

Sustainable Public Procurement How to “Wake the Sleeping Giant”

Introducing the United Nations Environment Programme’s Approach



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Key concepts and terms

Circular economy

Looking beyond the current take-make-waste extractive industrial model, a circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources, and designing waste out of the system. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural, and social capital. It is based on three principles:

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems

Source: Ellen MacArthur Foundation. Concept: What is a circular economy? Available at: www.ellenmacarthurfoundation.org/circular-economy/concept [Accessed 28 June 2021].

Circular procurement

Circular procurement occurs when the buyer purchases products or services that follow the principles of the circular economy, supporting the assessment of designing, making, selling, re-using and recycling products to determine how to get the maximum value from them, both in use and at the end of their life.

Source: UNEP (2018) Building circularity into our economies through sustainable procurement. www.wedocs.unep.org/bitstream/handle/20.500.11822/26599/circularity_procurement.pdf?isAllowed=y&sequence=1

Consultative group

A group of individuals that represent different stakeholders that are consulted for input throughout the programme.

Core Conventions of the International Labour Organisation

Core Conventions of the International Labour Organisation:

- C-29 Forced Labour Convention, 1930*
- C-87 Freedom of Association and Protection of the Right to Organise Convention, 1949*
- C-98 Right to Organise and Collective Bargaining Convention, 1949*
- C-100 Equal Remuneration Convention, 1951*
- C-105 Abolition of Forced Labour Convention, 1957*
- C-111 Discrimination (Employment and Occupation) Convention, 1958*
- C-138 Minimum Age Convention, 1973*
- C-182 Worst Forms of Child Labour Convention, 1999*

Source: ILO. *Conventions and Recommendations*. Available at: www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/Index.htm [Accessed 19 May 2021].

Ecolabels/ consumer information tools

Consumer information covers a range of tools and systems that seek to guide consumers to make more sustainable choices about goods and services (products) including in their use and end of life phase. Tools can take many forms (including ecolabels) and can be single- or multi-issue.

Source: UNEP (2019) Consumer Information Tools and Climate Change: Facilitating low-carbon choices in Tourism, Buildings and Food Systems. www.oneplanetnetwork.org/sites/default/files/consumer_information_tools_and_climate_change.pdf

Government Procurement Agreement (GPA) - WTO

The Agreement on Government Procurement (GPA) is to date the only legally binding agreement in the WTO focusing on the subject of government procurement. It is a plurilateral treaty administered by a Committee on Government Procurement, which includes the WTO Members that are Parties to the GPA, and thus have rights and obligations under the Agreement.

Source: World Trade Organization. Agreement on Government Procurement. Available at: www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm [Accessed 19 May 2021].

Green economy

A green economy is defined as low carbon, resource efficient and socially inclusive. In a green economy, growth in employment and income are driven by public and private investment into such economic activities, infrastructure and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency, and prevention of the loss of biodiversity and ecosystem services.

Source: UNEP. Green economy. Available at: www.unep.org/regions/asia-and-pacific/regional-initiatives/supporting-resource-efficiency/green-economy [Accessed 4 June 2021].

Green Public Procurement (GPP)

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

Source: European Commission. What is GPP. Available at: www.ec.europa.eu/environment/gpp/what_en.htm [Accessed 19 May 2021].

Life cycle approach

A life cycle approach reflects the incorporation of sustainability concerns from the complete life cycle of a product – all the way from extracting raw materials, manufacturing parts, assembling the product, use and disposal after end of life.

Source: Life Cycle Initiative. Life Cycle Approaches. Available at: www.lifecycleinitiative.org/starting-life-cycle-thinking/life-cycle-approaches/ [Accessed 19 May 2021].

Life Cycle Costing (LCC)

An economic assessment considering all agreed projected significant and relevant cost flows over a period of analysis expressed in monetary value. The projected costs are those needed to achieve defined levels of performance, including reliability, safety and availability.

Source: IISD (2009) Life Cycle Costing in Sustainable Public Procurement: A Question of Value. www.iisd.org/system/files/publications/life_cycle_costing.pdf

National Focal Organisation (NFO)

The organisation that hosts the SPP Unit and that has the responsibility to develop, implement and monitor the SPP Programme.

One Planet Network

The One Planet network was formed to implement the 10-Year Framework of Programmes on Sustainable Consumption and Production, which supports the global shift to SCP and the achievement of SDG 12.

Source: One Planet Network. Who we are? Available at: www.oneplanetnetwork.org/who-we-are [Accessed 19 May 2021].

Product Service Systems

A product service system is a competitive system of products, services, supporting networks and infrastructure. The system includes product maintenance, parts recycling and eventual product replacement, which satisfy customer needs competitively and with lower environmental impact over the life cycle.

Source: UNEP. Product-service systems. Available at: www.wedocs.unep.org/rest/bitstreams/12966/retrieve

SPP Steering Committee

A group of ministries and public institutions which orients and oversees SPP policy development and implementation.

Sustainability criteria

Requirements to the sustainable quality of a product and its sustainable production, which have to be fulfilled in order to acquire a sustainability status or certification.

Source: Pavlovskaja, E (2013). Using sustainability criteria in law, international journal of environmental protection and policy, vol. 1, no. 4, pp. 76-78.

Sustainable Consumption and Production (SCP)

The use of services and related products, which respond to basic needs and bring a better quality of life while minimising the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardise the needs of future generations.

Source: Sustainable Development. Sustainable consumption and production. Available at: www.sustainabledevelopment.un.org/topics/sustainableconsumptionandproduction [Accessed 19 May 2021].

Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Source: UNESCO. Sustainable Development. Available at: www.en.unesco.org/themes/education-sustainable-development/what-is-esd/sd [Accessed 19 May 2021].

Sustainable Procurement (SP) - Sustainable Public Procurement (SPP)

A process whereby organisations 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 organisation, but also to society and the economy, while minimizing damage to the environment. When sustainable procurement is conducted by public authorities we speak of Sustainable Public Procurement (SPP).

Source: Sustainable Procurement Task Force (2006). Procuring the Future: Sustainable Procurement National Action Plan revised by UNEP. www.assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69417/pb11710-procuring-the-future-060607.pdf

Value for money (VFM)

Value for money (VFM), also known as best value for money, is defined as the 'optimization of whole-life costs and quality needed to meet the user's requirements, while taking into consideration potential risk factors and resources available'. Depending on the nature of the purchase, whole-life cost may include purchasing price, implementation costs, on-going operating costs and end-of-life disposal. Quality may include non-price attributes such as recyclable content, are recyclable, minimise waste and greenhouse gas emissions, conserve energy and water and minimize habitat destruction and environmental degradation, are nontoxic etc.) Accordingly, economy and effectiveness can be delivered by ensuring that quality factors extend to social as well as environmental performance, where reduced energy consumption results in greater efficiencies and long-term costs savings. Thus, the principle of value of money ensures the optimum combination of whole-life cost and quality or fitness for purpose to meet the customer's expectations.

Source: UN (2020) United Nations Procurement Manual, June 30. www.un.org/Depts/ptd/sites/www.un.org/Depts.ptd/files/files/attachment/page/pdf/pm.pdf

Abbreviations

EU	European Union
FSC	Forest Stewardship Council
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GPP	Green Public Procurement
ICLEI	Local Governments for Sustainability
ICT	Information Communications Technology
IISD	International Institute for Sustainable Development
ILO	International Labour Organisation
ISO	International Organisation for Standardization
IT	Information Technology
KPI	Key Performance Indicators
LCC	Life Cycle Costing
MoE	Ministry of Environment
MoF	Ministry of Finance
MSME	Micro, Small & Medium size enterprises
NFO	National Focal Organization
OECD	Organisation for Economic Co-operation and Development
PSP	Public Procurement Service
PSS	Product-Service Systems
SCP	Sustainable Consumption and Production
SDGs	Sustainable Development Goals
SMART	Goals and targets that are: Specific, Measurable, Acceptable, Realistic and Time-bound
SP	Sustainable Procurement
SPP	Sustainable Public Procurement
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UNEP	United Nations Environment Programme

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The first revision of the initial Guidelines was done in 2012 by Ms. Anastasia O'Rourke, PhD and Ms. Charlotte Leire, PhD, under the supervision of Mr. Farid Yaker and Mr. Carlos Andres Enmanuel from UNEP. Mr. Marc Steiner from the Swiss Federal Administrative Court of Switzerland revised the legal part of the Guidelines.

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Woman using industrial equipment inside packaging manufacturing plant, India. © Davide bonaldo/Shutterstock.com

Foreword

Public procurement, representing on average 13% to 20% of GDP,¹ can make a critical contribution to the resolution of the current climate, nature and pollution planetary crises. By favoring the purchase of greener products – circular, low carbon, etc. – public authorities can significantly reduce their environmental footprints. Furthermore, governments, as the largest consumers in a given economy, are uniquely positioned to incorporate sustainability criteria into purchasing decisions at a scale that can be transformative.

With sustainability issues moving progressively to the top of national and global priorities, the adoption of effective sustainable public procurement (SPP) practices has become a necessity. It is time to wake the multi-trillion-dollar sleeping giant to mobilize the full potential of SPP in pursuit of the Sustainable Development Goals (SDGs) 2030 Agenda.

Since the publication of the first edition of the SPP Guidelines, UNEP has provided support to 20 countries in the development and implementation of SPP policies. As custodians of SDG 12.7, we have developed the methodology for the calculation of the SDG 12.7.1 indicator. The first data collection exercise for the 12.7.1 indicator conducted in 2021 showed that a majority of developed countries were actively pursuing SPP policies. Significant efforts are also underway in Latin America, Asia, and are beginning to emerge in Africa, to embark on SPP implementation. It is our ambition to support this global movement through our Guidelines and overall work on SPP.

These SPP Guidelines aim to provide a strong departure point and appropriate guidance for all governments and organizations interested in sustainable public procurement. This second edition presents key success factors, best practices and a great number of resources to enhance SPP implementation. It incorporates all the lessons drawn from a decade of support to SPP.

I hope that you'll find our guidance document useful and that it will help you to progress on the path to SPP in your respective countries.



Sheila Aggarwal-Khan
Director, Economy Division
United Nations Environment Programme

¹ www.worldbank.org/en/news/feature/2020/03/23/global-public-procurement-database-share-compare-improve

1

Introduction



1. INTRODUCTION

The Sustainable Public Procurement Implementation Guidelines, or 'Guidelines,' provide decision makers in government, experts and consultants with a methodology and roadmap for successfully designing and implementing Sustainable Public Procurement (SPP) policies and action plans. The aim is to provide a common vision, language, and framework for SPP and to guide stakeholders on how to effectively pave the way towards its implementation.

The Guidelines present a specific and adaptable methodology for SPP implementation, or 'SPP Approach,' developed by the Marrakech Task Force on SPP and piloted by the United Nations Environment Programme (UNEP) in seven countries from 2009 to 2012, leading to the publication of the first edition of the Guidelines in 2012 (see *Box 1. Marrakech Task Force on SPP*).

The SPP Approach was later applied in 15 countries, providing an opportunity to collect lessons learned, establish best practices, and refine the methodology, leading to the publication of this new edition.¹

The Guidelines are supported by capacity building tools and an information platform managed by UNEP.²

Application of the SPP Approach at the national or sub-national level should be guided by national sustainable development priorities and international commitments, such as policies and legislation related to climate change mitigation, circular economy, green economy, economic development, and more generally policies geared towards the achievement of the Sustainable Development Goals (SDGs). This alignment gives purpose to SPP, ensures continuity of SPP implementation in the event of changes in government, and simplifies and strengthens the message given to procurers, suppliers, and the market.

Box 1. Marrakech Task Force on SPP



The Marrakech Task Force on Sustainable Public Procurement (MTF on SPP) was the first international initiative promoting SPP at the global level. It was launched by the government of Switzerland in 2005, as one of seven Task Forces

under the Marrakech Process on Sustainable Consumption and Production, which was led by the United Nations Environment Programme (UNEP) and the United Nations Department of Economic and Social Affairs (UNDESA).

Switzerland served as the secretariat of the MTF on SPP. The Task Force grew to include international procurement practitioners and sustainable development experts from various governments, such as Argentina, Mexico, Ghana, the Philippines, China, the Czech Republic, the United Kingdom, Norway, the USA, the State of São Paulo, as well as international organisations including the European

Commission Services, UNEP, UNDESA, the International Labour Organization (ILO), Local Governments for Sustainability (ICLEI) and the International Institute for Sustainable Development (IISD). A sub-group comprising Switzerland, the UK, UNEP and ICLEI, was the driving force behind the initiative. Read more about the Marrakech Process [here](#)⁴.



