

## Sustainable Public Procurement, a strategic tool to achieve sustainability and transform markets.

Presentation of the results of the 2017 Global review of SPP with key success stories.

Farid Yaker / November 23 2017 /Kyiv, Ukraine



United Nations Environment Programme





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UN Environment promotes the worldwide implementation of Sustainable Public Procurement (SPP), a powerful instrument that has the ability to accelerate the shift to more sustainable consumption and production practices. Through its various projects, UN Environment supports the development and implementation of SPP policies in 13 countries and fosters regional cooperation and exchange of know how in Latin America and Asia Pacific. UN Environment is also the lead of the 10YFP SPP programme, an international collaborative platform that aims at making the case for SPP and supporting all organizations on SPP implementation. "a process whereby public organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life-cycle basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst significantly reducing negative impacts on the environment."

Definition adopted under the 10 YFP SPP Programme

#### **SPP in the Sustainable Development Goals**



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## SPP in the Sustainable Development Goals

Procurement processes that consider social, economic and environmental factors are able to **drive sustainability along value chains.** 

- SDG 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



# The 10 YFP SPP programme led by UN Environment













- The 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) is a concrete and operational outcome of Rio+20 Conference.
- It is a global framework that enhances international cooperation to accelerate the shift towards sustainable consumption and production (SCP) in both developed and developing countries.
- It provides capacity building and technical and financial assistance to developing countries, and encourages innovation and cooperation among all countries and stakeholders.

## The six programmes of the 10YFP

- Consumer information
- Sustainable lifestyles and education
- Sustainable public procurement
- Sustainable buildings and construction
- Sustainable tourism, including ecotourism
- Sustainable food systems



#### The 10YFP SPP Programme working together to accelerate the shift to SPP

A global multi-stakeholder platform that brings together a variety of SPP stakeholders to foster communication, leverage resources and achieve common **objectives**:

- 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 tools and support through SPP experts.



#### Governance structure: new MAC 2017-2019

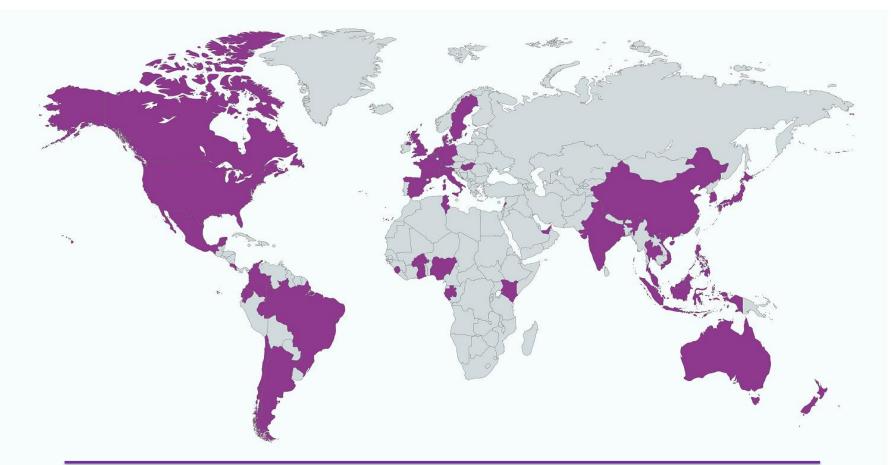




•I.C•L•E•I Local Governments for Sustainability

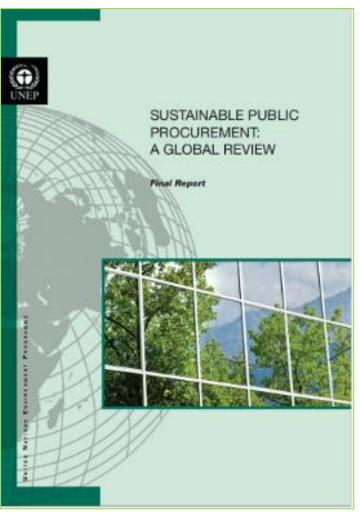
1	Danish Institute for Human Rights	Denmark
2	Eco Mark Office of the Japan Environment Association	Japan
3	Environmental Development Center of Ministry of Environmental Protection (EDC), China	China
4	European Commission	Europe
5	Federal Ministry for Environment, Nature Conservation, Building and Nuclear Safety	Germany
6	Forest Stewardship Council (FSC)	Global
7	Good Environmental Choice Australia	Australia
8	Green Electronics Council	USA
9	ICLEI – Local Governments for Sustainability	Global
10	Indian Railways	India
11	Institut des Finances Basil Fuleihan-Lebanon	Lebanon
12	International Institute for Sustainable Development (IISD)	Global
13	ITC-ILO (Int. Training Center of the ILO)	Global
14	Korea Environmental Industry & Technology Institute	South Korea
15	Ministry of Infrastructure and the Environment, Netherlands	Netherlands
16	National Cleaner Production Centre Colombia	Colombia
17	Sextante LTDA	Brazil
18	SKL Kommentus	Sweden
19	Sustainable Purchasing Leadership Council (SPLC)	USA
20	United Nations Environment Programme	Global
21	United States General Services Administration	USA
22	West Africa Economic and Monitary Union	Africa

