



Division of Technology, Industry and Economics



# SUSTAINABLE PUBLIC PROCUREMENT

## KEY CONCEPTS

### UNEP'S EXPERIENCE

**Green Public Procurement and Technology  
Advancements in the Road Sector**

**Brussels, 20 September 2011**

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Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Office for the Environment FOEN



ORGANISATION  
INTERNATIONALE DE  
**la francophonie**®



# THE UNITED NATIONS ENVIRONMENT PROGRAMME

## Priority areas

- climate change,
- disasters and conflict,
- ecosystems management,
- environmental governance,
- harmful substances and hazardous waste,
- resource efficiency – sustainable consumption and production



Carbon  
neutral



# OUTLINE

- **What is SPP? Benefits, obstacles and challenges**
- The MTF Approach to SPP
- The UNEP Capacity building project on SPP and the SPP Initiative



# Public Procurement: why is it relevant to Sustainable Development?

Public procurement represents between 8 and 30% of countries GDP

States are the # 1 consumers in the economy and therefore have a major responsibility

Public procurement can be a major vector in **social progress**, **environmental protection** and **innovation**



# What is Sustainable Public Procurement?

- ❖ **Bringing together the procurement and the policy arms of government**
- ❖ **Harnessing the government's immense buying power in favor of sustainable development goals**
- ❖ **It is something the best of the private sector is already doing** – whether as a result of enlightened leadership or shareholder pressure.
- ❖ **Something some governments have been doing for years** to support local producers, SMEs, minorities and compliance with labor laws



“Sir Neville Simms in the Foreword to “Procuring the Future”



# What is Sustainable Public Procurement?



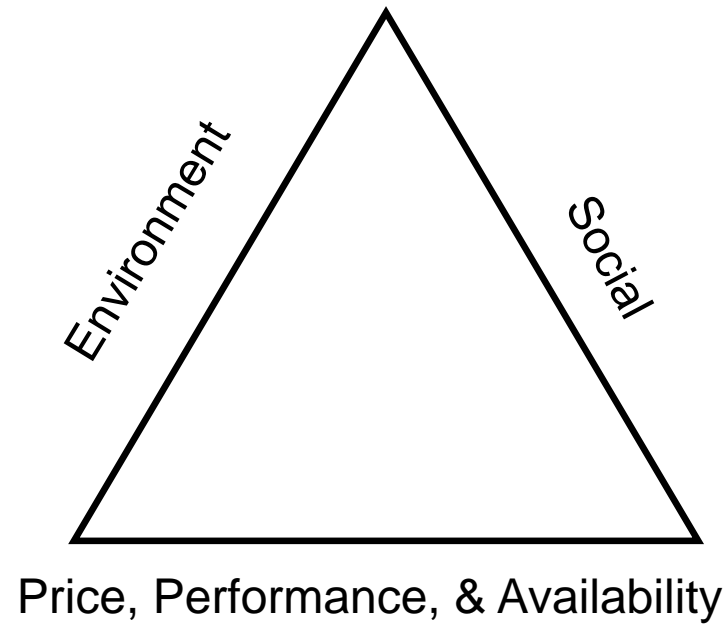
“ Sustainable Procurement is a process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves **value for money on a whole life basis** in terms of generating benefits **not only to the organization**, but also to **society** and the economy, whilst minimizing damage to the **environment**.”

*Procuring the Future – the report of the UK Sustainable Procurement Task Force, June 2006. This definition has been adopted by the Swiss-led Marrakech Task Force on Sustainable Public Procurement.*

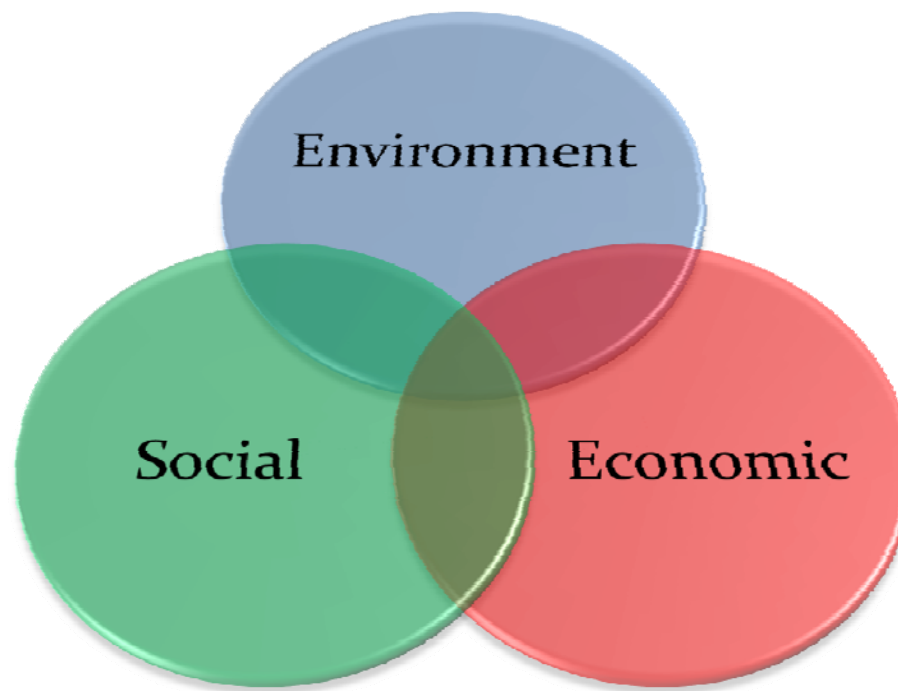
For more information visit <http://www.unep.fr/scp/procurement/whatisssp/>