4th meeting of the Marrakech Task Force on SPP, Turin, Italy, March 26-30, 2007. www.sustainableprocurement.eu.com/documents/MTFonSPPReportCSD19FINAL.pdf

2 The SPPEL (Sustainable Public Procurement and Ecolabelling) project, 2013-2017, aimed at combining Sustainable Public Procurement and ecolabelling to stimulate the demand and supply of sustainable products in target countries and regions. Participating countries were Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Lebanon, Mauritius, Mongolia, Morocco, Peru, Togo, Tunisia, Uruguay, Vietnam.

UNEP (2018) UN Environment: 10 years of sustainable action to accelerate the shift to Sustainable Public Procurement at national, regional and global levels www.oneplanetnetwork.org/sites/default/files/un_env_case_study_2018_0.pdf

3 More information, tools and capacity building materials can be found on UNEP Sustainable Public Procurement Initiative webpage: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement and One Planet Network: www.oneplanetnetwork.org/initiative/sustainable-public-procurement-activities-united-nations-environment-programme-unep

4 UNEP. The Marrakech task Force on sustainable lifestyles. www.unep.org/explore-topics/resource-efficiency/what-we-do/one-planet-network/marrakech-task-force-sustainable [Accessed 12 May 2021].

1.1. Who are these Guidelines for?

These Guidelines provide experience-based guidance to policymakers and practitioners in the design and implementation of national or sub-national SPP policies and action plans. The Guidelines can be used by countries at the very beginning of their journey towards SPP implementation, as well as by those which have already made some headway.

Given that SPP is today seen as a public procurement best practice, SPP activities can now be found around the world, addressing issues ranging from waste minimisation and resource efficiency to increasing diversity and providing support to micro, small and medium sized enterprises (MSMEs). Throughout these Guidelines, there are examples of SPP activities in Europe, Asia, Africa, and Latin America and the Caribbean.

Other examples of SPP Programmes and initiatives can be found in the [Knowledge Hub of the One Planet SPP Programme](#)⁵ and in the [Sustainable Procurement Platform](#)⁶ managed by ICLEI. For more information on the One Planet Network see [Box 6. The One Planet SPP Programme](#).

1.2. What is Sustainable Public Procurement?

The notion of Sustainable Public Procurement combines two aspects of government endeavor - public procurement and sustainable development:

- public procurement refers to the process by which public authorities, such as line ministries, departments, and state-owned enterprises, purchase goods, works and services from the private sector; and
- sustainable development⁷ requires governments and organisations to consider the social, economic, and environmental aspects of their operations, with equal emphasis on all three dimensions.^{8, 9}

5 One Planet Network. Knowledge Hub. Available at: <https://www.oneplanetnetwork.org/knowledge-hub>

6 ICLEI. Resource Centre. Available at: <https://sustainable-procurement.org/resource-centre/> [Accessed 12 May 2021].

7 The internationally recognised definition of sustainable development is: 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs', WCED (the Brundtland Commission) (1987) World Commission on Environment and Development: Our Common Future <https://sustainabledevelopment.un.org/milestones/wced>

8 Definition developed by the UK Task Force on Sustainable Procurement, revised by UNEP and the One Planet SPP Programme.

9 Commission of the European communities (2008) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Public procurement for a better environment. www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0400:FIN:EN:PDF

Box 2. Early examples of preferential purchasing policies

Public procurement has been utilized as a social and economic policy tool for many decades, long before the concept of Sustainable Public Procurement was developed. Early examples of policies that leveraged the public procurement function in support of social and economic objectives include the 1951 Industries (Development and Regulation) Act of India, mandating the preferential purchase of certain items exclusively from MSMEs, as well as the Korea Veterans Health Service Act adopted by the Republic of Korea in 1981, mandating the preferential purchase of products produced by army veterans (see [Case study 21. Monitoring GPP: the Korean experience, Republic of Korea](#)). Since then, many countries have developed policies, laws or related documents promoting SPP in any of its environmental and/or socio-economic dimensions.

The integration of sustainable development objectives into public procurement, known as Sustainable Public Procurement, or 'SPP', is defined as:

*A process whereby public sector organisations 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 organisation, but also to society and the economy, whilst minimizing, and if possible, avoiding, damage to the environment.*⁷

The term 'Green Public Procurement,' or 'GPP,' is sometimes used interchangeably with SPP, however, generally speaking, SPP more explicitly includes the social and economic considerations of sustainable development. The European Union (EU) defines GPP as:

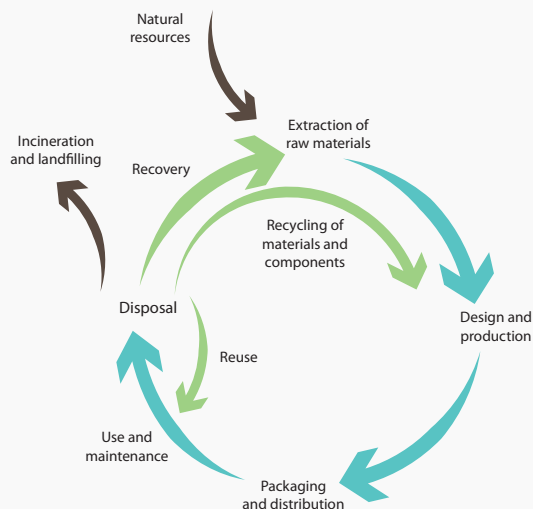
*A process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.*⁸

Underpinning these definitions is the concept of value for money. While traditionally the concept refers to quality/cost considerations at the point of purchase, in recent years its meaning has been extended to include the cost of use, maintenance and disposal, or 'the Total Cost of Ownership,' as in many cases the initial capital outlay represents only a small portion of the Total Cost of Ownership.

Whenever possible, value for money should also consider the environmental and social implications or 'externalities' of purchase for society and the planet (see [Box 3. Life Cycle Assessment and Life Cycle Costing](#)16).

Box 3. Life Cycle Assessment and Life Cycle Costing

A Life Cycle Assessment allows the identification and measurement of sustainability impacts over the life cycle of products, while Life Cycle Costing helps estimate the total cost of a good or service after monetization of its externalities over its lifetime¹⁰



Source: A typical product life cycle diagram, Life Cycle Initiative, accessed 9 June 2021. www.lifecycleinitiative.org/starting-life-cycle-thinking/what-is-life-cycle-thinking/

Life Cycle Assessment

The type of sustainability impacts during a life cycle varies from product to product, and a full assessment requires detailed data that is often not available. Larger companies are increasingly penetrating into their supply chains, but for MSMEs this can be impossible. The lack of transparency and complexity of global supply chains means that reliably assessing impacts is challenging. However, an understanding of possible impacts can be a starting point towards taking into account the right considerations.

For many products, the greatest sustainability impacts do not occur during the use phase, but before or after.

Thus, different stages of the value chain must be taken into consideration when developing sustainability criteria. The overall impact can be minimized by reducing consumption, for example through joint use and/or product service systems (see Key concepts and terms), and by taking a

circular approach (see *Box 4. First reporting exercise on SDG Indicator 12.7.1*), for example, by purchasing products that can be repaired and upgraded.

During the raw material extraction phase (i.e., mining, farming, etc.), habitat destruction, environmental degradation, and poor working conditions could be potential sustainability impacts; while in the production phase (i.e., manufacturing, assembling, processing, etc.) impacts could be related to water and energy use and poor working conditions. The use and disposal phases also present their own set of sustainability impacts, such as CO₂ emissions from energy use (i.e., appliances, lighting, vehicles, etc.) and air pollution from incineration or water and soil contamination from landfills.

Life Cycle Costing

Life cycle costing (LCC) is an economic assessment considering all agreed projected significant and relevant cost flows over a period of analysis expressed in monetary value. The projected costs are those needed to achieve defined levels of performance, including reliability, safety and availability¹¹. The purchase price is just one of the cost elements in the whole process of purchasing, owning and disposing. Life cycle costing means considering all the costs that will be incurred during the lifetime of the product, work or service:

- purchase price and all associated costs (delivery, installation, insurance, etc.);
- operating costs, including energy, fuel and water use, spares, and maintenance; and
- end-of-life costs (such as decommissioning or disposal) or residual value (i.e., revenue from the sale of a product).¹²

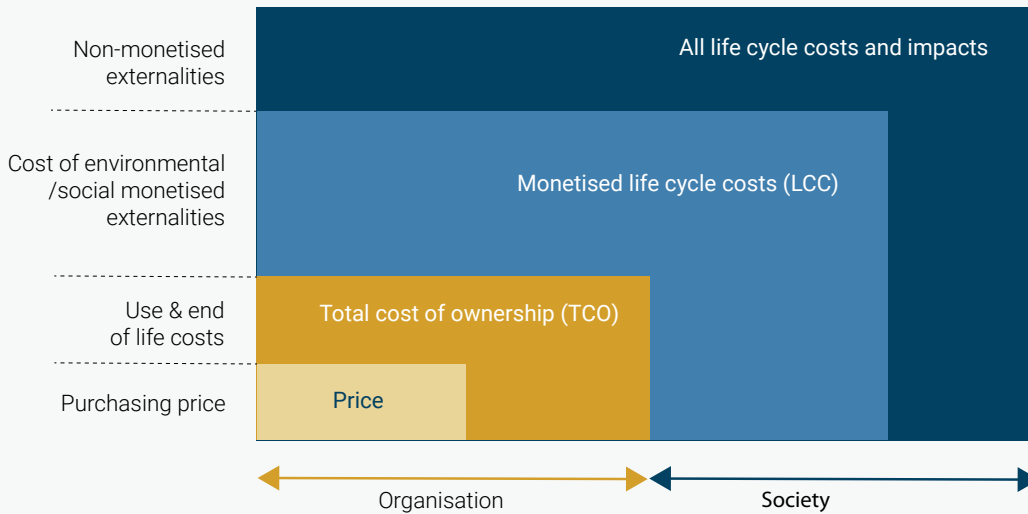
In the context of sustainable public procurement (SPP), the use of LCC is essential to demonstrate that procurement processes and decisions have to move beyond considering the purchase price of a good or service, for the purchase price does not reflect the financial and non-financial gains that are offered by environmentally and socially preferable assets as they accrue during the operations, use and disposal phases of the asset life cycle.⁹

¹⁰ Life Cycle Initiative. *What is Life Cycle Thinking?* Available at: www.lifecycleinitiative.org/starting-life-cycle-thinking/what-is-life-cycle-thinking/ [Accessed 19 May 2021].

¹¹ IISD (2009) *Life Cycle Costing in Sustainable Public Procurement: A Question of Value.* https://www.iisd.org/system/files/publications/life_cycle_costing.pdf

¹² European Commission. *Life cycle costing.* <https://ec.europa.eu/environment/gpp/lcc.htm> [Accessed 15 June 2021].

Figure 1. Life Cycle Costing



Source: UN Environment, ISO 20400. Available at: <https://slideplayer.com/slide/11823308/> [Accessed 15 June 2021].

LCC makes good sense regardless of a public authority's environmental objectives. By applying LCC, public purchasers take into account the costs of resource use, maintenance and disposal which are not reflected in the purchase price. Often, this will lead to 'win-win' situations whereby a greener product, work or service is also cheaper overall. The main potential for savings over the life cycle of a good, work or service are:¹³

- savings on the use of energy, water and fuel;
- savings on maintenance and replacement; and
- savings on disposal costs.

For further details on how LCC approaches can be used as part of public procurement procedures see [Article 68\(2\) of Directive 2014/24/EU](#) and [Article 83\(2\) of Directive 2014/25/EU](#).

The European Commission has developed a series of sector specific LCC calculation tools which aim to facilitate the use of LCC amongst public procurers, available [here](#).¹⁴

Figure 1 offers a visual representation of life cycle costing with its two main variants: Total Cost of Ownership which is restricted to the costs incurred by the organization during the period of possession of the products and full life cycle cost which comprises the monetization of environmental or social externalities incurred by society or the planet.

Table 1. Life Cycle Costing of a Vehicle

Acquisition price	Purchase price of a vehicle
Total Cost of Ownership (TCO)	Acquisition price plus estimated costs of maintenance, gasoline, insurance, disposal, fines, parking, etc.
Life Cycle Costing (LCC)	TCO plus monetized cost of estimated CO ₂ emissions incurred during the lifetime of the vehicle
Non monetized impacts	E.g., impact of vehicle pollution on health. These impacts are hard to evaluate and monetize

Further reading:

[European Commission \(2017\). Public procurement for a circular economy: Good practice and guidance.](#)

[United Nations Environment Programme \(2018\). Building circularity into our economies through sustainable public procurement.](#)

13 For further details on how LCC approaches can be used as part of public procurement procedures see [Article 68\(2\) of Directive 2014/24/EU](#) and [Article 83\(2\) of Directive 2014/25/EU](#).

