Sustainable Public Procurement Policy Workshop

6-7 August 2018, Entebbe, Uganda

Kamala ERNEST, Programme Officer, UN Environment, Nairobi
Switch Africa Green

6 Countries
- Burkina Faso
- Ghana
- Kenya
- Mauritius
- South Africa
- Uganda

4 Game Changer Sectors
- Agriculture
- Integrated Waste Management
- Manufacturing
- Tourism

5 Cross-cutting Sectors
- Eco-innovation
- Sustainable Water
- Energy Efficiency
- Sustainable Trade
- Standards and Labelling

Beneficiaries (application of SCP practices)
- 34 Grantees
- $11.5 million
- > 3000 MSMEs
- > 10,000 jobs created

Procurement Activities
Switch of the Moment!

Greening Procurement

Aspects of Greening Procurement: strategic and operational

Sustainable / greening practices globally
What is Greening procurement?

Introduction of environmental measures that results:

- **sustainable** socio-economic benefits
- **reduces** overconsumption, losses, pollution,
- **saves** $$\text{e.g. on utilities, material}$$ (reducing costs by reducing your environmental footprints)
- **avoids** wastage in supplying goods and services
- **Internalizes** environmental considerations in all processes – life cycle approach including in the bidding, awarding and managing contracts
Objectives of green public procurement

Provides a framework for the purchase of environmentally preferred products and services.

Encourage the inclusion of environmental performance criteria into supply chain procedures, processes and activities – where possible – as industry and technology advances become available.

Support the purchase of goods and services that will protect the environment, while maintaining best value for the public authorities.

Promote a culture that recognizes and places a priority on environmental issues.
### Benefits of Green public procurement

**Financial savings** – from a full life-cycle costs of a contract and not just the purchase price. Vienna achieved annual savings of EUR 17 million and 30 000 tonnes of CO2 emissions due to Green public procurement.

**Local value addition** - provides platform for local MSMEs.

**Driver for innovation** - providing service providers with incentives to develop environmentally-friendly products and services.

**Conservation** - authorities who implement GPP will be better equipped to meet evolving environmental challenges, for example to reduce greenhouse gas emissions or move towards a more circular economy.

**Cross-cutting enabler to achieving SDGs** - it contributes to Agenda 2030 and Agenda 2063.
Green public procurement involves

Development of policies (strategic level) - creation of institutional, legal and regulatory frameworks

Sustainable operationalization of procurement processes
Strategic Policy Tools for advancing Green procurement

- Regulations
- Standards
- Monitoring
- Empowerment
- Green Public Procurement
Legislation and regulation as a greening tool

one of key levers governments can use to promote green public procurement

• **Sectoral laws** - specific legislation creates mandatory obligations for the procurement of certain goods and services

• **Eco-labeling** - using standards can ease the decision-making process in public procurement and contribute to a harmonized approach to GPP;

• **Rules and regulations** which create mandatory Green Public Procurement standards for particular sectors e.g quantitative targets- percentage of green purchases in relation to the total purchases of the year

• A **monitoring system** will support the enforcement and development of GPP.
Environmental standards as a greening tool

**Subject matter specification:**
- e.g. tender to supply ‘recyclable printing paper’

**Eco-label criteria:**
- Product meets the criteria of a recognized ecolabel and recognize the ecolabel as non-exclusive proof of compliance.

**Production and process related criteria:**
- Requirements related to the way in which the product has been produced, as long as they are relevant for characterizing the product based on a life cycle approach.

**Award Criteria:**
- Using environmental criteria in the award phase: it encourages market innovation and is a risk-free way of indicating that you would prefer a higher environmental standard but not at any cost.

**Contract performance clauses:**
- Include environmental considerations that are linked to the execution of the contract.
Empowerment as a greening tool

Capacity building programmes
- Training public authorities, municipalities
- Development of green procurement guide
- Green public procurement supports eco-innovation
- Grants to support green technologies and innovation for suppliers

Encourage Green associations of MSMEs and institutions
- Business development and strategic partnerships
- Networking sessions of green suppliers
- Establishment of green procurement committee or programme that sets criteria, boosts compliance and provides monitoring of efficiency of green public procurement
Monitoring as a greening tool

- **Monitoring and reporting** (e.g. through reports on plans and priorities and departmental performance reports) to support continuous improvement in the integration of environmental performance in procurement.

- A coordinated government-wide approach to optimize **information-sharing, consistency and performance measurement**.

- Systemic **integration of environmental performance** in the procurement decision-making processes of all departments, including establishing departmental green procurement targets that are aligned with government priorities.

- Inclusion of **environmental specifications** and evaluation criteria in centrally managed procurement.
Operational aspects of green procurement

- **Sustainable Supply Chains**: requirement that sourcing of goods and services should be from sustainable supply chains that take cognizance of environmental and social best practices. This means that sustainability standards should be developed to implement it.

- **Enhancing Technical Capacity**: Strengthening the technical capacity and institutional needs of procurement agencies at national and county government level to integrate sustainable practices.