# SPP



# What is Sustainable Public Procurement?



# Real value for money




Not just **acquisition cost** but **life cycle costing**:

- costs incurred by the **organization** over the **whole life of the good** (usage and maintenance costs, disposal costs) - **potential savings**
- Costs incurred by **society** as a whole, including negative externalities (CO2 emissions, impacts on health, ) or positive externalities (increased know how, technologies, etc.) over the entire life cycle



# Energy efficient light bulbs



	<b>Traditional 100 W</b>	<b>Eco efficient 20 W</b> 
Life cycle	1 year	8 years
Energy consumption	100 W x 8000 h	20 W x 8000 h = 160 kW
Price	8 x 1,25 euros = 10 euros	12 euros
Usage cost (0,11 euros / kWh)	88 euros	12 euros
<b>Total cost for consumer</b>	<b>98 euros</b>	<b>29,6 euros</b>

Source: French Environment Ministry



# What is a 'Green' Product?



- Can be recycled
- Have a recycled content
- Be energy efficient
- Emission reducing
- Re-usable
- Biodegradable
- Organic



# Type I Ecolabelling

Characteristics

Patented Logo



- Only the **best products** can be awarded to use the logo;  
Consumers may buy these products without doubt.

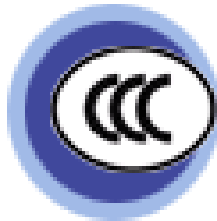
# Common Labels in the Marketplace



working with  
the Carbon Trust



	Energy conservation standard achievement percentage	Annual power consumption
	<b>155%</b>	<b>250 kWh/year</b>
Target year: 2004		



Energi		Oppvaek-maskin
Merke		Logo
Modell		ABC 123
<b>Lavt forbruk</b>  <b>Høyt forbruk</b>		<b>B</b>
Energiforbruk	kWh/oppvaek	<b>X.YZ</b>
<small>på grunnlag av resultater for normalprogram ved lavt vannuttakstuning.</small> <small>Det faktiske energiforbruket avhenger av hvordan maskinen brukes</small>		
Vaskeevne	A: høy G: lav	ABCDEFG
Tørkeevne	A: høy G: lav	ABCDEFG
Standardkvarter		vz
Vannforbruk	// oppvaek	yx
Lydnivå dB(A) (50cm)		xy
<small>Produktbrosjyrene inneholder ytterligere opplysninger</small>		
<small>Europeisk Standard EN 50542 Direktiv 87/1252 om vaskemaskiner av oppvaekstypen</small>		

Source: IGPN

# GPP- a powerful tool



# GPP Training Toolkit



European  
Commission



- *Handbook “Buying Green!”*
- *Toolkits for 10 products:*
  - *Construction*
  - *Electricity*
  - *Cleaning products and services*
  - *Textiles*
  - *Food and catering services*
  - *Furniture*
  - *Office IT equipment*
  - *Paper*
  - *Gardening products and services*
  - *Transport*



# GPP Training Toolkit

Construction	Furniture
Electricity	Office IT equipment
Cleaning products and services	Paper
Textiles	Gardening products and services
Food and catering services	Transport

## **Core criteria**

Key environmental impacts

## **Comprehensive criteria**

Best environmental products  
(ecolabel type I)

# Status in 7 Member States



The latest study (2008) demonstrates that 7 EU MS (UK, DK, FI, NL, AU, DE, SE) have on average 45 % of the total value and 55 % of the total number of contracts in 2006/07 – green.

Analysis also points out that there is on average 1% decrease of costs when using GPP (LCC approach), and 25 % decrease of CO<sub>2</sub> emissions.