14 European Commission. Life cycle costing: LCC Tools Developed by the EC. Available at: www.ec.europa.eu/environment/gpp/lcc.htm

1.3. Principles of SPP

The following principles of SPP aim to assist countries and organisations in gaining a common understanding of the concept. The principles are a central piece of the SPP Approach and were developed by the Marrakech Task Force

on SPP and amended by the One Planet Network in 2015. The principles have been updated with this publication.

Principle 1 | SPP is good public procurement

SPP follows the essential elements of good public procurement – transparent, fair, non-discriminatory, competitive, accountable, efficient use of public funds, and verifiable – whilst integrating the three dimensions of sustainable development: social, environmental, and economic. SPP requires an understanding of all the impacts of purchase throughout the life cycle of a product or service, from the sourcing of natural resources to end-of-life management.

Principle 2 | SPP implementation needs leadership

Influential senior level politicians and decision-makers are needed to promote SPP. They can ensure that sufficient resources are dedicated to SPP implementation, that SPP is mainstreamed in public procurement, and that best practices are widely shared.

Principle 3 | SPP contributes to broad policy goals

SPP contributes to attaining a wide range of governmental or organisational goals through strategic spending. Examples of such goals may include sustainable natural resource management, resource efficiency, sustainable development, and sustainable consumption and production. SPP can drive markets towards sustainable, innovative solutions, encouraging early engagement with the market and creating green and decent jobs.

Principle 4 | SPP respects stakeholder interests and builds on stakeholder engagement

SPP respects, considers, and responds to the interest of stakeholders involved in or impacted by the procurement activities – including purchasing organisations, manufacturers, and the public. Shared visions, inclusive solutions and targeted communication pave the way for stakeholder engagement.



Principle 5 | SPP implementation is based on sound organisational management principles

SPP builds on a risk and opportunity-based approach, continually reassessing and targeting areas of highest impact or priority. Immediate successes can be demonstrated through a 'quick win'¹⁵ approach, initiating - and not replacing – a more comprehensive long-term approach. Having SPP as part of an organisational management system helps mainstreaming the SPP Approach as part of routine procurement practice, in which SPP is supported by clear lines of accountability with incentives for delivery.

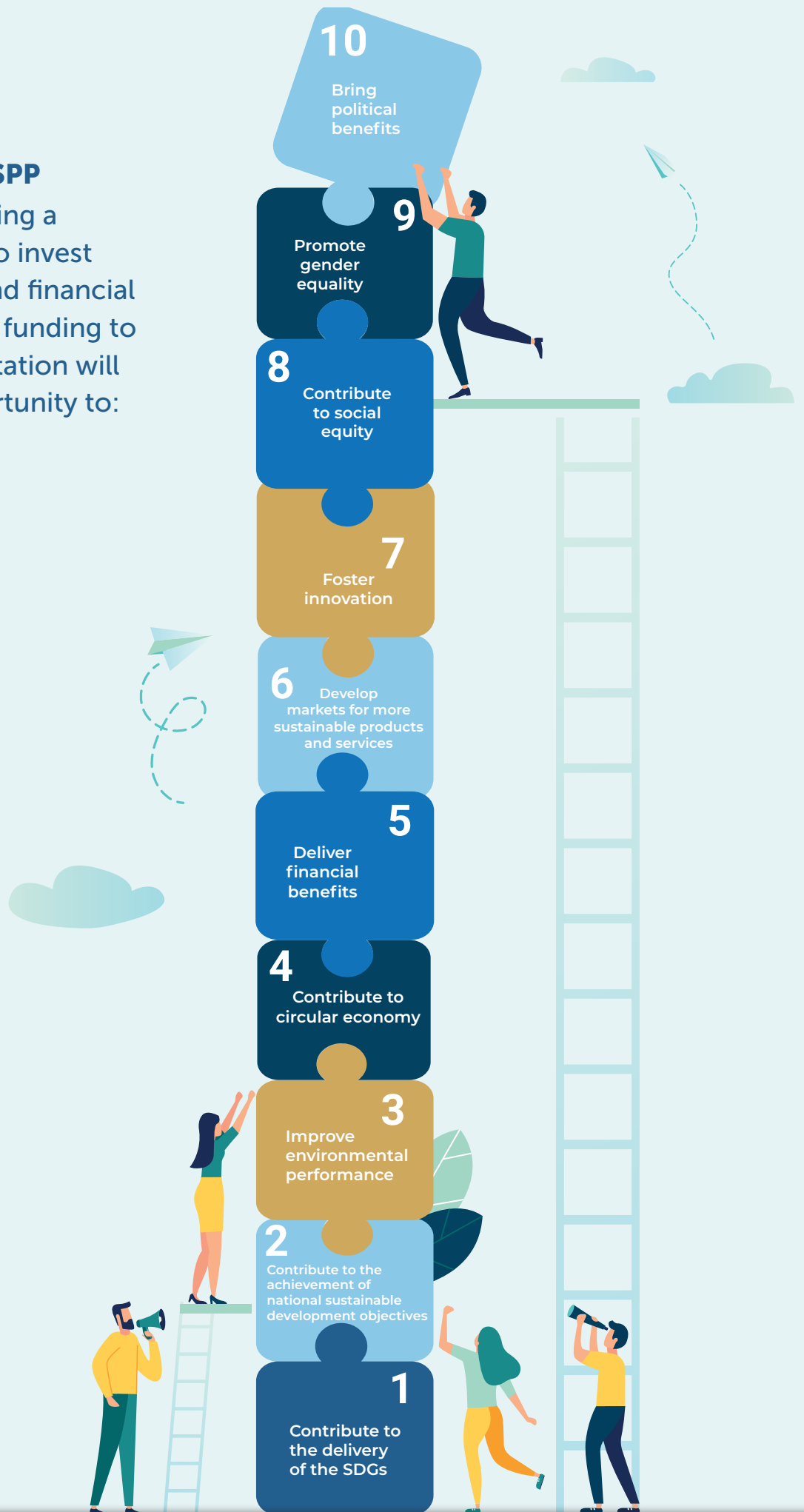
Principle 6 | SPP monitors its outputs and outcomes

Continuous improvement of SPP implementation is only possible if the outputs delivered and the outcomes achieved are known. Monitoring and evaluation systems measuring outputs and outcomes are essential for tracking progress and identifying areas for improvement. The measurement efforts will be more effective and meaningful when baselines and targets for the SPP policy will have been previously defined.

¹⁵ A quick win is an improvement that is visible, has immediate benefit and can be delivered quickly after the project begins. The quick win does not have to be profound or have a long-term impact on your organisation but should be something that many stakeholders agree is a good thing.

BENEFITS OF SPP

Countries making a commitment to invest their human and financial resources, and funding to SPP implementation will have the opportunity to:



1.4. Benefits of SPP

Countries making a commitment to invest their time, human and financial resources, and funding to SPP implementation will have the opportunity to:

1. Contribute to the delivery of the SDGs
2. Contribute to the national sustainable development objectives
3. Improve environmental performance
4. Contribute to a circular economy
5. Deliver financial benefits
6. Develop markets for more sustainable products and services
7. Foster innovation
8. Contribute to social equity
9. Promote gender equality
10. Bring political benefits

1. SPP can help countries deliver on SDGs

Public spending on average represents around 12% of national GDP (Gross Domestic Product) in OECD (Organization for Economic Co-operation and Development) countries¹⁶ and can be as high as 26% in developing economies.¹⁷ Every purchase is an opportunity to drive markets towards innovation and sustainability. Through SPP, governments can lead by example and deliver on key policy objectives, including on all the SDGs and a very wide range of SDG Targets.¹⁸

The 2030 Agenda for Sustainable Development and SDG Indicator 12.7.1

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs (See *Figure 2. Sustainable Development Goals*) and 169 Targets, which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.¹⁹

16 More from OECD on Sustainable Public Procurement is available at: www.oecd.org/gov/public-procurement

17 Djankov, S., Islam, A., Saliola, F., (2016) How Large Is Public Procurement in Developing Countries?, November 7, www.piie.com/blogs/realtime-economic-issues-watch/how-large-public-procurement-developing-countries [Accessed 12 May 2021].

18 Nordic Council of Ministers (2021). Sustainable Public Procurement and the Sustainable Development Goals, 18 May. www.norden.diva-portal.org/smash/get/diva2:1554600/FULLTEXT01.pdf

19 United Nations. Department for Economic and Social Affairs: The 17 goals. Available at: www.sdg.un.org/goals

Figure 2. Sustainable Development Goals



Source: Sustainable Development Goals, UNESCO, accessed 9 June 2021. www.en.unesco.org/sustainabledevelopmentgoals

SDG 12 aims to ensure sustainable consumption and production (SCP) patterns. SCP is about doing more and better with less, decoupling economic growth from environmental degradation, increasing resource efficiency and promoting sustainable lifestyles.²⁰

SCP policies cut across all sectors and industries. The concept of SCP was recognized in the Johannesburg Plan of Implementation, adopted in 2002 at the World Summit on Sustainable Development (WSSD), where it was acknowledged that fundamental changes in the way societies produce and consume are indispensable for achieving global sustainable development.

The Johannesburg Plan of Implementation called for all countries to promote sustainable consumption and production patterns, with the developed countries taking the lead and with all countries benefiting from the process. The Plan laid out a blueprint for governments, relevant international organizations, the private sector, and all major groups to play an active role in changing unsustainable consumption and production patterns.

One of the key elements of SCP is expressed in Target 12.7, emphasising the importance of Sustainable Public Procurement: *Promote public procurement practices that are sustainable, in accordance with national policies and priorities.* Progress towards Target 12.7 is measured based on SDG Indicator 12.7.1: *Number of countries implementing Sustainable Public Procurement policies and Action Plans* (see *Box 4. First reporting exercise on SDG Indicator 12.7.1*).

20 As defined by the Oslo Symposium in 1994, sustainable consumption and production (SCP) is about 'the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of further generations'.

Source: Sustainable development goals knowledge platform <https://sustainabledevelopment.un.org/topics/sustainableconsumptionandproduction> [Accessed 12 May 2021].

Box 4. First reporting exercise on SDG Indicator 12.7.1



In its role as custodian of Indicator 12.7.1 (*number of countries implementing SPP policies and Action Plans*), UNEP has led the methodological development of the Indicator, with the support from many experts and countries.

The first data collection exercise for Indicator 12.7.1 kicked off in October 2020, and lasted until February 2021, a call to which 40 national (or federal) governments and 39 subnational governments responded by sharing detailed reports on their SPP policies and action plans.

Among official national focal point entities which submitted reports on Indicator 12.7.1 in 2020, 45% were Public Procurement Authorities/Ministries of Finance, 40% were Environmental Agencies/Ministries of Environment, followed by 15% representing other types of entities, such as Statistics Bureaus, Ministries of the Economy or Ministries of Development.

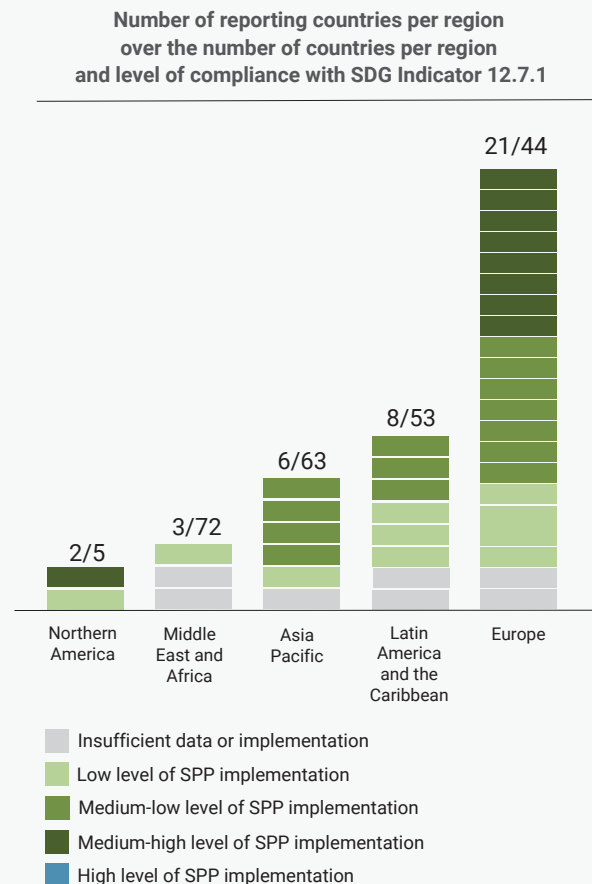
Based on the information and evidence provided in their reports, governments were assessed according to a maturity level based on 5 different scales ranging from 0 to 4 depending on the level of SPP implementation and quality of the evidence provided. Only levels 1 to 4 are considered compliant with the indicator.

