the more widespread use of technological innovations



European Union



- In 2008, the EC set an indicative target that by 2010, **50 per cent of all public tendering procedures should be “green” for ten priority products** and services. However, though some progress has been made, a recent study has shown that **this target has not been met.**
- GPP criteria have been developed for 21 product groups

Example: SPP Policies in the European Union

- Great number of **action plans** in almost **all Member States** of the European Union.
- Most in **green public procurement**; but the **social dimension is gaining ground**.
- They include:
 - ✓ **Objectives** by groups of products and services
 - ✓ **Development of criteria** or use of the EC standards
 - ✓ **Training** activities
 - ✓ To a **lesser extent**: market analysis, communication and monitoring actions



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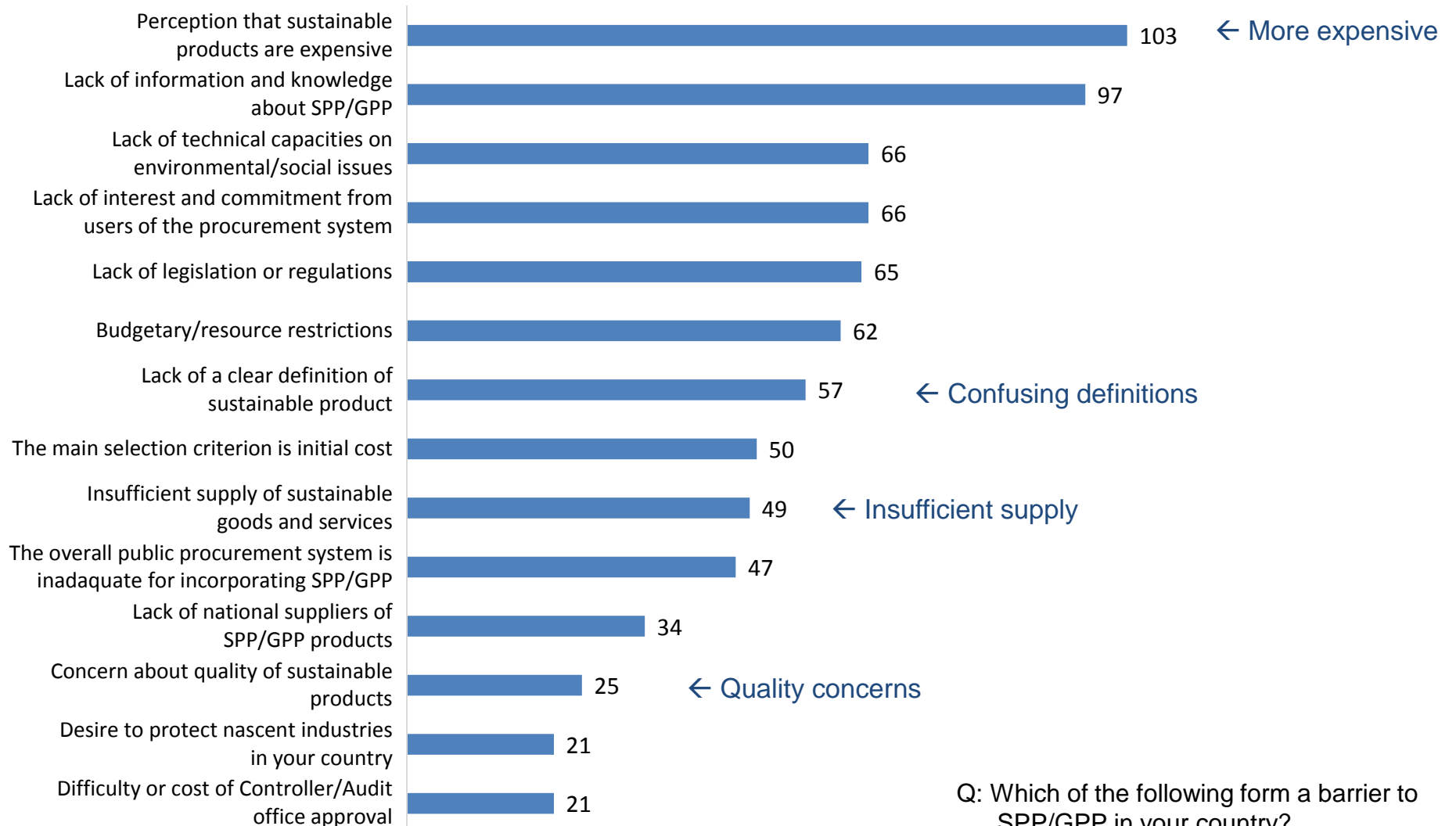
National Action Plan or equivalent document approved (22):

