





## Mitigating Climate Change through Low Carbon Procurement

## Declaration drafted by the participants of the 19-20 November 2015 Seoul meeting on low carbon procurement<sup>1</sup> and presented at the 5 December side event, COP21, Paris

The below Declaration has been initiated at a meeting organized on 19-20 November 2015 in Seoul by the Korea Environmental Industry & Technology Institute (KEITI) and the United Nations Environment Programme (UNEP) on the "Measurement of climate impacts of public procurement" in the framework of Working group 2B of the 10YFP SPP programme led by the Sustainable Purchasing Leadership Council (SPLC).

The final version of the Declaration has been endorsed by a number of partners of the <u>10YFP on SPP programme</u> and Seoul meeting participants. See list below.

The goals of the Declaration are as follows:

- Highlight sustainable public procurement as a public policy tool for achieving national climate commitments
- Emphasize that aligned action of public and private sectors on sustainable procurement will accelerate achievement of widely shared climate goals.

The Declaration has been read on the occasion of a COP21 side-event organized by the Coordination Desk of the 10YFP on SPP Programme, on 5 December 2015, and entitled "Mitigating Climate Change through Sustainable Procurement".

<sup>&</sup>lt;sup>1</sup> List of meeting participants: Kevin Kampschroer, US General Services Administration, Yanping Wang, China Environmental United Certification Center (CEC), Aure Adell, Eco Institut, Lunchakorn Prathumratana, German International Cooperation (GIZ), Farid Yaker, UNEP, Jason Pearson, Sustainable Purchasing Leadership Council, Thumrongrut Mungcharoen, National Science and Technology Development Agency, Thailand, Angela Vitulli, Industrial Economics, Hyunju Lee and Mi-Ri Kim, KEITI, Bonghee Son, ICLEI-Local Governments for Sustainability, Jan Janssen, C02Logic







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# DECLARATION

### WHEREAS

Government procurement accounts for 10-15% of GDP for developed countries, and as much as 20% of GDP for developing countries.<sup>2</sup> Procurement by other large private sector actors such as utilities, banks, and retail companies also represents a large share of GDP. Government procurement and institutional private purchasing, combined, form the largest professionally managed economic demand driving the global economy and its associated greenhouse gas emissions.

Through sustainable procurement, governments as well as private purchasers, can significantly reduce their carbon footprint. They can also use their vast combined economic purchasing power to enlarge the market for climate friendly products, thereby meaningfully reducing supply chain GHG emissions across the entire economy and stimulating more suppliers to invest in low carbon goods and services.

Many public and private purchasers have already adopted low carbon procurement practices to achieve their own mitigation goals, and to contribute to the worldwide effort to maintain global average temperatures increase within the two degrees threshold. However, there is still much untapped potential, in particular in the following sectors:

- Electricity and heat production (25% of global GHG emissions), vehicles procurement (14% of global GHG emissions), infrastructure and construction (6% of global emissions).<sup>3</sup>
- Procurement of electronic appliances, including refrigerators, washing machines, copy machines, computers and monitors.
- Procurement of services including information technology services, leased space, food services, and travel and hospitality services.
- Procurement of street lighting, and other indoor and outdoor lighting.

<sup>&</sup>lt;sup>2</sup> <u>http://www.cid.harvard.edu/cidtrade/issues/govpro.html</u>, <u>https://www.wto.org/english/tratop\_e/gproc\_e/gproc\_e.htm</u>

<sup>&</sup>lt;sup>3</sup> https://www.ipcc.ch/report/ar5/wg3/

### THEREFORE

Procurement offers a strategic opportunity to reduce GHG emissions and fulfill country objectives expressed in INDCs.

In order to seize this opportunity, the participants of the 19-20 Seoul meeting call upon public and private purchasers to make use of the potential of procurement to fully contribute to the climate mitigation objectives agreed upon by the international community. They specifically call for:

- Consideration of the climate impacts of goods and services in the procurement process, notably through the demand for low carbon solutions, the estimation and inclusion of carbon costs in the evaluation of tenders, and, whenever possible, through the evaluation of suppliers' carbon footprint in the selection process. In this respect, public and private purchasers should make a more systematic use of Life Cycle Costing and if not, of Total Cost of Ownership methodologies in order to capture the broader range of climate impacts in the bids evaluation process.
- Active engagement of suppliers and other supply chain actors to shift towards carbon friendly products, solutions and production processes.
- Increase in collaboration among national, regional, state, and local governments, and the private sector, to grow and support markets for low carbon goods and services.
- Development by all institutional purchasers of sustainable procurement action plans and monitoring systems inclusive of GHG reduction objectives. The efforts of developing countries in this regard should receive the support of the donor community.

Finally, the participants of the 19-20 November Seoul meeting call for a comprehensive approach to procurement that links climate change with the full range of environmental, social, and economic factors that affect our long-term future, in line with the recently adopted UN Sustainable Development Goals.

## **Endorsing organizations**

The following organizations endorse the Seoul Declaration:

- CEGESTI, Centro de Gestión Tecnológica e Informática Industrial, Costa Rica
- China Environmental United Certification Center
  (CEC)
- CO2Logic, Belgium
- Corvers Procurement Services BV
- Ecoinstitut (Spain)
- EcoMark Office, Japan
- Green Council (Hong Kong)
- Green Purchasing Network, Malaysia
- IEc, Industrial Economics Inc.
- International Green Purchasing Network
- Institut des Finances, Basil Fuleihan, Lebanon
- KEITI, Korea Environmental Industry & Technology Institute

- Ministry of Environment of the Netherlands
- Policy Procurement Office, Mauritius,
- Regional Activity Centre for Sustainable Consumption and Production (SCP/RAC), Mediterranean Action Plan (Barcelona, Spain)
- Sustainable Purchasing Leadership Council,
- UNEP, United Nations Environment Programme
- US General Services Administration