UNEP has led the methodological development of the Indicator [SDG 12.7.1] with the support from many experts and countries.

From the 40 participating national/federal governments, 33 were deemed compliant with the proposed assessment. Indicator 12.7.1, i.e., the Number of Countries Implementing Sustainable Public Procurement Policies and Action plans, was therefore evaluated at 33 in this first exercise.:

Looking at the geographical distribution of the 40 national reporting entities and their degree of SPP implementation, a large number of European national governments provided reports, most often showing a medium level of SPP implementation. Results in Latin America and in the Asia-Pacific region also seem promising with the strengthening of SPP implementation in pioneer countries, and early adoption in new countries.

Regional distribution and classification of reports received from national (or federal) governments:



2. SPP can contribute to the achievement of national sustainable development objectives

SPP is implemented as a public policy tool in support of national sustainable development objectives. For example, government procurement can support the implementation of national and regional energy policies that reduce energy usage through purchases of energy efficient LEDs instead of conventional light bulbs. Given the broad range of national development objectives, the benefits stemming from more sustainable public sector purchasing practices are often represented according to the three dimensions of sustainable development – social, environmental and economic, although sometimes political benefits are cited as well.

The Sustainable Purchasing Council has identified over a dozen benefits in each dimension of sustainable development (increasing good practices or diminishing negative ones), although this is by no means an exhaustive list (see *Table 2. Benefits of SPP*).²¹

²¹Sustainable Purchasing Leadership Council. Available at: www.sustainablepurchasing.org

Table 2. Benefits of SPP

SOCIAL	ENVIRONMENTAL	ECONOMIC
Social factors affect the social systems on which communities depend, now and in the future.	Environmental factors affect the natural systems on which life depends, now and in the future.	Economic factors affect the financial systems on which our markets depend, now and in the future.
+ anti-discrimination	+ biodiversity preservation	+ fair dealings
+ community engagement	+ climate adaptation	+ innovation research/investment
+ diversity/equal opportunity	+ resource optimization	+ open competition
+ employee engagement	+ soil health stewardship	+ transparency of information
+ equal remuneration	- acidification	+ use of diverse suppliers
+ fair trade	- desertification	+ use of local suppliers
+ freedom of association	- freshwater pollution	- conflicts of interest
+ grievance & remedy processes	- greenhouse gas emissions	- corruption (bribery, extortion...)
+ human rights	- habitat depletion	- dividing territories
+ indigenous rights	- human health impacts	- dumping
+ occupational health & safety	- land use change	- exclusive dealing
+ right to collective bargaining	- marine pollution	- misleading market claims
+ sustainable compensation	- ozone depletion	- monopoly (seller collusion)
+ training and education	- radiation pollution	- monopsony (buyer collusion)
+ worker rights	- resource depletion	- patent misuse
- child labour	- smog	- price fixing
- forced/compulsory labour	- waste	- product tying
- human trafficking	- water consumption	- refusal to deal
- sourcing from conflict zones		

Note: + indicates an increase, - indicates a decrease. Source: Adapted from the Sustainable Purchasing Leadership Council.²⁰

3. SPP can improve environmental performance

Strategic purchases of green products and services can minimize damage to the environment and contribute to meeting environmental challenges, from climate change to soil degradation, waste disposal, etc. Life Cycle Costing (LCC) enables procurers to determine the sustainability considerations of public purchases across the life cycle of a product.

For example, through life cycle assessment calculations it was determined that the Republic of Korea reduced CO₂ emissions by 543,000 tons annually due to the application of GPP practices across 19 ecolabelled product groups, including electronic goods and construction materials. Greenhouse gas emission reductions attributed to GPP practices were likewise reported in Japan and Thailand, reaching 412,390 and 25,685 tons respectively.²² However, even in the absence of a Life Cycle Costing approach to public purchases, buying more sustainable products and services sends a clear signal to the market, ultimately leading to greener consumption and production practices.

4. SPP can contribute to a circular economy

Looking beyond the current take-make-waste extractive industrial model, a circular approach to economic development aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural, and social capital. It is based on three principles:

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems²³

Sustainable procurement can accelerate the transition to a circular economy and the shift towards more sustainable patterns of consumption and production. Circular procurement builds on the wider concept of sustainable procurement, adding emphasis to closed energy and material loops. It can be defined as "the process by which public or private authorities purchase goods, works or services that contribute to value retention along the supply chain, by buying green quality products with long lifetimes, reusing and remanufacturing products several times in a circular manner, without causing additional harmful impacts, and enabling recycling of materials".²⁴

22 KEITI (2014) Policy Handbook for Sustainable Consumption and Production of Korea. 1. www.oneplanetnetwork.org/sites/default/files/policy_handbook_for_sustainable_consumption_and_production_of_korea.pdf

23 Ellen MacArthur Foundation. Concept: What is a circular economy? Available at: <https://www.ellenmacarthurfoundation.org/circular-economy/concept> [Accessed 28 June 2021].

24 European Commission (2017). Public procurement for a circular economy: Good practice and guidance. https://ec.europa.eu/environment/gpp/pdf/Public_procurement_circular_economy_brochure.pdf

Approaches in reaching circularity in procurement practices can be to encourage new business models based on innovative and resource-efficient solutions. For example, by promoting product-service systems (PSS), stepping away from the classical approach of selling final products to offering a mix of products and services jointly being capable of meeting specific client demands (see Key concepts and terms for more information on PSS).²⁵

Circularity builds upon value retention loops, as shown on the UNEP circularity approach below.²⁶

Figure 3. Circular economy approach to economic development



Source: Circular Economy illustration, United Nations Conference on Trade and Development, accessed 9 June 2021. www.unctad.org/fr/node/2993

25 UNEP (2018) Building circularity into our economies through sustainable procurement. www.wedocs.unep.org/bitstream/handle/20.500.11822/26599/circularity_procurement.pdf?isAllowed=y&sequence=1

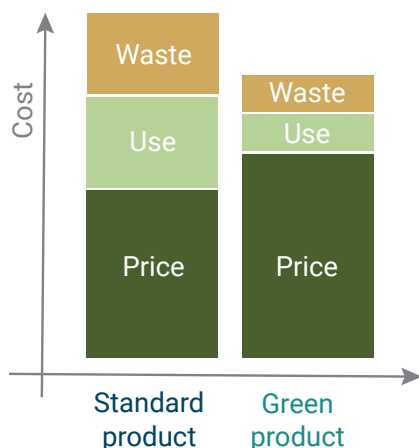
26 UNEP. *Circularity*. Available at: www.unep.org/circularity

5. SPP can deliver financial benefits

SPP is not only an effective means for reducing negative environmental impacts but can also help public purchasing authorities reduce costs. Whereas public procurement in the traditional sense favours the cheapest bid at the point of purchase in a competitive tendering process, SPP pursues 'value for money' in a life cycle perspective by taking into account factors such as consumption of energy and materials; repair, maintenance and spare parts; product lifetime expectancy; and end-of-life disposal costs. For some products consuming expensive/large amounts of resources during use (e.g., energy intensive products), the upfront purchase price only represents a small portion of total life costs, as illustrated in *Figure 4. Comparing costs of two products*.²⁷

For example, India's national railroad carrier, Indian Railways saved approximately US\$7 million per annum from direct energy savings of 112 500 MWh, by replacing 1.41 million incandescent light bulbs with energy efficient compact fluorescent ones across approximately 400,000 households in the railroad colonies.²⁸ Although challenges were identified for the transition, including low consumer awareness, poor availability of fluorescent light bulbs in rural markets and the high initial cost of these energy efficient alternatives (five to six times the cost of conventional bulbs), a Life Cycle Costing assessment confirmed the potential economic benefits of such an initiative.

Figure 4. Comparing costs of two products



27 Öko-Institut and ICLEI (2007). Costs and Benefits of Green Public Procurement in Europe. www.ec.europa.eu/environment/gpp/pdf/eu_recommendations_1.pdf More information on Life Cycle Costing can be found at: European Commission (2008) Green Public Procurement Toolkit – Module 1: Managing GPP Implementation https://ec.europa.eu/environment/gpp/pdf/toolkit/module1_factsheet_lcc.pdf

28 ProsPER (2015) Introducing Green Technology in Developing Nations: A case of Indian Railways. www.prospenet.ias.unu.edu/wp-content/uploads/2012/09/SPC-learning-case-11_teaching-note_final.pdf

6. SPP can develop markets for sustainable products and services and drive innovation

Governments can also leverage their purchasing power to drive markets toward more sustainable production. Suppliers can be incentivized to not only produce more ecological products, but also adjust their production processes and supply chains to minimize impacts on the environment. Additionally, government spending can encourage and drive green product innovation.

For example, in the United States, the demand for energy efficient technologies exploded following a 1993 Executive Order requiring the federal government to purchase only 'Energy Star' ecolabelled computer equipment, thereby dramatically transforming this market. By the end of 1994, more than 2,000 Energy Star qualified models were available, and all major manufacturers participated in the program. Since 1992, Energy Star has driven households and businesses in the United States to savings of 5 trillion kilowatt-hours of electricity, equivalent to more than \$450 billion in energy costs and achieving 4 billion metric tons of greenhouse gas reductions. In 2019 alone, Energy Star and its partners saved nearly 500 billion kilowatt-hours of electricity, avoiding equivalent energy costs of \$39 billion.²⁹

7. SPP can contribute to social equity

SPP can bring about important benefits for society as well. At the most basic level, governments can utilize their purchasing power to enhance compliance with existing social and labour legislation, which can ensure fair and safe working conditions.

For example, government contractors may be required to pay employees the minimum wage or meet certain health and safety standards. SPP can also stimulate social justice and social inclusion, through the promotion of disadvantaged groups (women, minorities, youth and the disabled, etc.) in government contracting. Furthermore, it can improve living conditions and reduce poverty through increasing employment and skills development.

29 Energy Star Impacts. Available at: [/www.energystar.gov/about/origins_mission/impacts](http://www.energystar.gov/about/origins_mission/impacts) [Accessed 12 May 2021].

8. SPP can promote gender equality

Public procurement can be leveraged to encourage gender-inclusivity and equality in the workplace, as well as to promote women-owned businesses through preferential purchasing policies.³⁰

While some countries have preferential purchasing policies in place supporting disadvantaged groups at the national level (see *Case study 1. Gender-inclusive procurement – Africa and the Caribbean*), in other cases these efforts can be driven at the level of municipalities. For example, the City of Amsterdam, in an effort to tackle double digit youth unemployment in 2013, sought to maximize the social value of money through public procurement by incorporating 'social return' criteria. Contractors were encouraged to offer bids that created employment, training or work experience placements for young people and other vulnerable groups lacking qualification or work experience. In addition, a minimum percentage was specified of the bidder's profit that would be invested back into activities such as training programs.³¹

Public procurement can be leveraged to encourage gender-inclusivity and equality in the workplace, as well as to promote women-owned businesses through preferential purchasing policies.

30 OECD Working Party on Gender Mainstreaming and Governance, 2021: Draft Policy Framework for Gender-sensitive Public Governance.

31 European Commission (2015) Eurocities: Green jobs for social inclusion www.greengrowthknowledge.org/sites/default/files/downloads/resource/green_jobs_social_inclusion_eurocities.pdf

32 International Labour Organization (2018). The gender gap in employment: What's holding women back?, March. Available at: www.ilo.org/infostories/en-GB/Stories/Employment/barriers-women-global-gap [Accessed 8 June 2021].

33 Elborgh-Woytek, K. et al., IMF (2013). Women, Work, and the Economy: Macroeconomic Gains from Gender Equity, September. www.imf.org/external/pubs/ft/sdn/2013/sdn1310.pdf

34 Rimmer, S. H., Chatham House (2017). Gender-smart Procurement: Policies for Driving Change, December. www.chathamhouse.org/sites/default/files/publications/research/Gender-smart%20Procurement%20-%202012.2017.pdf

Case study 1. Gender-inclusive procurement – Africa and the Caribbean



The economic empowerment of women through government contracting is an area that has received significant attention over the last few years. In many parts of the world, female labour participation remains low, averaging 49% for women compared to 75% for men.³¹ With a growing body of evidence

pointing to a positive correlation between women becoming economically active and increases in GDP per capita and human development,³³ governments are looking to public procurement as a relatively fast and cost-effective tool for increasing female labour force participation.