- **Life cycle costing**: value for money in procurement is the optimum combination of whole-life-costs and quality to meet user’s requirements. The reconceptualization should spell-out clear ecological attributes to be achieved in procurement of goods, services and works whilst setting targets and establishing eco-innovation related performance standards.

- **Incentives**: A paradigm shift towards green procurement requires strengthening the incentive base. This would be in terms of making the environment management performances of products more visible so that companies and products having high environment values enjoy preferred positions in the market.
## Green public procurement Matrix

<table>
<thead>
<tr>
<th>Area</th>
<th>Purpose</th>
<th>Form/criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green procurement policy</td>
<td>Promotion of sustainable procurement = linking economic, social and environmental interests in public procurement</td>
<td>life cycle products&lt;br&gt;value for money&lt;br&gt;environmental aspects&lt;br&gt;value addition in the supply chain</td>
</tr>
<tr>
<td>Environmental measures</td>
<td>reducing the negative impacts on the environment through a whole lifecycle approach in procuring public assets, supplies and services (&quot;green procurement&quot;)</td>
<td>protection of landscapes, natural habitats and populations of species of wild fauna and flora recognized and measures taken to protect and enhance them.</td>
</tr>
<tr>
<td>Resource Efficiency</td>
<td>Minimizing the cost of inputs versus outputs&lt;br&gt;− using less to get more (Cost benefit of inputs vs outputs)&lt;br&gt;Resource use and intensity - to include energy, water, raw materials and land as resources, and to focus on the efficiency of their use.</td>
<td>Water:&lt;br&gt;Protecting the water resource base&lt;br&gt;water efficiently utilized&lt;br&gt;Energy:&lt;br&gt;Use of renewable energy&lt;br&gt;End use energy efficiency&lt;br&gt;Material:&lt;br&gt;Minimum use of virgin and non-renewable materials</td>
</tr>
<tr>
<td>Area</td>
<td>Purpose</td>
<td>Form/criteria</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Health, waste and pollution | ▪ Minimizing impacts on the environment and human health through reduce, reuse, refuse and recycle  
▪ Wealth creation from waste through industrial symbiosis approach | **Health and safety standards**  
▪ minimum use of chemicals which pose a risk to human health and the environment  
**Waste**  
▪ Biodegradability  
▪ Maximum durability, reparability, reusability, recyclability and upgradeability  
▪ Minimum packaging  
▪ Maximum use of post-consumer materials  
**Pollution**  
▪ Reduce pollution with minimum use of toxic chemicals, CFCs, and other pollutants.  
▪ Maintain and improve the quality of air to protect human health and the environment by controlling emissions  
▪ Promote use of bio-pesticides and bio-chemicals |
<table>
<thead>
<tr>
<th>Area</th>
<th>Purpose</th>
<th>Form/criteria</th>
</tr>
</thead>
</table>
| Sustainable value addition | • Promoting local sustainable procurement of assets, supplies and services ("green investments") | • Gender and youth  
• Green processing  
• Green jobs  
• Sustainable trade  
• Green technology  
• organic and green products and eco-services  
• product traceability  
• local content  
• Storage and handling standards  
• Green MSMEs............ |
| Incentive policy measures | • promote Compliance assistance and economic incentives for behavioral change towards sustainable public procurement  
• to create an enabling environment to attract green investments e.g renewable energy | • Removal of harmful subsidies to promote long term procurement through fiscal measures  
• Capacity building and awareness creation  
• Ensuring suppliers meet the set environmental requirements  
• Certification- eco-labelling, eco standards |
GOOD PRACTICES
Green Procurement Practices

Development of policy and legislative measures - EU directive ‘inclusion of environmental considerations in the procurement process’

Reform of laws to include green procurement - China Government procurement law of 2003 ‘ecolabelling for different products to be supplied’, priority to purchasing Environmental labelled products and prohibit them from purchasing any products which harm the environment or human health.

Development of Public procurement policy - India ‘environmental sustainability criteria as part of conditions for awarding tenders, sustainability criteria for renovating office buildings in the Netherlands’
Green Procurement Practices

Constitutional approach to green procurement - **Switzerland constitution** facilitated criteria of environmental soundness of product for national procurement.

Creation of green purchasing guides - **USA preferential procuring of green products that have large impact on reducing negative effects on the environment**.

Requirements to procure products that are water-efficient, energy-efficient, bio-based, non-toxic alternatives, containing recycled content.

Life cycle considerations of procurement process - **Kenya Public Procurement and Disposal Act 2015** – looks at considerations on the life of the item, its socioeconomic impact, cost of servicing and maintenance and disposal cost.
Green Public Procurement (GPP) is an important tool to achieve environmental policy goals relating to climate change, resource use and sustainable consumption and production – especially given the importance of public sector spending on goods and services.
Acknowledgements

- Ministry Of Finance, Planning and Economic Development, Uganda
- National Environment Management Authority, NEMA
- UNDP and UNOPS
- European Union
THANK YOU

Kamala.ernest@un.org

www.switchafricagreen.org