Austria, Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom

National Action Plan in preparation (5):

Bulgaria, Estonia, Greece, Hungary, Romania

There are many perceived obstacles



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

10YFP SPP PROGRAMME AND UNEP SPP ACTIVITIES





The 10YFP Sustainable Public Procurement Programme



Introduction

- **Why was the 10-year Framework of Programmes created?**
- **The Rio+20 Conference** reaffirmed that Sustainable Consumption and Production is a cornerstone of sustainable development.
- **Vision of the 10YFP**
- *“Fundamental changes in the way societies produce and consume are indispensable for achieving **global sustainable development**. All countries should promote sustainable consumption and production patterns (...) all major groups should play an active role in changing unsustainable consumption and production patterns”*



RIO+20
United Nations
Conference on
Sustainable
Development





Introduction

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.

10YFP: Introduction

The 6 programmes of the 10YFP are:



Consumer information



Sustainable buildings and construction



Sustainable lifestyles and education



Sustainable tourism, including ecotourism



Sustainable public procurement



Sustainable food systems

More information can be found at

<http://www.unep.org/10yfp>

From the Marrakech Task Force to the 10YFP

**Launch of the
Swiss-led
Marrakech Task
Force on SPP**



2005 to 2011



SPP Initiative

**Rio +20,
18 June 2012**



**The Sustainable Public Procurement
Initiative (SPPI) officially becomes the
10YFP SPP Programme**



**New York,
1 April 2014**



**SDGs and
Post-2015**



OFFICIAL LAUNCH OF THE 10YFP SPP PROGRAMME

The Sustainable Public Procurement Initiative (SPPI) officially became the 10YFP SPP Programme on April 1st at an event in New York, at the margins of the 10th Session of the Open Working Groups on Sustainable Development Goals





SPP PROGRAMME

Objectives

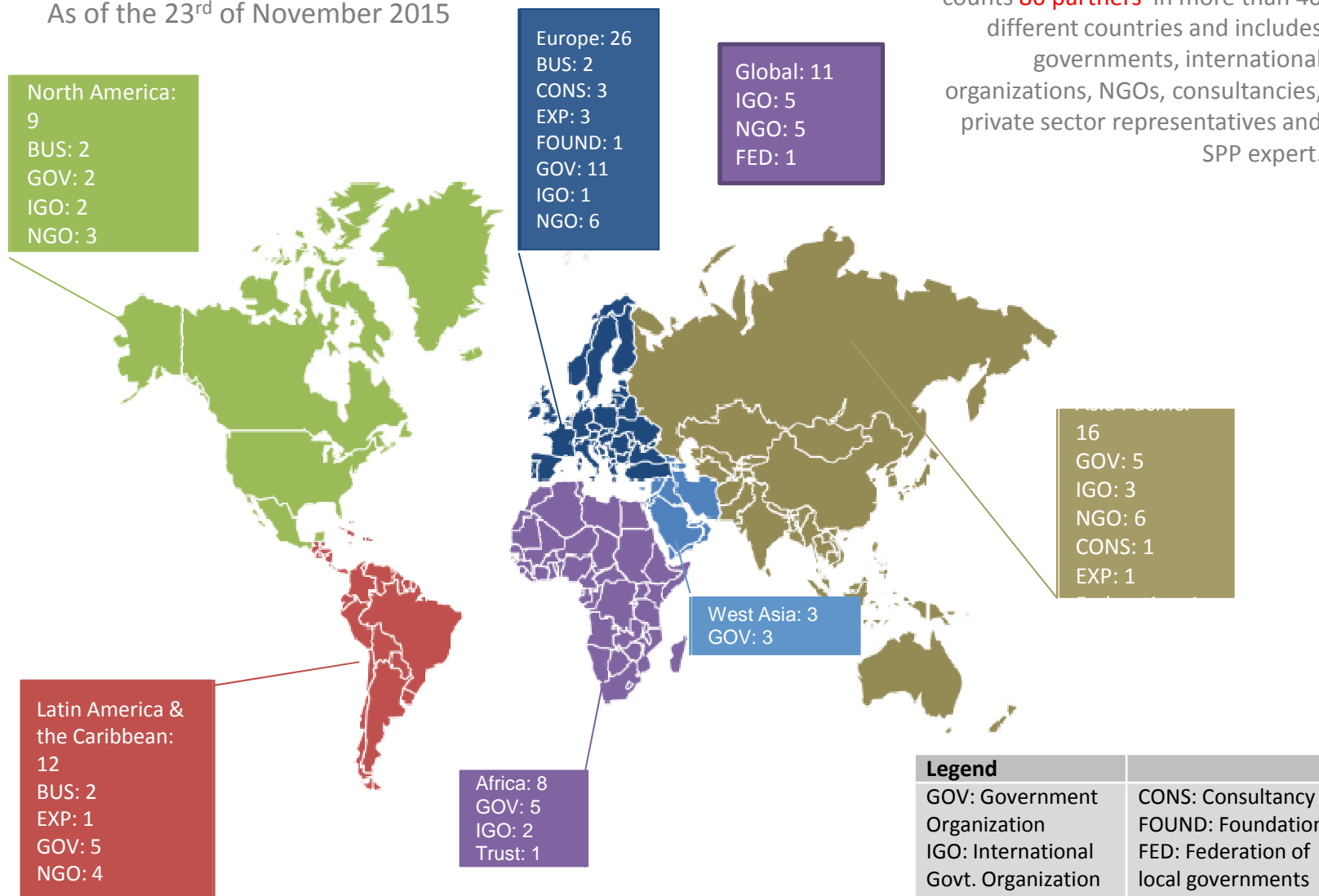
1. **Build the case** for SPP:
 - improve knowledge on SPP and its effectiveness as a tool to promote greener economies and sustainable development;
2. Support the **implementation of SPP** on the ground:
 - Better access to capacity building resources and improved coordination between SPP stakeholders.