A number of countries around the world have preferential public procurement policies aimed at promoting women-owned businesses, including several countries in Africa - Botswana, Kenya, Namibia, South Africa, and Zambia. Kenya, for example, employs set-asides, encouraging procuring entities to allocate at least 30 percent of its procurement value to youth, women and persons with disabilities. South Africa applies a point system, whereby women-owned enterprises receive extra points in their bids. In Botswana, Namibia and Zambia, governments can offer a 3 percent discount in price preference for persons with disabilities, women and rural dwellers.³²

In the Caribbean, the Dominican Republic provides a well-documented example of the promotion of women-owned businesses through Sustainable Public Procurement practices. Micro, small and medium-sized enterprises (MSMEs) account for more than half of all employment (54.5%) in the Dominican Republic and are the key suppliers of goods and services, representing 38.6% of the GDP³⁵. In 2012, a national policy was launched in support of MSMEs in line with the country's National Development Strategy 2030. The strategy explicitly required action to strengthen public procurement opportunities for women, with a minimum quota of 20% of contracts being awarded to women-owned and women-managed businesses.³⁶ In less than a decade, with strong political support, the country's new public procurement strategy has led to a 16% increase in contracts awarded to MSMEs led by women. Although public tenders are still male dominated, the fraction of contracts awarded to women increased from 20% in 2013 to 30% in 2019.³⁷

Image: Romina Colman 2020, construction worker in the Dominican Republic, Open Contracting Partnership, accessed 9 June 2021. www.open-contracting.org/2020/09/23/women-win-one-in-four-contracts-in-the-dominican-republic-thanks-to-inclusive-procurement-reforms/

35 <https://www.mapfre.com/en/insights/economy/sme-dominican-republic/>

36 OAS, IISD (2020) Toward Strategic Public Procurement in Latin America and the Caribbean, 4-8 www.iisd.org/publications/toward-strategic-public-procurement-latin-america-and-caribbean

37 Colman, Romina (2020) Women win one in four contracts in the Dominican Republic thanks to inclusive procurement reforms, 23 September. www.open-contracting.org/2020/09/23/women-win-one-in-four-contracts-in-the-dominican-republic-thanks-to-inclusive-procurement-reforms/ [Accessed 12 May 2021].

Box 5. Supporting Women-Owned Businesses through Procurement – United Nations' Business Operations Strategy

Each year, the world spends trillions of dollars through corporate purchasing acquiring different goods and services yet purchases from women-owned businesses account for a sheer one percent of the total spending. By overlooking women-owned businesses, many corporate opportunities are missed, such as expanding global markets, diversifying supply chains, growing the economy, alongside with improving the lives of women and girls around the world. Women-owned businesses contribute significantly to the world economy by generating millions of new employment opportunities and spurring local development. Businesses operated by women are overwhelmingly micro- or small-sized businesses.

Looking at the main barriers to Gender Inclusive Procurement, lack of financing remains as one of the major factors limiting the size and growth of women-owned businesses. Women typically start their businesses with less capital and have less access to financing than men, which limits their availability to start and grow their businesses.

Promoting women's entrepreneurship through UN/ Business Operation Strategy (BOS) procurement is one strategy to narrow the gender gap. The BOS is a mandatory strategic planning framework that facilitates the development, management, monitoring, and reporting of the UN Country Teams joint support to programme delivery through common business operations.³⁸ The tool is flexible and seeks to enhance the quality and cost effectiveness of joint business operations. The BOS focuses on six operational service lines, of which the procurement service line has the potential to make a significant impact on SDG 5: Gender Equality. Since the instrument is mandatory, all 131 UN Country Teams will have a BOS in place by 2021, ensuring that a framework is put in place to drive gender sensitive procurement at the country level.

To increase the number of women-owned businesses that are participating in UN procurement, the UN must ensure that Gender Responsive Procurement is mainstreamed throughout its supply chains.

38 United Nations Sustainable Development Group. Business Operations Strategy (BOS) 2.0 Guidance. Available at: www.unsdg.un.org/resources/business-operations-strategy-bos-20-guidance

9. SPP can bring political benefits

SPP also offers governments an opportunity to 'lead by example.' More sustainable purchasing practices that deliver value for money can improve not only a government's image, but also raise consumer awareness and demand for sustainable products. In addition, the potential savings generated from purchasing sustainable or green products and/or services can be redirected to other areas of government.

In the case of the European Union, a clear majority of citizens perceive environmental protection as one of the Union's key priorities.³⁹ Practices such as the EU Green Public Procurement (GPP) demonstrate the public sectors' commitment to environmental protection and sustainable consumption and production and can lead to a positive perception of the administration in charge.⁴⁰



Industrial textile factory, Botswana. © Lucian Coman/Shutterstock.com.

39 European Commission (2017) Special Eurobarometer 416: Attitudes of European citizens towards the environment. www.op.europa.eu/en/publication-detail/-/publication/018fcab9-e6d6-11e7-9749-01aa75ed71a1

40 European Commission. Benefits of GPP. www.ec.europa.eu/environment/gpp/benefits_en.htm [Accessed 12 May 2021].

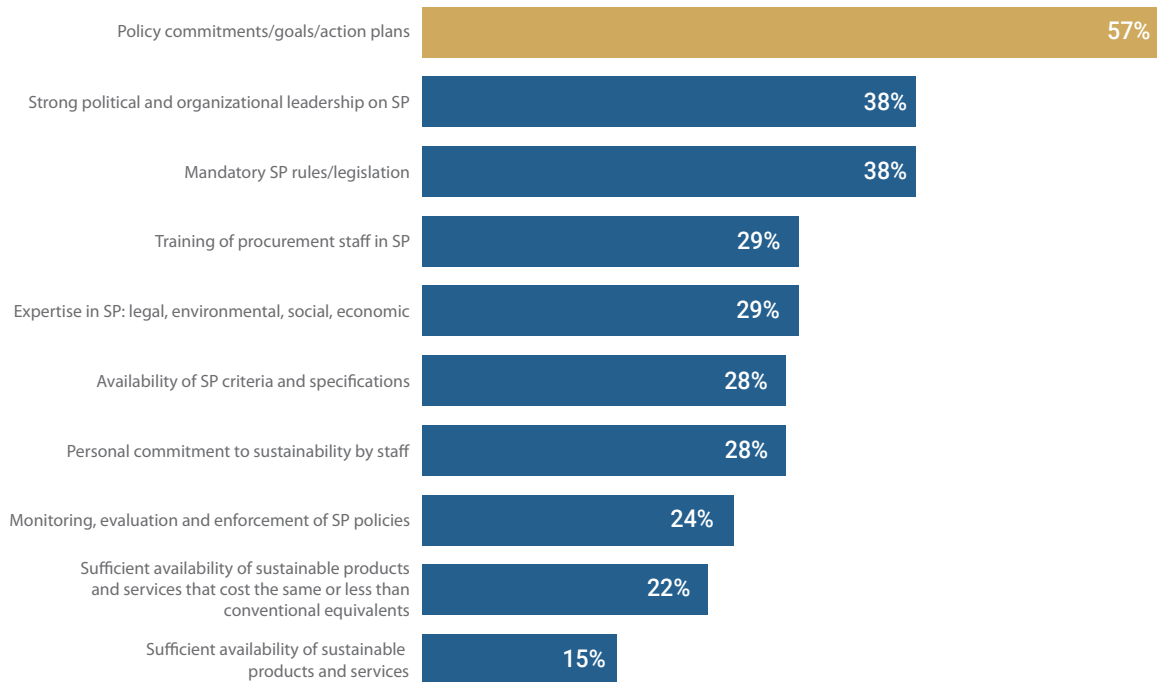
1.5. Drivers for Sustainable Procurement Implementation

According to the data from the UNEP’s 2016 Stakeholder Survey, sustainable procurement⁴¹ is largely driven by policy and top-down leadership. The existence of policy commitments, national legislation on SPP and strong political and organizational leadership are among three of the main drivers for SPP implementation (see *Figure 5. Drivers of sustainable procurement implementation*). The data also underscores the importance of SPP training and the legal, environmental, and economic expertise in SPP within organizations. While political commitment to SPP and an associated legal framework is critical, having a cadre of well-trained practitioners to undertake implementation is also important.

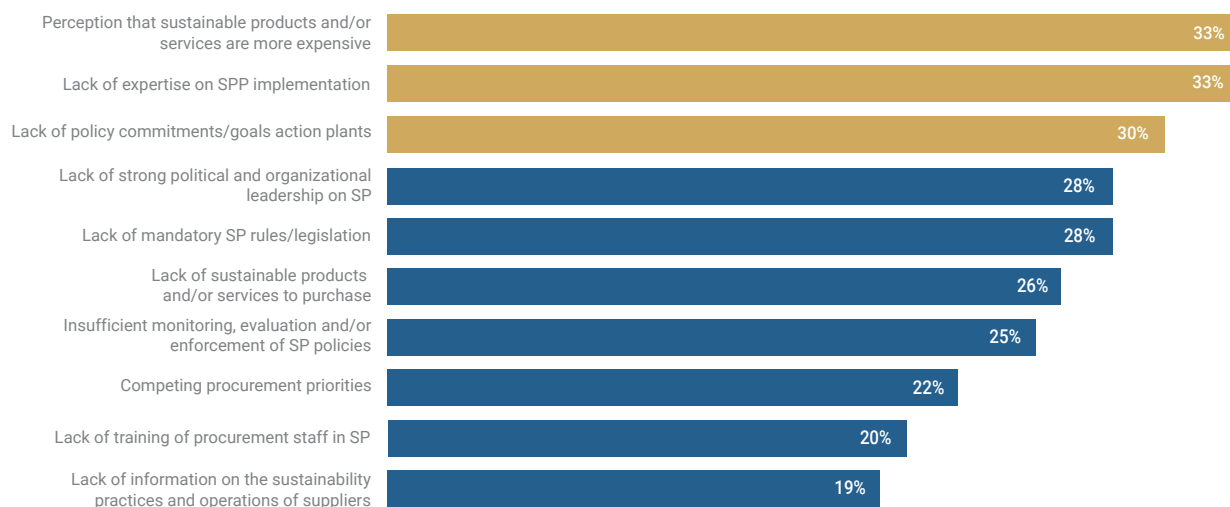
The existence of policy commitments, national legislation on SPP and strong political and organizational leadership are among three of the main drivers for SPP implementation.

41 Given that respondents to the Stakeholder Survey were from both the public and private sectors, the term sustainable procurement' is employed

Figure 5. Drivers of sustainable procurement implementation



Note: Most commonly cited drivers identified by participants in the 2017 Global Review of Sustainable Public Procurement Stakeholder Survey.⁴¹ Respondents were asked to identify the top three factors that are driving the implementation of sustainable procurement practices in their organisation.

Figure 6. Barriers to sustainable procurement implementation

Note: Most commonly cited barriers identified by participants in the 2017 Global Review of Sustainable Public Procurement Stakeholder Survey.⁴³ Respondents could choose multiple options

1.6. Barriers to Sustainable Procurement Implementation

UNEP's Stakeholder Survey also revealed characteristic impediments to sustainable procurement, with no one barrier standing out significantly compared to others (see [Figure 6. Barriers to sustainable procurement implementation](#)). The two most commonly cited barriers were the 'perception that sustainable products and/or services are more expensive' and the 'lack of expertise in sustainable procurement implementation'.

Other barriers such as a lack of expertise in sustainable procurement can be overcome with more focus on training and knowledge sharing, and concerns about the local availability of sustainable products and services should diminish as the 'green' marketplace matures and ecolabelling programmes continue to expand. However, it will be more difficult to address the barrier related to 'competing priorities'- stakeholder interviews indicate that it is commonplace for procurement groups to be under-resourced and often overwhelmed.

While some of these barriers are significant or persistent, many if not most can be overcome with time.⁴⁴ Greater

42 UNEP (2017) Global Review of Sustainable Public Procurement www.oneplanetnetwork.org/resource/2017-global-review-sustainable-public-procurement

43 UNEP (2017) Global Review of Sustainable Public Procurement. www.oneplanetnetwork.org/resource/2017-global-review-sustainable-public-procurement

44 Ecovadis proved in the latest SP barometer that challenges with SP programme implementation lowers with the length of implementation. More about the relationship is available at: Ecovadis (2019). Sustainable procurement Barometer 2019: From Compliance to Performance. 35. www.resources.ecovadis.com/sp-barometer/2019-sustainable-procurement-barometer

adoption of methodologies based on Life Cycle Costing will play a big role in helping to address concerns about costs. This is critical, as almost all national governments are seeking methods to be cost effective, and greater consideration of the full life cycle costs of products and services is a key element of fiscal responsibility.

