Elevating Sustainable/Green Public Procurement for Transformation



WHERE WE ARE

Public procurement provides governments with a powerful tool to achieve their sustainable development objectives. The estimated global value of public procurement is approximately US\$11 trillion, representing 12 percent of global GDP. In many developing countries, the government is the single largest purchaser for many categories of products and services. Green public procurement (GPP) uses the public sector's purchasing power to achieve environmental objectives. GPP is part of a broader sustainable public procurement (SPP) agenda that addresses economic, social, and environmental concerns. S/GPP is an important and globally recognised tool to implement sustainability. It is stated as a target in the Sustainable Development Goal 12 targets (SDG 12.7). Furthermore, S/GPP is a complex multi-stakeholder issue, where the government needs to collaborate with and incentivise the private sector and other actors to effectively re-define the procurement system and implement it to achieve procurement of required public goods, works and services with a lower environmental impact.

By 2022, the SWITCH-Asia SCP Facility had provided technical support on Sustainable/Green Public Procurement (S/GPP) to India, Indonesia, Mongolia, and Thailand. For India, it supported the Ministry of Railways on GPP policy analysis, action plan and training development. It supported the Ministry of Environment and Tourism of Mongolia (MET) in reviewing and revising National SPP Action Plan and developing SPP criteria for three selected product categories (furniture, computers and paint). For Indonesia, the technical support prepared plans for two pilot sectors (wooden furniture and paper industry). In Thailand, the support was for the development of the Green Integration Policy, National Green Directory Framework, and a vendor list registration system to support the implementation of green procurement. The SWITCH-Asia Regional Policy Advocacy Component, implemented by UNEP, also published three reports in 2022 reviewing the status of GPP in three Southeast Asian countries, namely Malaysia, Philippines, and Indonesia. UNEP also supported GPP in Asia through the Asia Pacific GPP Network that amplified the messages of the One Planet SPP Programme in Asia-Pacific.

¹ Countries targeted in this SWITCH-Asia intervention prefer using either the SPP concept or the GPP one.

While S/GPP attracts a lot of attention, its potential remains underutilised. Three main strategic challenges have hampered the progress of S/GPP.

First, S/GPP is often not linked to national development objectives, is not part of the financial planning and budgeting process and, generally, remains the domain of Ministries of the environment. The business case for S/GPP will typically need to link reforms to environmental and development objectives, lay out indicators that monitor performance, and prioritize the application of S/GPP efforts in those areas with the most promise for success and impact. In relation to this, if a country lacks a multi-ministerial cooperative mechanism, it can create an obstacle to S/GPP implementation.

Secondly, S/GPP is often limited to products and bypasses services and works. The focus on important yet limited product ranges such as paper or stationery diverts from the more important procurement needs, such as transportation, selection of buildings (offices and other government facilities), construction and public works.

Thirdly, Governments need to plan and sequence these changes well for the private sector to develop and commercialise green/sustainable products and services.

WHERE WE WISH TO BE

This intervention has the ambition to make the environmental dimension of a product or service an explicit requirement in the procurement specification, so that offers that do not meet minimum environmental requirements are disqualified.

It also aims for providers of clean products/services to have much wider access to public procurement procedures.

Finally, it aims for these ambitions to foster greater transparency in public financial management.

WHAT WE ARE DOING

The team seeks to - scope the possibilities for broader governmental buy-in for S/GPP, stronger and more strategic regulatory frameworks, partnerships with the private sector and peer-to-peer learning - understand better specific targets, safeguards, technology policies, financing policies and innovation policies that would foster stronger and more ambitious S/GPP practices leading to transformation of markets of products and services. As some of these aspects will be very contingent on national contexts and regulatory frameworks, this engagement would be followed-up by more concrete interventions at sub-regional level.

This country-led initiative will:

- Elevate the discussion of S/GPP in prioritised countries of the target region by engaging with bodies that have overarching strategic planning responsibilities in Government at national or sub-national level.
- Move beyond the narrow sectors of application of S/GPP to more ambitious ones, such as investment, construction, and public works.
- Foster closer coordination with ongoing EU-funded budget support programmes addressing procurement and transparency in the region, i.e., as well as EU and Member State programmes active in public finance management.
- Seven countries were initially selected to spearhead this work: Bangladesh, Cambodia, Kazakhstan, Malaysia, Sri Lanka, Timor-Leste, and Vietnam.

WHO WE ARE



SWITCH-Asia is a programme funded by the European Union (EU). Active since 2007, it seeks to promote Sustainable Consumption and Production (SCP) in the region. Through its 2019 EU Green Deal and Global Gateway, the EU has further committed to supporting the transition of countries to a low-carbon, resourceefficient and circular economy.

The SWITCH-Asia Policy Support Component provides direct support to regional organisations, national governments and related implementing agencies in charge of policies and regulatory frameworks relevant to SCP. This is done in the form of on-demand advisory on scaling up SCP policy and implementation as well as through creating a platform for knowledge exchange, and building capacities of regional institutions. All activities rely on the strong engagement of partner countries and organisations in co-creating the requested policies, processes and other deliverables.

THE TEAM



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