10YFP SPP: Regional distribution of the programme's partners

SPP Programme Partners around the Globe

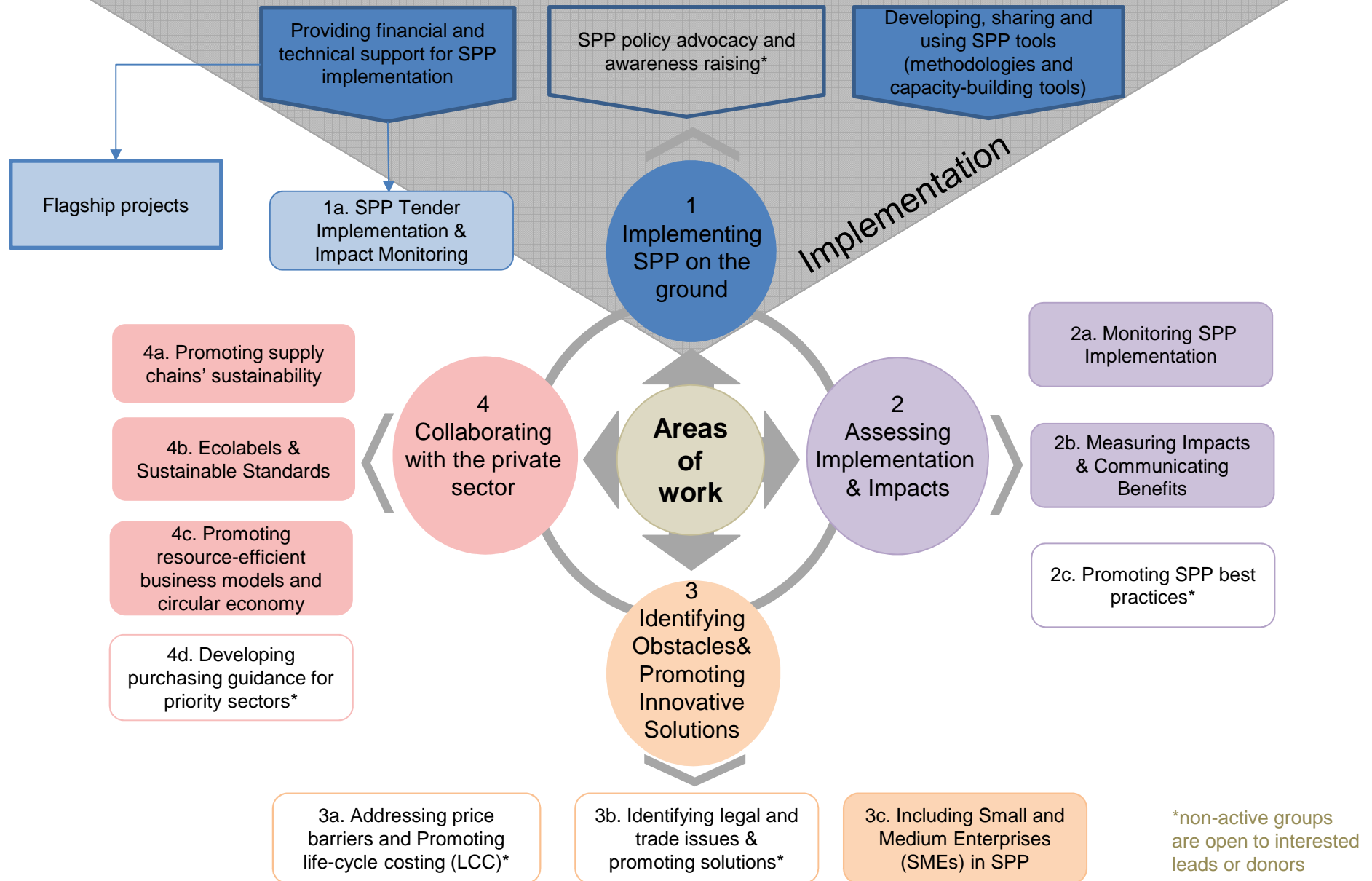
As of the 23rd of November 2015



[Join the programme here](#)

Legend	
GOV: Government Organization	CONS: Consultancy
IGO: International Govt. Organization	FOUND: Foundation
NGO: Non-Governmental Organization	FED: Federation of local governments
	BUS: Private Sector Business
	EXP: SPP Expert

10YFP SPP Programme biennial work plan 2016-2017



Knowledge management, outreach and communication:
 Global Review on SPP, Global SCP Clearinghouse, Websites and Social Networks management, Webinars

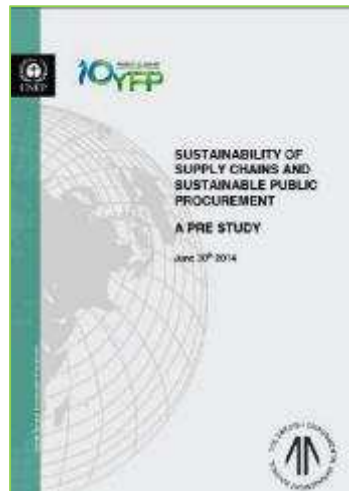
10YFP SPP: SPP Programme Outputs



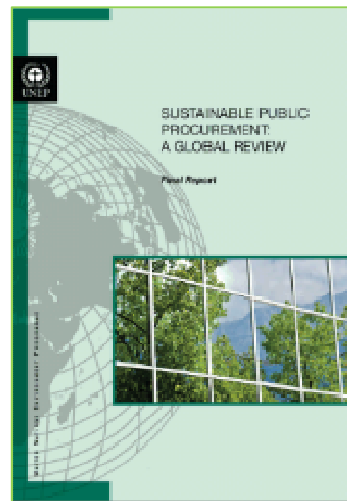
Using PSS to enhance SPP – technical report, 2015



SPP Principles, 2015



Pre-study on the sustainability of supply chains, 2014



SPP: A Global review 2013

- Measuring & communicating benefits of SPP
- Monitoring SPP Implementation

Communication and outreach activities

10YFP SPP newsletter

- 3rd issue – released in September 2015 and available at http://newsletter.sysforu.co.kr/2015/eco_spp/spp_vol03.html

Updates on the SCP Clearinghouse

- Online resource database
- Recent publications
- New partners
- News



SCP CLEARINGHOUSE
Sustainable Consumption and Production

One **click away** from SCP

convened by **UNEP 10YFP**

THE CLEARINGHOUSE | HIGHLIGHTS | SCP INITIATIVES | E-LIBRARY | NEWS & EVENTS | COOPERATION | WORKING GROUPS

Sustainable Public Procurement

What is Sustainable Public Procurement (SPP)?