Further reading

CEGESTI (2016). Promoting the participation of Small and Medium Size Enterprises (SMEs) in Green Public Procurement. www.oneplanetnetwork.org/resource/promoting-participation-small-and-medium-size-enterprises-smes-green-public-procurement

Hansen, C. (2020). Waking the Trillion-Dollar Giant - Sustainable Public Procurement (SPP) and the 2030 SDG Agenda. www.greengrowthknowledge.org/research/waking-trillion-dollar-giant-sustainable-public-procurement-and-2030-sdg-agenda

UNEP (2016). Measuring and communicating the benefits of Sustainable Public Procurement (SPP): Baseline Review and Development of a Guidance Framework www.oneplanetnetwork.org/sites/default/files/measuring_and_communicating_the_benefits_of_sustainable_public_procurement_spp_baseline_review_and_development_of_a_guidance_framework.pdf

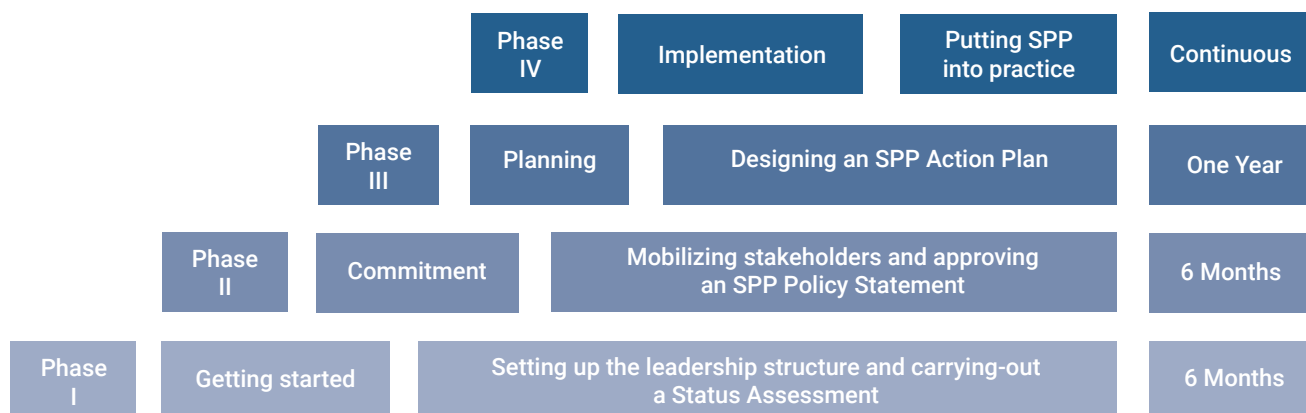
UNEP (2017). Global Review of Sustainable Public Procurement. www.oneplanetnetwork.org/resource/2017-global-review-sustainable-public-procurement

UNEP (2017). A Sampling of Successes in Green Public Procurement: Case Studies of Green Public Procurement Implementation in Asia-Pacific Countries www.oneplanetnetwork.org/resource/sampling-successes-green-public-procurement-case-studies-green-public-procurement

2

Overview of the SPP Approach



Figure 7. The four Phases of the SPP Approach

2. OVERVIEW OF THE SPP APPROACH

The SPP Approach provides guidance to countries interested in developing an SPP Programme. It can be used as a step-by-step guide on how to develop or strengthen a country's legal and organisational framework and how to put SPP into practice or can be used as a point of reference and inspiration for SPP in general.⁴⁵ The SPP Approach is designed to be flexible, accommodating different national/local realities.

The SPP Approach is organized according to a recommended sequence of steps or 'Phases,' each composed of a series of activities; however, some countries may opt to pick specific activities to work on even though not all preceding steps have been completed. It is not uncommon, for example, for countries to move forward with integrating sustainability requirements in their public procurement processes even in the absence of a dedicated SPP policy, supportive legal framework or SPP Action Plan. Despite such occurrences, the existence of an SPP policy will help create a coherent legal framework, legitimizing the practice of SPP and sending a clear message to public officials and the market.

There are four Phases to the SPP Approach, as presented in *Figure 7. The four Phases of the SPP Approach* – all entailing important elements of capacity development and budgetary support.

Getting started – Phase I entails setting-up a leadership structure for driving and guiding the SPP Programme. This includes designating the National Focal Organisation(s), or 'NFO,' establishing an SPP Unit and forming the Steering

Committee. Another important element of this Phase is carrying-out a Status Assessment, or study of the country's legal framework and public procurement processes, as well as identification of relevant stakeholders. This Phase typically takes 6-12 months.

Commitment – Phase II is where an SPP Policy Statement is drafted in consultation with stakeholders and presented to decision-makers for approval. Initial commitment from key stakeholders to the SPP Programme is ensured. Attention is also paid to funding mobilization to support SPP implementation. This Phase typically takes an average of 6 months.

Planning – Phase III is where the SPP Action Plan is developed in consultation with stakeholders and presented to decision-makers for approval. Targets, key actions, a timeline, allocation of roles and responsibilities and a budget are all defined in the Action Plan. This Phase typically takes six months.

Implementation – Phase IV is the application and continuous improvement of SPP practices, according to the Action Plan developed in Phase III. During this Phase public procurement legislation is revised, priority products are identified, sustainable procurement criteria are determined, Capacity Building and Communication Strategy are developed and implemented, and a system for monitoring and evaluation is established. This Phase typically takes four to five years, after which a new Action Plan is prepared, and a new Implementation Phase is initiated.

⁴⁵ The SPP Approach is, among others, aligned with the SPP Index methodology, developed for the measurement of SDG Indicator 12.7.1.



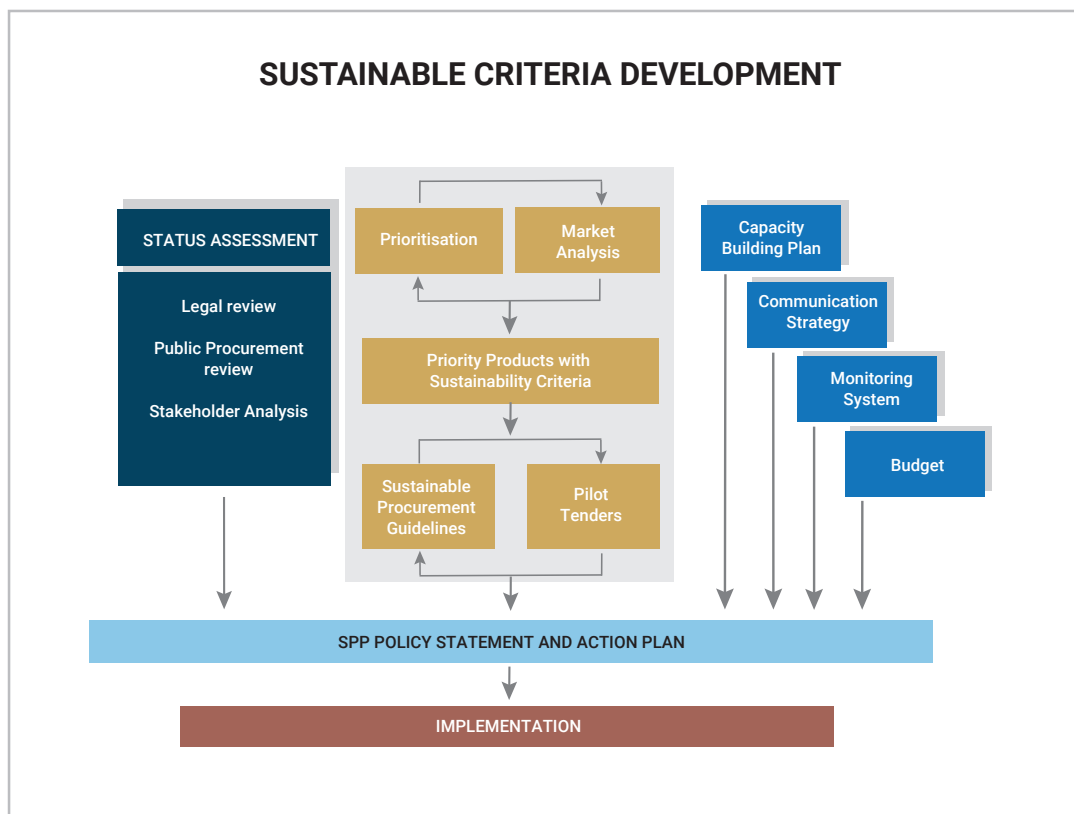
Table 3 details the progression of SPP activities in the areas of governance, core activities, and Capacity Building across the four Phases of the SPP Approach. *Figure 8. Outputs of the SPP Approach* presents an overview of the SPP Approach and its different outputs.

Table 3. Progression of SPP activities across the four Phases of the SPP Approach

Phases	Governance	Core activities	Capacity building
I Getting started	NFO designated, SPP Unit established and Steering Committee formed	Drafting of Status Assessment inclusive of a Legal Review, analysis of public procurement practices and a stakeholder mapping exercise.	SPP staff and Steering Committee members trained on SPP Approach
II Commitment	Consultative group of stakeholders formed	Design and approval of SPP Policy Statement	Stakeholders trained on SPP
III Planning	Steering Committee and Stakeholders consulted	Design and approval of SPP Action Plan	Capacity building activities outlined in Action Plan
IV Implementation	SPP Unit strengthened, network of SPP correspondents established	Action Plan implementation	Capacity Building Plan developed and implemented; Procurement practitioners trained on SPP and on the procurement of priority products. Training of suppliers.

Figure 8 presents an overview of the SPP Approach and its different outputs which are presented in the next sections.

Figure 8. Outputs of the SPP Approach



3

Phase I

Getting started



3. PHASE I: GETTING STARTED

The first Phase of the SPP Approach involves setting up a leadership structure (see *Figure 9. Governance structure of an SPP Programme*) and developing an understanding of the context for SPP implementation through a series of studies. These efforts will form the foundation of an effective national or sub-national SPP Programme. The work of this Phase will enable countries to:

- set up leadership in SPP;
- understand the current status (legal, organizational, etc.) of SPP and public procurement more generally;
- identify relevant stakeholders;
- set a baseline against which progress can be checked; and
- compare the national/sub-national SPP Approach with others.⁴⁵

This Phase will yield the following results:

- designation of a National Focal Organization (NFO);
- establishment of an SPP Unit within the NFO;
- establishment of a Steering Committee;
- training of relevant public officials on the SPP Approach;
- preparation of a Status Assessment; and
- delivery of an inception workshop to discuss and endorse the Status Assessment.

3.1. Establishing an SPP governance structure

It is critical for a national or sub-national SPP Programme to be guided by strong political will and leadership. Leadership creates a connection between vision, strategy, and structure through the allocation of resources and engagement of stakeholders, such as public officials and the market. Importantly, political will and leadership is expressed through the establishment of an SPP governance structure.

National Focal Organization (NFO)

At a very early stage, a National Focal Organization (NFO) or organisations (NFOs) should be designated to lead the process of SPP policy development and implementation in cooperation with relevant stakeholders.

Given that the focus of SPP Programmes is varied from country to country, with different environmental, social, and economic objectives, it is natural that the ministries or agencies leading SPP policy development and implementation will also vary. It is not unusual for several agencies to take responsibility for leading different aspects of SPP based on their specific priorities and competencies. Ministries of finance, environment, and related agencies, such as public procurement authorities, are typically involved in leading or co-leading the implementation of an SPP Programme. In cases where the leading authority for the development of an SPP

Programme is the President's Office or Prime Minister's Office, implementation leadership is typically taken over by an inter-ministerial or inter-agency committee.

SPP Unit

Once the NFO is officially designated it will typically establish an SPP Unit within its organisation, headed by an SPP Programme Manager, in charge of overseeing the overall SPP Programme. It is important to define the Terms of Reference of the SPP Unit before recruiting the coordinator and staff.