# Mandatory GPP requirements



- **Energy end-use efficiency and energy services Directive 2006/32/EC** => exemplary role for public sector
- **Energy-Star Regulation (2008)** => mandatory performance levels for central government
- **Directive 2009/33/EC on the promotion of clean & energy efficient road transport vehicles** => mandatory performance levels
- **Energy Performance in Buildings Directive** => exemplary role and specific targets
- **Energy Labelling Directive** => mandatory performance levels (still under discussion)

European Commission



# Difficulties Encountered



- Some green products (recycled paper, cleaning agents) are more expensive
- Not enough products to meet various needs



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# Marrakech Task Force on Sustainable Public Procurement (MTF on SPP -2004/11)



The objective of the MTF on SPP is that **14 countries** distributed in all regions will have tested the SPP approach **by 2010/11**



Task Force led by Switzerland

Chaired by: Eveline Venanzoni  
Swiss Federal Office for the Environment  
[eveline.venanzoni@bafu.admin.ch](mailto:eveline.venanzoni@bafu.admin.ch)

Co-Chaired by: Sheila Encabo, Philippines

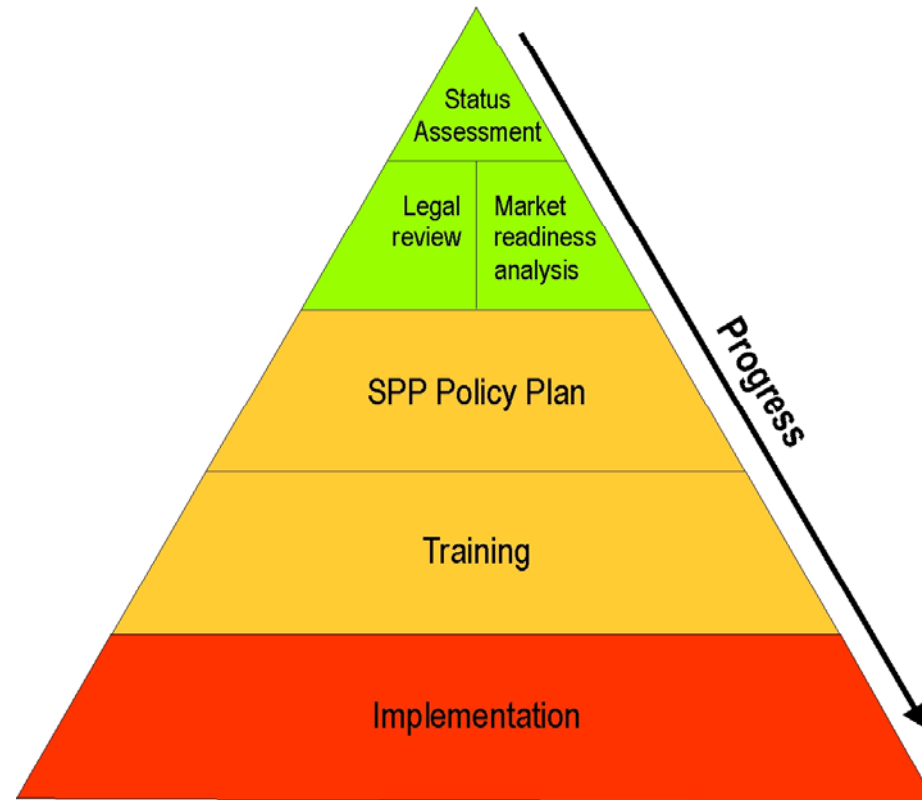
Members: China, Argentina, Mexico, Ghana, Philippines, UK, Norway, Czech Republic, USA, State of São Paulo, Switzerland, UNEP, UNDESA, ILO, European Commission Services, ICLEI, IISD



# Marrakech Task Force Approach to SPP



- Status Assessment
- Legal Review
- Market Readiness Analysis
- Training
- Policy Plan
- Implementation



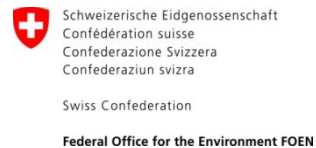
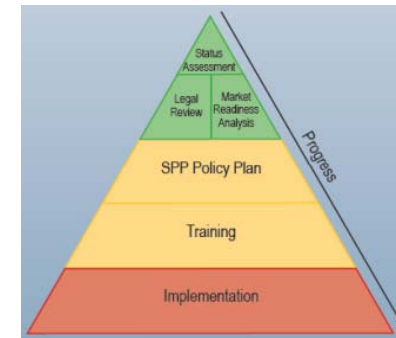