#### The 10 YFP SPP Programme global presence



**108** Partner Organizations and **14** individual Experts in more than **40** countries around the globe (as of November 2017)

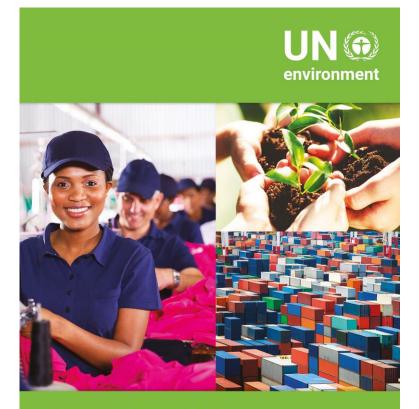
# 2013 Global Review of SPP



- an investigation into the national government SPP/GPP policies and practices around the world
- based on an analysis of literature and online resources, and interviews with 20 leading experts on SPP/GPP
- Six case studies that delve deeper into particular countries' recent experiences with SPP/GPP
- The result: a global view that considers the challenges and opportunities for SPP/GPP in different governmental, regulatory and socio-economic contexts, and highlights the evolution of SPP/GPP in recent years.

Available<u>here</u>

# **2017 Global Review of SPP** - A global report periodically reviewing the implementation of SPP



#### GLOBAL REVIEW OF SUSTAINABLE PUBLIC PROCUREMENT

2017

2017

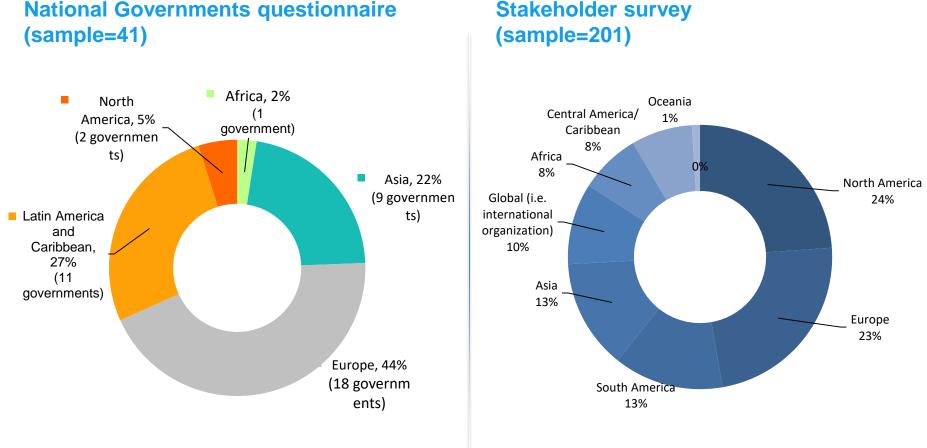
Now available on the global SCP Clearinghouse platform in all six official UN languages. Click <u>here</u> to read.