Each country should allocate the equivalent of at least one full-time staff member for management and coordination of the day-to-day aspects of the SPP Programme. This effort can be delivered by a single individual or with support from other staff. The SPP Programme Manager should have experience in project management, public policy and public procurement and should preferably be from within the NFO to keep expertise in house.⁴⁶

For various reasons, the SPP Unit may seek support from external consultants, experts and Steering Committee members to perform certain activities related to the SPP Programme. The main tasks of the SPP Unit include:

- planning and scoping out programme activities;
- undertaking or commissioning the activities, including:
 - a Status Assessment entailing a study of the country's legal framework, public procurement processes, and identification of relevant stakeholders;
 - an SPP Policy Statement and Action Plan developed through a participatory process with key stakeholders aimed at defining its content;
 - Prioritisation/Market Readiness Analysis, which will determine the priority sectors and product categories for SPP;
 - the development of Sustainable Procurement Guidelines for the Prioritized Products;
 - disseminating SPP best practices, resources and tools;
 - a Capacity Development Plan, inclusive of a training programme for both procurers and suppliers; and
 - a Communication Strategy, inclusive of the development of a webpage for SPP Programme communications, providing access to information and documents relevant to the programme, as well as a tool for linking programme stakeholders (e.g., through newsletters, a calendar of events, electronic forums, etc.)
- monitoring the SPP Programme's progress and reporting back to the Steering Committee; and
- acting as the Secretariat of the Steering Committee, convening meetings, drafting minutes, etc.

⁴⁶ A series of national SPP Status Assessments is available online at: www.oneplanetnetwork.org/knowledge-hub

The SPP Unit can coordinate with line ministries and the central procurement agency on policy development and other relevant changes to legislation. It can also gather product specific expertise from research institutions or Non-Governmental Organizations (NGOs). A help desk which will provide direct assistance to contracting authorities on SPP can also be established within the SPP Unit.

Case study 2. SPP Helpdesk – Germany

The Procurement Agency of the German Ministry of the Interior hosts a Competence Centre for Sustainable Procurement, or a [Helpdesk](#)⁴⁷ supporting all public procurement practitioners in Germany in the implementation of SPP.

The Helpdesk runs a web-based information platform with laws, regulations, guides and examples from the different levels of the German government (federal, regional and local). The site also includes general information on SPP and relevant legal developments. A central offer is in-house training for procurers on SPP, which are conducted with 10-25 participants and are provided to small local authorities as well as large ministries.

The Helpdesk also provides relevant documents such as the sustainable consumption and sustainable development strategies of Germany, guides, and information about events related to SPP. It also acts as a network, both nationally, by working with NGOs, academia and other stakeholders, and internationally through its participation in projects furthering SPP.

The Helpdesk cooperates with other information platforms, e.g. *Sustainability Compass*⁴⁸ and with the Federal Environment Agency that runs a 'Green Procurement' website.⁴⁹

The Helpdesk provides direct support via telephone, email or through on-site visits.

The Steering Committee

While the NFO and SPP Unit will lead and guide the SPP Programme, a Steering Committee will oversee the work of the designated NFO(s). It is recommended that the Committee be cochaired by representatives from the Ministry of the Environment and the public procurement authority

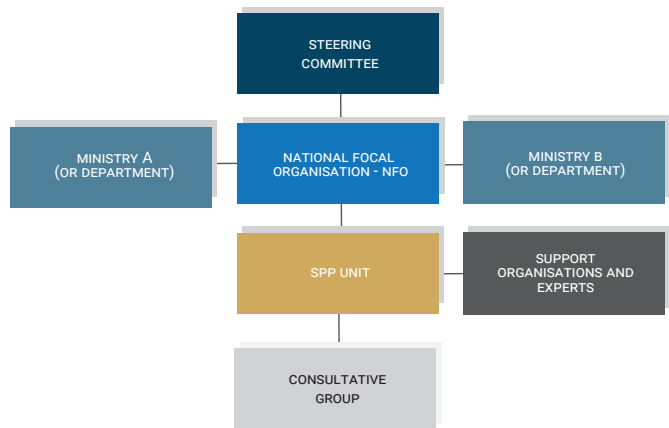
or the Ministry of Finance. It is also suggested to include representatives from ministries of Social Affairs or Labour, Economy and Industry.

The Steering Committee has a number of tasks to fulfil, such as:

- monitoring the progress of the SPP Programme;
- proposing corrective measures, where appropriate;
- approving and signing off on the outputs of the programme (Status Assessment and Prioritisation/ Market Readiness Analysis, SPP Policy Statement, etc.); and
- providing advice and guidance to the SPP Unit.

The governance structure will be further elaborated under Phase II, after the Status Assessment has been completed and key stakeholders have been identified.

Figure 9. Governance structure of an SPP Programme



Resources: [Terms of Reference for the National Focal Organisation \(NFO\) and for the Steering Committee.](#)⁵⁰

47 Beschaffungsamt des BMI. The central portal for sustainable procurement by public clients. Available at: www.nachhaltige-beschaffung.info/DE/Home/home_node.html

48 Kompass Nachhaltigkeit. Sustainability Compass. Available at: www.kompass-nachhaltigkeit.de/

49Umwelt Bundesamt. Environmentally friendly procurement. Available at: www.umweltbundesamt.de/themen/wirtschaft-konsum/umweltfreundliche-beschaffung

50 Terms of Reference (ToR) of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

3.2. Capacity Building

Once the NFO and Steering Committee are established, it is recommended that an initial training session is held with members of the SPP Unit, Steering Committee, and any other stakeholders important to the programme.

The training workshop should cover the SPP Approach covering, in particular, the roles of the various actors, the planned activities of the SPP Programme, timeline, and expected outcomes. It will provide stakeholders with the necessary knowledge that will enable them to make informed contributions throughout the various phases of the SPP Programme.

3.3. Accessing national and international support for SPP

In some instances, governments may seek additional support (technical and/or financial) for developing and implementing a national or sub-national SPP Programme.

More specifically, national and/or international experts may be contracted to develop and carry out - in consultation with government authorities and local stakeholders - activities such as: SPP training workshops, the Legal Review and revisions of public procurement legislation, Product Prioritisation, a Market Readiness Analysis, and more.



UNEP is actively supporting its Member States in the development and implementation of SPP policies through the SPP Approach. Since 2009, over 20 countries have received assistance in the framework of various cooperation projects financed by the European Union or other funding partners (see more [here on the outputs of UNEP SPP projects](#)).⁵¹

UNEP is also the custodian of SDG 12.7.1, it co-leads the One Planet SPP Programme and manages the Secretariat of the Asia Pacific Green Public Procurement (GPP) Network. Find more on UNEP SPP activities [here](#).⁵²

For further information on accessing UNEP support for SPP, please contact: unep-spp@un.org.

There are a number of international organizations and NGOs that can offer support to governments in the area of SPP. The following is a non-exhaustive list of such entities:

51 Countries are also supported in the framework of the Partnership for Action on green economy (PAGE) www.un-page.org and United Nations Development Account Projects (UNDA) www.unece.org/unda-projects

52 United Nations Environment Programme. *Sustainable Public Procurement*. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement

- Local Governments for Sustainability (ICLEI)⁵³ has been active for many years to promote SPP among local authorities. ICLEI is involved in a number of projects related to sustainable procurement and offers a number of networking and exchange opportunities. ICLEI manages, in particular, the *Procura+ Network*⁵⁴ and is a Co-lead of the One Planet SPP Programme (see Annex 3 for more details);
- the International Institute for Sustainable Development (IISD)⁵⁵ has also been actively supporting SPP for a number of years. IISD provides policy advice, research, and training to implement sustainable public procurement. The organization works with policy makers, international donors, multilateral development banks, and NGOs to design policies, programs, and technical assistance that address a wide spectrum of topics. Their *Sustainable Asset Valuation (SAVI)*⁵⁶ also provides quantitative evidence on the multiple financial, economic, social, and environmental gains that can be realized through sustainable public procurement; and
- the Organization for Economic Cooperation and Development (OECD)⁵⁷ has a strong Public Procurement Unit which offers support to governments in particular in the running of the Methodology for Assessing Procurement Systems (see *Box 8. Procurement assessment tools: the Methodology for Assessing Procurement Systems (MAPS)*) and annex 3 for more details on the OECD SPP work).

Governments can also receive support from **national, regional or international SPP networks** in the form of information exchanges, capacity building sessions or peer-to-peer learning activities.

At the national level, the *Sustainable Purchasing Leadership Council (SPLC)*⁵⁸ offers a good example of an organization which convenes buyers, suppliers, and public interest advocates to develop programs that simplify and standardize sustainable purchasing efforts.

53 Sustainable Procurement Platform. Programmes and projects. Available at: www.sustainable-procurement.org/programmes-and-projects/

54 Procura+ Network. About Procura+. Available at: www.procuraplus.org/about-procura/

55 International Institute for Sustainable Development. Public Procurement. Available at: www.iisd.org/topics/public-procurement

56 International Institute for Sustainable Development. Sustainable Asset Evaluation. Available at: www.iisd.org/savi/

57 Organization for Economic Cooperation and Development (OECD). Public procurement. Available at: www.oecd.org/gov/public-procurement/

58 Sustainable Purchasing Leadership Council. Overview. Available at: www.sustainablepurchasing.org/about/



Janitor cleaning office.© TommyStockProject/Shutterstock.com.

Examples of regional networks include the [Inter-American Network for Government Procurement](#)⁵⁹ managed by the Organization of American States or the [International Green Purchasing Network](#)⁶⁰ active predominantly in Asia and managed by the [China Environmental United Certification Center \(CEC\)](#). In this region, UNEP and the Korea Environmental Industry and Technology Institute (KEITI) have also established the [Asia Pacific GPP Network](#)⁶¹ (see *Box 7. The Asia Pacific GPP Network*).

The [Asia Pacific Roundtable for Sustainable Consumption and Production \(APRSCP\)](#)⁶² works in collaboration with multilateral development agencies to enhance and strengthen regional cooperation in the development and implementation of sustainable consumption and production (SCP) strategies, including sustainable procurement in Asia and the Pacific.

At the international level, the most active network in support of SPP is the [One Planet SPP Programme](#). (see *Box 6. The One Planet SPP Programme*).

59 Organization of American States. Inter-American Network on Government Procurement. Available at: www.portal.oas.org/portal/sector/sap/dptodmodernizaciÃ³ndelestadoygovernabilidad/npa/redinteramericanadecomprasgubernamentales/tabid/1788/language/en-us/default.aspx

60 International Green Purchasing Network. About IGPN. Available at: www.igpn.org/about/Index.html

61 United Nations Environment Programme. Asia Pacific Green Public Procurement (GPP) Network. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/asia-pacific-green

62 Asia Pacific Roundtable for Sustainable Consumption and Production. About APRSCP. Available at: www.aprscp.net/aprscp.html

Box 6. The One Planet SPP Programme

The One Planet Sustainable Public Procurement (SPP) Programme⁶³ is a global multi-stakeholder network of organisations that collectively endeavour to utilise the immense leverage of public procurement to contribute to environmental protection, social progress and economic development.

Public procurers around the world play a key role in implementing the required change in practice and the SPP Programme is a platform where they can connect.

The SPP Programme is currently co-led by ICLEI - Local Governments for Sustainability, the Governments of China (Environmental Development Centre of the Ministry of Ecology and Environment of China) and the Netherlands (Ministry of Infrastructure and Water Management) as well as the UN Environment Programme. Its members – governments, international humanitarian and development organisations, non-profit organisations, academia, and the private sector – come together to share best practices, scale up existing initiatives and partnerships, and collaborate on projects of shared interest.

In June 2021, the latest project of the SPP Programme was carried to fruition with the launch of the [Circular and Fair ICT pact](#),⁶⁴ that was already signed by the ministers of seven countries who commit to working together in making laptops and smartphones more circular through sustainable procurement.

To advance [sustainable procurement in the health sector](#)⁶⁵ a new Index will be launched in 2021 as a robust and transparent method to communicate supply

chain performance and provide clear pathways for stakeholders to improve their performance (see [these slides for an introduction](#)).⁶⁶

Other initiatives of the SPP Programme include an Interest Group on the [sustainable procurement for infrastructure and construction](#)⁶⁷ and a forthcoming sustainable food procurement Interest Group.

As a network of approximately 150 members from the global public procurement community, the SPP Programme provides a hub for communication and dissemination of information. All partners can share their news stories and webinar announcements on the [news homepage](#)⁶⁸ and include pieces in the regular newsletters of both the SPP Programme and the One Planet network as a whole.

Building on the expertise of its members, the SPP Programme provides an extensive [database of tools and guidance documents](#)⁶⁹ in the field of sustainable public procurement.

The SPP Programme represents a thriving platform for actors to identify common interests in sustainability and procurement and embark on joint collaborative work to achieve global sustainable consumption and production targets.