# Capacity Building for Sustainable Public Procurement



In 2008, the Swiss government and UNEP established a partnership to apply - in up to 14 countries worldwide - the MTF Approach to SPP

Design of the Capacity building for SPP project



# OUTLINE

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# Capacity Building for Sustainable Public Procurement in Developing Countries



## Objectives

- Creation of a **pool of SPP experts**;
- Test the MTF Approach on SPP in 7 pilot countries and come up with a **revised approach** in 2011
- Produce **policy conclusions** to be presented to the CSD Special session on SCP in 2010/2011
  
- **Duration:** January 2009-October 2011
- **Funding:**
  - EU funding for Costa Rica, Colombia, Mauritius, Tunisia
  - Switzerland for Uruguay , Chile,
  - Francophonie for Lebanon
  - Cofinancing from pilot countries



# Pilot Countries



Test the MTF Approach to SPP in pilot countries and come up with a revised approach in 2011



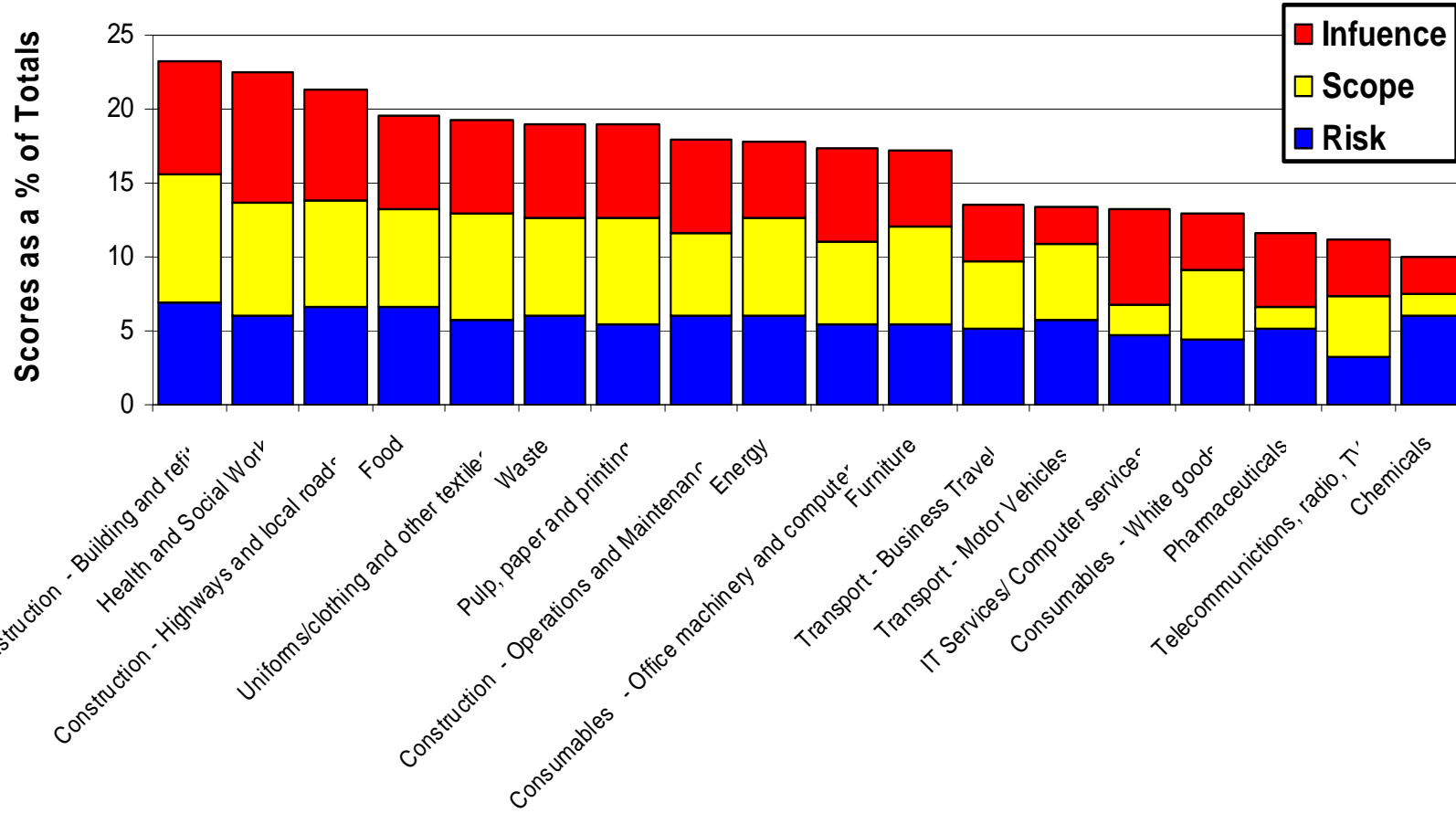


# Implementation Plan





# National Priority Spend Areas



# Next Steps

## Second phase of the SPP Project (2012-2014)

In 2012, UNEP will launch the **second phase of its SPP Project** which will build on **UNEP's pilot Project** (2009-2011).