Main findings of the 2017 Global Review of Sustainable Public Procurement

#### 2017 Global Review of SPP: research methods

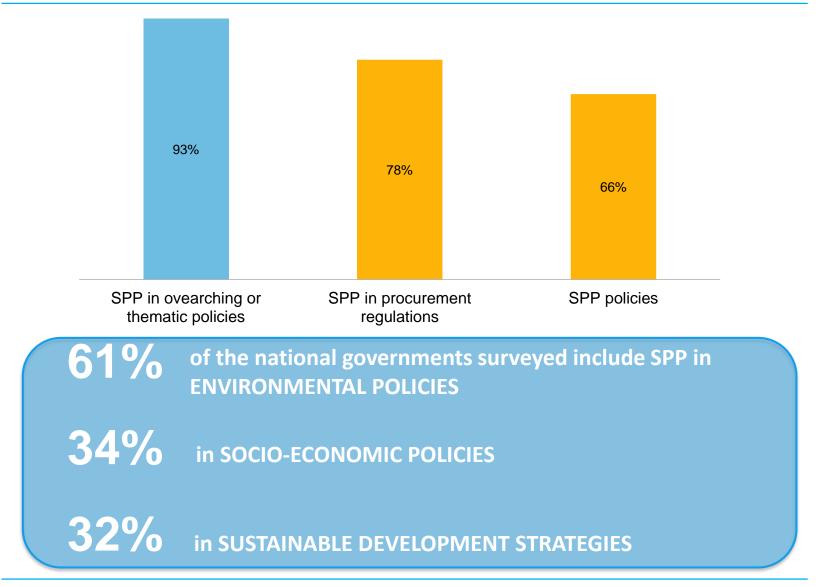


## 2017 Global Review of SPP: world regions' representation



Stakeholder survey

#### What is the SPP policy framework?



# What categories of products, services and works are prioritised?

Office IT	89%
Office paper and stationary	85%
Vehicles	70%
Cleaning	67%
Furniture	63%
Buidling design and construction	59%
Building equipment	59%
Building materials	52%
Energy	52%
Textiles	52%
Food and catering	44%
Chemical products	37%
Household appliances	37%
Infrastructure design and construction	33%
Waste collection and street cleaning	22%
Travel services	15%
Works execution	15%

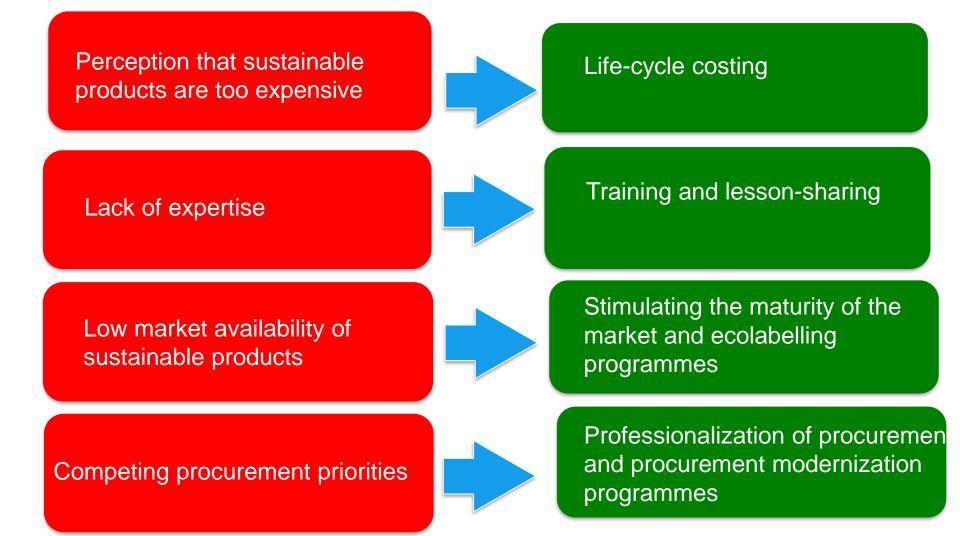
# Strongest drivers of SPP in survey participants' organizations



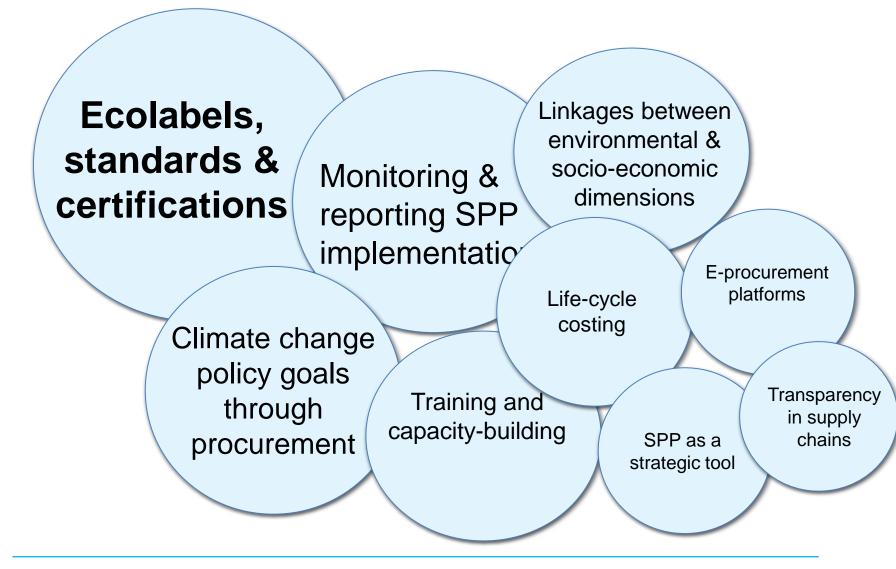
#### Main barriers to SPP in survey participants' organizations