Public spending normally represents 15 % of GDP in OECD countries and up to 30 % of GDP in developing countries, transforming every purchase into an opportunity to drive markets towards innovation and sustainability. Through sustainable procurement governments can lead by example and deliver key policy objectives. On environmental aspects, sustainable procurement allows governments to reduce greenhouse gas emissions, improve energy and water efficiency and support recycling. Positive social results include poverty reduction, improved equity and respect for core labor

INITIATIVES

 **Política Regional de Compras Públicas Sustentables**
Posted on 18.10.2012
[Read more](#)

www.scpclearinghouse.org

One click away from Sustainable Consumption and Production

The first online platform dedicated to advancing SCP worldwide through information, knowledge sharing and cooperation.



UNEP SUSTAINABLE PUBLIC PROCUREMENT GROUND PROJECTS

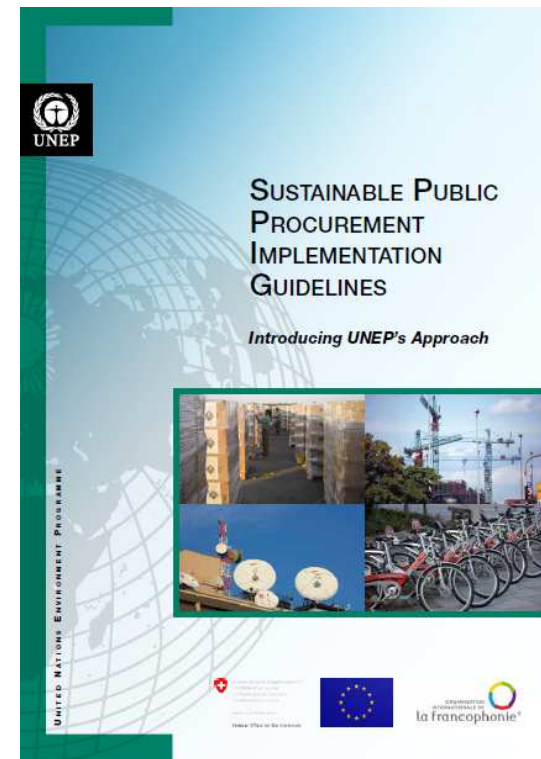
Image Copyrights: Shutterstock

Pilot countries 2009-2012

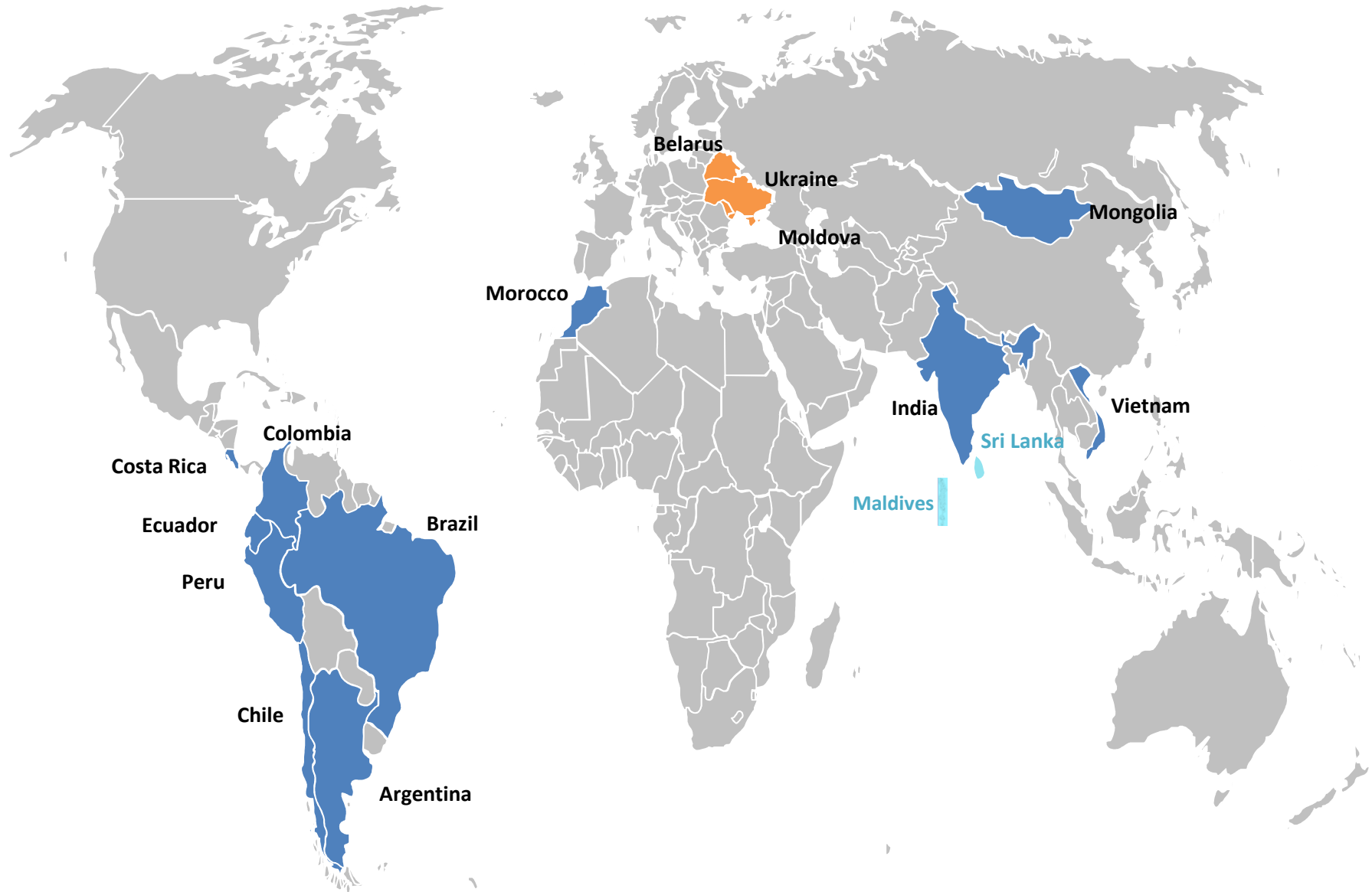


SUSTAINABLE PUBLIC PROCUREMENT IMPLEMENTATION GUIDELINES: INTRODUCING UNEP'S APPROACH

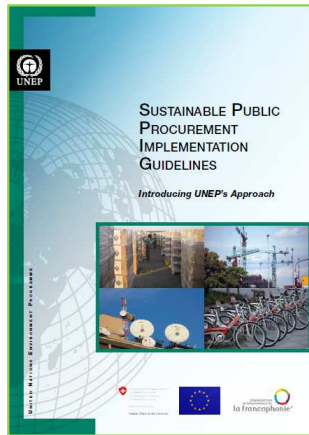
The Guidelines of UNEP's SPP Approach incorporate the lessons drawn from the testing of the MTF Approach to SPP that UNEP rolled out in 7 pilot countries from 2009 to 2012.



UNEP Sustainable Public Procurement and Eco-labelling, & EaP Green Project Countries 2013-2017