It will use the **revised version of the MTF Approach to SPP.**



# Next Steps

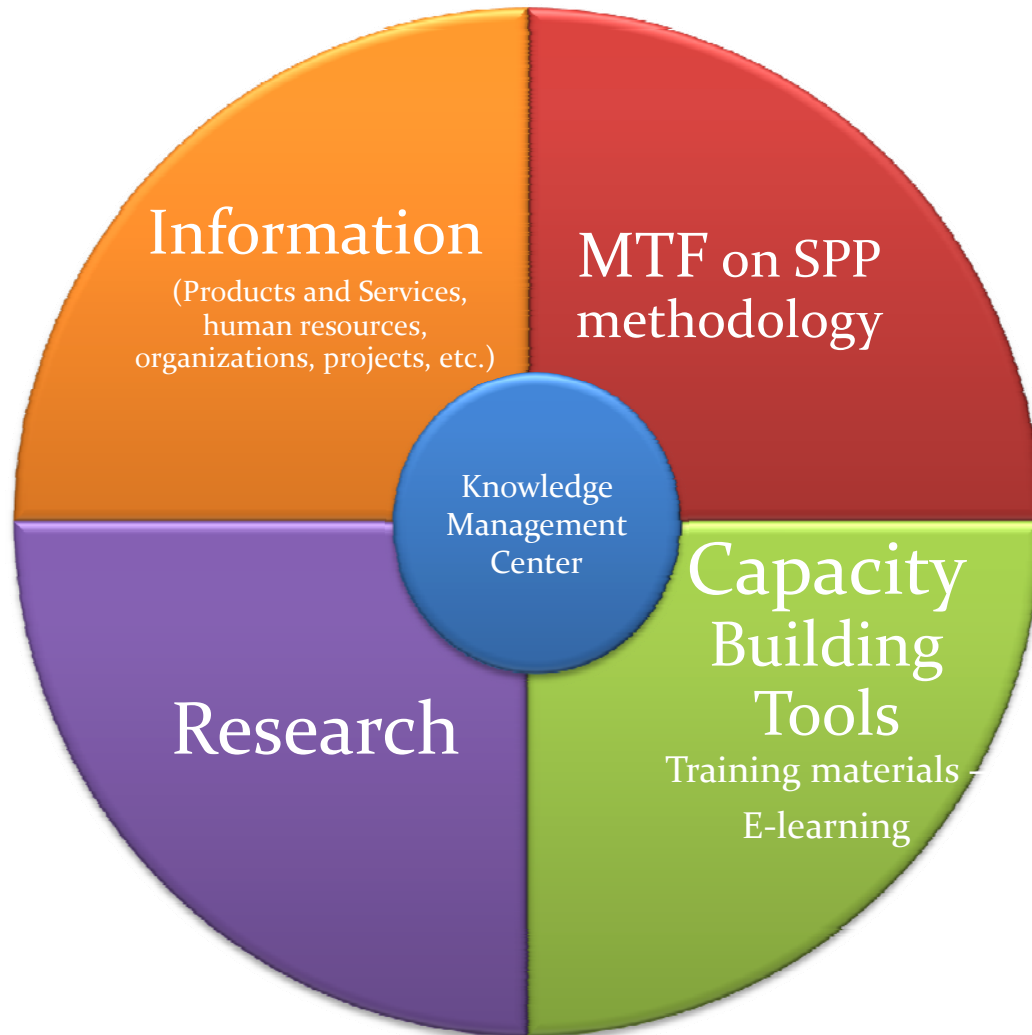
## Second phase of the SPP Project (2012-2014)

### Objectives

- Assist **30 countries** in Africa, Asia, Latin America design and implement SPP policy plans through the revised MTF Approach to SPP
- Support SPP **implementation** in the first pilot countries (2009-2011)
- Develop **effective capacity building tools** and **information networks** to support the spread of SPP.



# Knowledge Management Center



## OUTPUTS

Guidance documents for procurers

Training materials and modules

Inform SPP policies and procurement processes



Terima Kasih !



Gracias !

Grazie !

شُكْرًا

Thank you!

Tack!

谢谢

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<http://www.unep.fr/scp/procurement>