#### Challenges vs. possible solutions



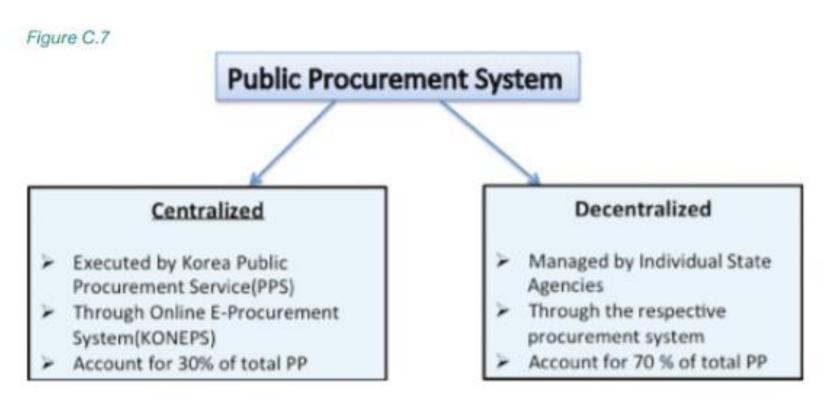
#### Emerging SPP topics, strategies and activities



## **SPP IN NATIONAL GOVERNMENTS:** *Examples of Republic of Korea and Norway*



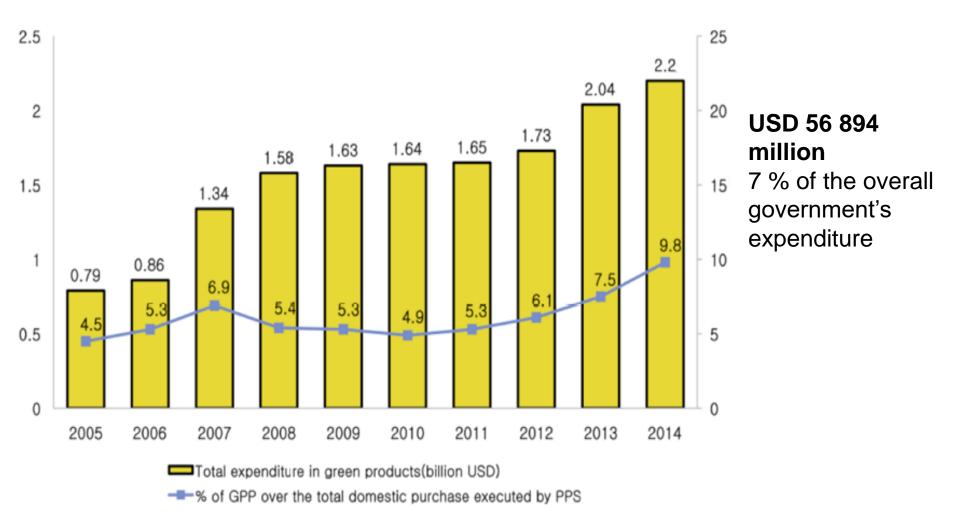
Public procurement in the Republic of Korea is undertaken via two different systems: a centralized and a decentralized system.



