



# **Green Public Procurement**

**An Overview of Green Reforms in Country Procurement Systems**



# Launch Event

December 9<sup>th</sup> , 2021

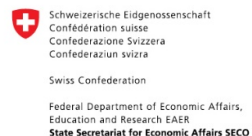
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## Mainstreaming Climate Change in Governance Trust Fund



# What is Green Public Procurement?



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

# Build the Business Case

**The business case lays out objectives, defines priorities, and mobilizes support.**



## **Elements:**

- Objectives
- Indicators
- Prioritization
- Stakeholders
- Green market development

# Country Example: Japan

**Governments can support green market development by providing information, capacity building, financing, and fiscal incentives.**



## **Green Market Development**

Japan – Nissan Leaf: With early government support, Nissan improved its technology by developing a quick charging unit that was smaller, cheaper, and easier to install and then installed these new charging units in locations throughout Japan. Sales to regular consumers soared.

# Enabling Framework

**The enabling framework helps transform GPP from a pilot activity to a policy and supports GPP implementation across the public sector.**

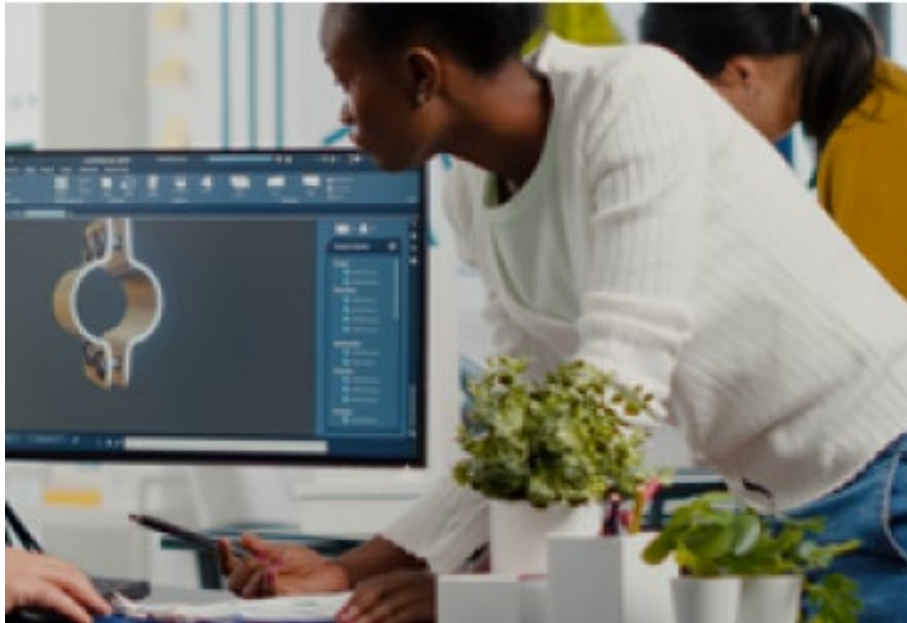


## **Elements:**

- Organization
- Regulation
- Incentives
- Monitoring and reporting
- Capacity building
- Technical support

# Country Example: Korea

**GPP capacity-building programs should equip public procurers with the motivation and skills needed to procure green.**



## **Building Capacity**

Korea - a survey to assess the training needs of contracting authorities revealed the top training requests were explanations of the environmental and economic benefits of green products; sharing of best practices; and training on the use of the online platform and e-procurement tools.

# Operational Tools

**Operational tools integrate environmental considerations into procurement operations.**



## **Elements:**

- Environmental criteria
- Ecolabels and environmental management standards
- Life-cycle costing



# Country Example: The Netherlands

**Environmental criteria guide procurers in assessing what constitutes green goods, services, or works.**



## Environmental Criteria

The Netherlands - has created an online portal for procurers to quickly access an extensive database of environmental criteria for products and services. Procurers can search the database by keyword or common public procurement vocabulary code. They set out three levels of ambition—basic, significant, and ambitious—together with the respective means of verification.

# Operational Approaches

**Operational approaches manage demand, facilitate the application of GPP practices, and shift the focus from products to performance and innovation.**



## **Elements:**

- Needs assessments
- Market consultation
- Joint procurement, framework agreements, and catalogs
- Supplier facilitation
- Product-service systems and performance-based contracts
- Innovation procurement

# Country Example: Scotland

**Product-service systems (PSS) aligns incentives for the procuring entity and supplier with a view to minimizing life-cycle costs.**



## **Product-service systems and performance-based contracts**

Scotland – The government used a PSS to promote a heating service using biomass (wood waste and chips) rather than conventional fuel. Scottish procurement developed a Buyers' Guide on building, maintaining, and operating boilers, with standards for fuel testing and storage and methods for measuring fuel efficiency. The contracting model transfers responsibility for operating the boiler and sourcing the fuel to the supplier, which sells the heat as part of a service.

# Managing Reform

**Reform management helps countries define their own reform pathways, building on sound diagnostics.**

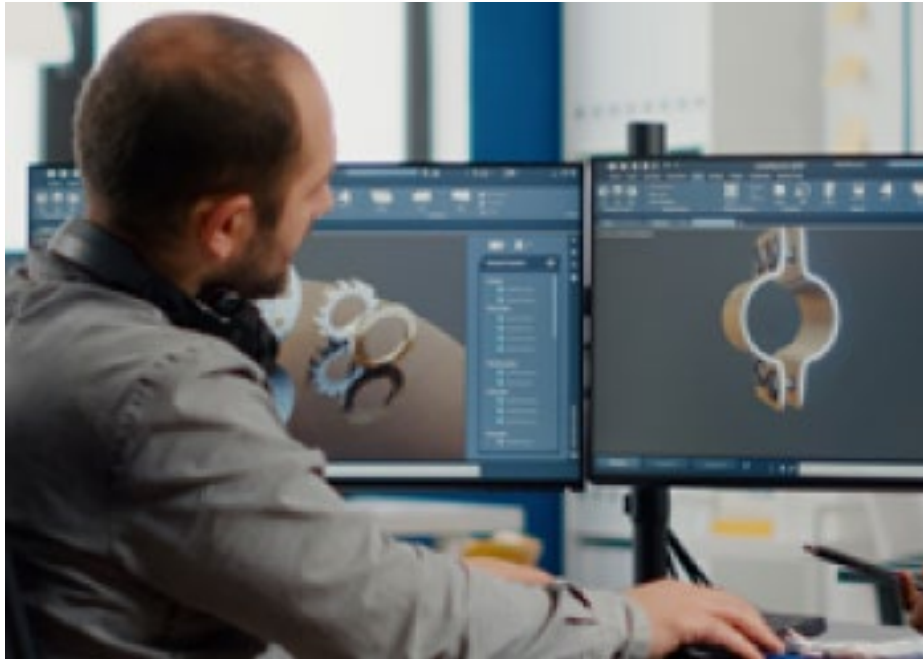


## **Elements:**

- Reform pathways
- GPP assessments
- GPP strategies and action plans

# Country Example: Ecuador

**Assessments can help establish the status of GPP implementation, identify the strengths and weaknesses in GPP practices, and can set a baseline to track progress.**



## **GPP Assessments**

Ecuador - conducted a situational analysis to inform its SPP reform plans, supported by UNEP and the EC. The analysis reviewed regulations and institutions to identify barriers and opportunities and compiled a summary of SPP reform activities. A representative group of 21 public agencies participated in a comprehensive survey on sustainable purchasing practices and their motivations and barriers to SPP. The agencies included central ministries, public companies, municipalities, and public service agencies.



# Thank You

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