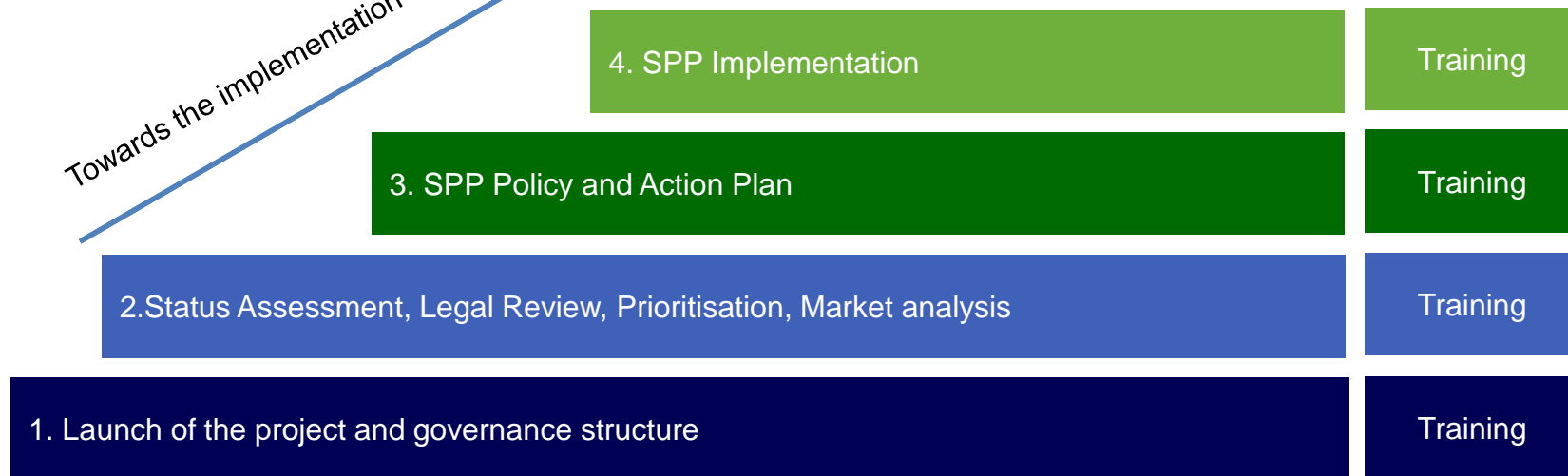


The UNEP SPP Approach



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

Towards the implementation of SPP



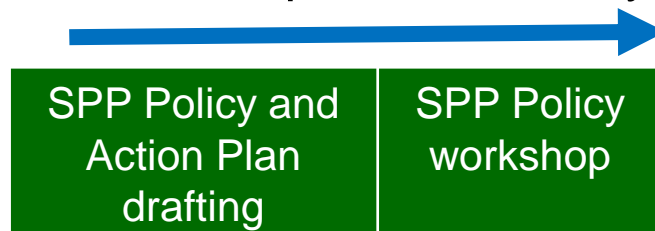
Step 1: Project launch and governance establishment



Step 2: Preliminary studies



Step 3: SPP Policy and Action Plan



Step 4: Implementation



SPPEL: Progress chart

- Completed
- In progress
- N/A

Funding Arrangements
 Steering committee
 Status assessment
 Legal Review
 Prioritization
 Market Analysis
 SPP Policy and Action Plan
 Implementation

tries

	Funding Arrangements	Steering committee	Status assessment	Legal Review	Prioritization	Market Analysis	SPP Policy and Action Plan	Implementation
ina	Completed	N/A	Completed	Completed				
bia	Completed	N/A	N/A	N/A	Completed	In progress		
Rica	Completed	Completed				Completed	Completed	
or	Completed	Completed	In progress	In progress	In progress			
res	In progress							
olia	Completed	Completed	In progress	In progress	In progress			
ico	Completed	Completed	In progress	Completed	In progress			
	Completed	Completed						
m	Completed	Completed	In progress	In progress	In progress			

The ASEAN+3 GPPEL Project

“Strengthening the capacities and improving the knowledge on green public procurement and ecolabelling in the ASEAN+3 region”

Funded by China and the Republic of Korea

Project partners:

- Chinese Ministry of Environmental Protection, Environmental Development Centre (MEP)
- Korean Environmental Institute (KEITI)
- International Green Purchasing Network (Japan based Secretariat and branches in Malaysia, Indonesia, Vietnam and Thailand)
- Global Ecolabelling Network
- Japan Green Purchasing Network (GPN)



中华人民共和国
环境保护部
Ministry of Environmental Protection
The People's Republic of China

KEITI
Korea Environmental
Industry & Technology Institute



ASEAN+3 GPPEL – Current Progress

- A. **Creation of an ASEAN+3 network** of SPP and Ecolabelling experts and policy makers and organization of yearly meetings of the network
 - Network assembled, meetings held in Seoul (2013), Bangkok and Beijing (2014)

- B. **Development of ASEAN case studies on GPP and ecolabelling** implementation
 - 4 case studies developed (China, S. Korea, Japan, Thailand) with more on the way

- C. **Sharing GPP and ecolabelling knowledge** through a regional capacity building scheme
 - SPP Training held in Seoul (2013), another to be held in Kuala Lumpur, October 2015
 - Knowledge sharing at meetings and through webinars

- D. **Improve the performance of GPP policies and eco-labelling schemes** through the establishment of regional workgroups coordinated with the 10YFP SPP Programme
 - Proposals for ASEAN+3 working groups within the 10YFP, received and assessing ways forward



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