# SPP in Republic of Korea



#### **SPP INDICATORS – Expenditure in green products**



# SPP in Republic of Korea



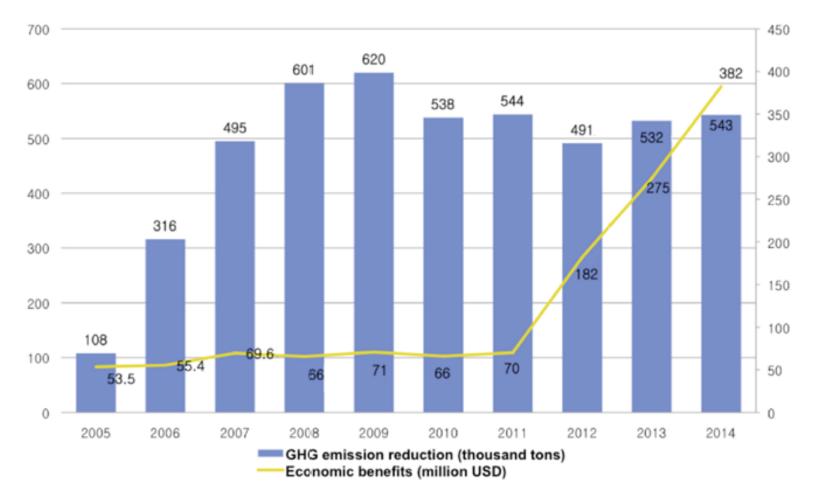
#### Implementation activities

- online platform for e-procurement provided through centralised procurement agency, called Public Procurement Service;
- nationwide training offered to over 6 000 public officials from November to December every year aiming at developing plans, compile data, and report results on SPP;
- annual publication of SPP by the Ministry of Environment providing technical assistance to procurers on SPP implementation and reporting
- public recognition of organization's good practices in implementing and monitoring the SPP through awards and dissemination via the media
- financial and reputational bonus

# SPP in Republic of Korea



#### Benefits associated to the green products purchased



#### **SPP in Republic of Korea - Success factors**

Establishment of Green Public Procurement criteria based on Korea Eco-label and Green Recycled Mark

Limitation of administrative costs

Establishment of clear legal basis that gives a mandate to purchase green products nationwide

Promotion of SPP at national level

Well-established e-procurement system (KONEPS) through the central procurement agency Successful monitoring of SPP better data concentration

Annual publication of GPP guidelines by the Ministry of Environment Provision of technical assistance to procurers on SPP implementation and monitoring

Estimated total procurement expenditure for the central government (2013): **USD 23 403 million = 24%** of the overall government's expenditure

**Resources invested in SPP**: at the public procurement agency of Norway a total of four full-time equivalent jobs (FTEs) are dedicated to working with sustainable public procurement. This includes both social and environmental considerations and workers' rights. The annual budget at Difi (including salaries) is estimated to be around 350.000-470.000 USD.

#### Implementation of SPP put in the hands of several ministries:

- Ministry of Labour and Social Affairs, led the elaboration of the latest SPP policy approved by the Government for SPP related to labour conditions.
- Ministry of Industry, as it has the general responsibility for the development of laws and regulations on public procurement.
- Ministry of Climate and the Environment, for the environmental aspects of SPP.
- Ministry of Foreign Affairs, for SPP related to international policy on human rights and corporate social responsibility.
- Agency for Public Management and eGovernment (Difi) for the implementation of SPP policies.

# SPP in Norway - Implementation activities

- In January 2016, Norway established a new Government Procurement Centre in charge of public contracts.
- The goal is to implement more professional, efficient and simple procurement processes in the public sector while also obtaining lower prices, reduced transaction costs, wider use of e-procurement and higher regulatory compliance.
- The centre will take strategic considerations, including environmental issues, into account while planning and carrying out the purchases.



## 2017 Global Review of SPP: Conclusion

- The 2017 Global Review of SPP highlights how SPP is becoming a **widespread practice**.
- SPP activities are **on the rise** in all types of organizations, including local governments, non-profits and private sector companies, both large and small.
- Successful SPP requires a solid policy foundation, top-level leadership support and excellence in implementation.
- Still considerable work needs to be done before sustainability considerations become regular criteria within bid specifications and contracts.
- SPP is a key driver for more innovation and change as organizations respond to pressing climate, resource and social challenges.

## 2017 Global Review of SPP: Conclusion

- Some national governments are shifting their SPP policies towards strategic procurement policies - where sustainability is one of several "pillars" or goals.
- SPP goes **beyond** "**picking greener products**" and encompasses activities at every step of the procurement cycle.
- **SDGs and target 12.7** provides an opportunity to formulate a more standard definition and articulation of SPP practices and measures that will help in measuring progress and encourage adoption.
- Transforming sustainable production and consumption patterns will require collaboration among all stakeholders along the supply chain.

#### Learn more about the 10YFP SPP

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  - find all our publications
  - read our latest newsletter

#### On the global SCP Clearinghouse



## Thank you - Дякую



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