Organizations and individuals working in the area of SPP can register and join the network [here](#)



One planet
handle with care

Source: One Planet Network Logo, accessed 9 June 2021. www.oneplanetnetwork.org/

63 One Planet Network. Sustainable Public Procurement. Available at: www.oneplanetnetwork.org/sustainable-public-procurement/portfolio-work

64 One Planet Network. Sustainable Public Procurement: Interest Group – Circular & Fair ICT Pact. Available at: www.oneplanetnetwork.org/sustainable-public-procurement/interest-group-circular-fair-ict-pact

65 One Planet Network. Sustainable Public Procurement: Interest Group – Sustainable Procurement in the Health Sector. Available at: www.oneplanetnetwork.org/sustainable-public-procurement/interest-group-sustainable-procurement-health-sector

66 Slideshare (2021). Sustainable Procurement Index for Health (SPIH) Virtual Session, June 17. Available at: www.slideshare.net/UNSustainableProcurementHealthSector/sustainable-procurement-index-for-health-spih-virtual-session

67 One Planet Network. Sustainable Public Procurement: Interest Group – SPP in Construction/Infrastructure. Available at: www.oneplanetnetwork.org/sustainable-public-procurement/interest-group-spp-constructioninfrastructure

68 One Planet Network. Sustainable Public Procurement Programme News and Stories. Available at: www.oneplanetnetwork.org/spp-news-stories

69 One Planet Network. Programme Portfolio. Available at: www.oneplanetnetwork.org/sustainable-public-procurement/portfolio-work

Box 7. The Asia Pacific GPP Network

The Asia Pacific GPP Network builds on the experience of two past projects: the "Asia Pacific Green Public Procurement and Ecolabelling Network" (2013-2016) and KEITI-led "Asia Pacific Green Public Procurement Partnership project" (2017-2019), which paved the way for GPP development in the region and confirmed the strong interest for Capacity Building in GPP policy making and implementation.

Find out more about the ongoing projects, news, and stories on the [Asia Pacific GPP Network UNEP webpage](#), and in the [Asia Pacific GPP Network LinkedIn group](#).

The Asia Pacific GPP Network's main objectives are to:

- serve as an information platform for Green Public Procurement among the relevant governments, public organisations and stakeholders in the Asia Pacific region;
- promote awareness and build capacity for SPP among policymakers;
- support and amplify the work of the One Planet SPP Programme in the Asia Pacific region; and
- identify concrete needs of the countries for the introduction and implementation of Green Public Procurement.

Membership is voluntary, cost free and unlimited in duration, and is open to organizations or individuals in the Asia Pacific region interested in contributing to the progress of GPP in Asia and the Pacific.



Note: Meeting of the Asia Pacific GPP and Ecolabelling Network, Beijing, China, 15-17 December 2016.

3.4. Developing a Status Assessment

Undertaking a Status Assessment is an important milestone before further elaborating and consolidating the SPP governance structure and designing and implementing an SPP Programme. It facilitates an understanding of the current public procurement legal framework and practices, identifying both challenges and opportunities for SPP implementation, as well as actions needed to ensure its success. The Status Assessment will also serve as a baseline against which future progress in SPP will be measured.

The Status Assessment is comprised of the following three main activities:

- Legal Review – understanding the public procurement legal framework, national sustainable development priorities, and regional/international environmental and social commitments;
- Public Procurement Review – understanding public procurement processes and practices; and
- Stakeholder Analysis – identifying relevant SPP stakeholders and their interests.

Before initiating the Status Assessment, the scope of the SPP Programme should be determined - whether it covers the entire country (central administrations, autonomous public enterprises, all levels of government), selected national administrations, or perhaps selected sub-national administrative entities.

Legal Review

A study of the legal and regulatory framework relating to public procurement and sustainable development is unavoidable when striving to mainstream SPP into national or sub-national procurement practices. The Legal Review will provide an understanding of the possibilities of integrating sustainability considerations into public tendering processes, identifying gaps in the existing public procurement framework as well as opportunities. National priorities across the three dimensions of sustainable development – social, environmental, and economic – are identified through an analysis of related strategies, policies and legislation. The Legal Review should also provide information on the regional and international frameworks, including international agreements that could relate to SPP, and on protocols and multilateral agreements with impact on specific product groups. The extent to which the basic principles of public procurement⁷⁰ are supported by the existing legal framework - and practiced - will influence the speed and the quality at which SPP practices are likely to be implemented.

The Legal Review should cover primary and secondary legislation, legislative processes, and policy goals in areas relevant to SPP, such as:

- Finance
- Procurement
- Sustainable development
- Priorities for the production sector
- Regulatory aspects related to ecolabelling, standards, and certification
- Trade

The Legal Review should reveal to what extent the existing legal framework supports or hinders the incorporation of social, economic, and environmental concerns in public procurement, covering areas such as:

- national sustainable development priorities
- finance and budgetary regulation related to public procurement
- legal processes pertaining to public procurement: Who decides on the legislation? Who proposes changes to the current legislation?
- general objectives of public procurement, e.g., 'best value for money', 'transparency', 'equal treatment of bidders'
- existing public procurement mechanisms - public bidding, direct purchasing, etc.

⁷⁰ The OECD publication Principles for integrity in public procurement, 2009, specifies the following key principles for public procurement: Transparency; Good management; Prevention of Misconduct, Compliance and Monitoring; and Accountability and Control.

- national priorities for the productive sector, e.g., promoting local production, product diversification, growth of exports, etc;
- key environmental regulations/social and labour regulations relevant to SPP.

The Legal Review will provide an understanding of the country's sustainable development priorities, as well as the legal possibilities of leveraging the public procurement function in support of achieving their objectives. It will also assess whether there is sufficient legal security for procurers to integrate sustainability considerations in public tendering processes and whether these processes support such considerations.

The Legal Review is finalised with recommendations on amendments to existing public procurement legislation/regulation for the inclusion of sustainability considerations, specifying the responsible entities which can propose such changes. It, therefore, feeds directly into the development of an SPP Policy Statement and the Action Plan.



Resources:

Terms of Reference for the [Legal Review Expert](#).⁷¹

Examples of Legal Reviews:⁷²

[Argentina](#), [Belarus](#), [Brazil](#), [Chile](#), [Colombia](#), [Costa Rica](#), [Ecuador](#), [Mauritius](#), [Moldova](#), [Mongolia](#), [Morocco](#), [Peru](#), [Tunisia](#), [Ukraine](#), [Uruguay](#), [Vietnam](#)

⁷¹ ToR of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

⁷² Project Countries SPP UNEP. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/project-countries

Case study 3. Legal Review – Ukraine

Ukraine carried out a [Legal Review in 2014](#),⁷³ with the purpose of analysing the legal possibilities for introducing SPP in the country. The review first assessed the legal and regulatory framework for public procurement, in particular international treaties, the constitution and laws of Ukraine, as well as budgetary and fiscal legislation. Second, standard bidding documents in a number of domains, such as in construction and office supplies, were reviewed in order to identify existing practices of including sustainability considerations.

As part of the review, key opportunities and challenges were identified, followed by recommendations and suggestions of how to modify the current legislation in order to integrate SPP. The main opportunities offered by the current legislation were that the Law of Ukraine 'On Public Procurement' allows the contracting authority to include environmental requirements, namely technical and qualitative characteristics. Also, bidding documents must include reference to existing international and national standard features, requirements, symbols and terminology associated with the goods, works or services to be purchased. Key challenges for integrating SPP include the limitations of the bid evaluation criteria, with price being the most important. This is followed by a lack of information and knowledge about SPP sectoral criteria developed by the EU. Last, the risk of a possible lack of political will was identified, considering other national priorities at the time.

The review pointed out legal recommendations such as expanding qualification requirements, mandatory requirements and the inclusion of sustainability elements in evaluation criteria. In addition, recommendations were made to include sustainable procurement criteria in standard bidding documents. As a result of the Legal Review, and in the context of implementing the EU Ukraine Association Agreement in April 2020, a new version of the Law of Ukraine 'On Public Procurement' came into force. The new version comprises significant adaptation in the public procurement system which provides new opportunities for sustainable public procurement in Ukraine.⁷⁴

73 EaP Green (OECD, UNECE, UNEP, UNIDO) (2014). Legal Review for the Implementation of Sustainable Public Procurement in Ukraine, July. www.oneplanetnetwork.org/sites/default/files/legal_review_of_the_implementation_of_sustainable_public_procurement_in_ukraine.pdf

74 V. Malolitneva and R. Dzhabrailov (2020). New Steps Towards Sustainable Public Procurement in Ukraine in the Context of the EU-Ukraine Association Agreement, 16 CYELP 355, 10 October. www.cyelp.com/Index.php/cyelp/article/view/393

Review of Public Procurement/Sustainable Public Procurement Processes and Practices

The Status Assessment will also review and analyse current public procurement and SPP processes and practices. The review aims in particular at:

- understanding the organization of public procurement, level of decentralization, digitization and effectiveness of the monitoring system;
- assessing the current public procurement processes and practices in organizations;
- assessing the current status of SPP implementation in the country and establishing a baseline to check progress at a later stage;
- understanding the steps required to improve SPP implementation;
- identifying the tools and resources to improve the performance of SPP;
- increasing awareness-raising on international commitments to SPP; and
- comparing national/sub-national SPP practices with others.

The process should also include a review of relevant documents related to public procurement procedures such as handbooks and guidelines, training materials, standard bidding documents, and monitoring protocols. Additional information on the actual application of procurement procedures and methods and confirmation of findings should be sought through interviews with key individuals.

[A National Government Questionnaire on Sustainable Public Procurement](#)⁷⁵ was developed by the Marrakech Task Force and UNEP to support entities in the collection of relevant information (see [Table 4. National Government Questionnaire on SPP](#)).

Another useful resource for assessing the performance of public procurement systems is the World Bank / OECD Methodology for Assessing Procurement Systems (MAPS, see [Box 8. Procurement assessment tools: the Methodology for Assessing Procurement Systems \(MAPS\)](#)) which includes a specific SPP module (see [Box 8. Procurement assessment tools: the Methodology for Assessing Procurement Systems \(MAPS\)](#)).

75 UNEP (2018). SPP Status Assessment Questionnaire. www.wedocs.unep.org/bitstream/handle/20.500.11822/35413/SAQ.pdf

Table 4. National Government Questionnaire on SPP

Topic for investigation	Rationale
Procurement structure - centralized/ decentralized	The level of centralization/decentralization of public procurement can have an important bearing on the development of a national SPP approach. For example, if public procurement is centralised, it will send a strong signal to the market to transform their production and embrace innovation for sustainability. In absence of a centralized procurement system, framework agreements may lead to the achievement of the same objectives.
Procurement processes and practices	Understanding of the details of procurement processes and practices provides insight on whether the current procurement system promotes value for money, transparency, fairness and good governance. It also elucidates the present public procurement methods, support structures and tools.
National approach to public procurement and SPP	Investigating the national approach to public procurement and SPP is about understanding the overall policies, priorities and approaches, providing a picture of the substance and robustness of the public procurement system and the level to which SPP is integrated already.
Supportive measures to SPP – regulations, tools, human resources, etc	Assesses how well procurers are supported in carrying out SPP. Important considerations here are the presence or absence of socio-economic and environmental laws, guidelines, tools, supporting human and financial resources, etc. that can facilitate embedding sustainability in purchasing decisions.
National/federal government training on procurement/ SPP	Existence of training curriculum, mandatory/voluntary, period and frequency of training etc. for procurers and the presence of minimum qualifications for undertaking public procurement are good signs of professionalisation of procurement functions and is valuable for the uptake of SPP.
Procurement monitoring & reporting	Monitoring of procurement and SPP provides important information about performance and progress towards the assigned policy targets. Monitoring can take place at both national and sub-national level and embrace organisational topics as well as statistics on the volume of green procurement.

Stakeholder Analysis

An important part of the Status Assessment concerns the identification of the key stakeholders who may significantly impact or be impacted by the inclusion of sustainability considerations in public tendering. A Stakeholder Analysis establishes a clear picture of the interests of the key stakeholders in relation to SPP and, at a later time, will serve as an important reference for identifying not only those institutions capable of filling in the roles in the SPP governance structure, but also participants for the SPP Programme inception workshop and subsequent activities.

It is recommended to list stakeholders by category (see [Figure 10. Stakeholder mapping](#) for suggested categories of stakeholders), including information such as:

- key individuals and their contact information;
- key interests of the stakeholders; and
- notes, for example, on how the stakeholder may wish to be involved.

Concurrently with the compilation of the stakeholder information, a stakeholder map can be prepared to graphically represent all key stakeholders, their categories, and their relationships to each other (see [Figure 10 Stakeholder mapping on page 43](#)).

Relevant stakeholders are identified through the NFO, the Steering Committee, and other key government organisations – supplemented by a snow-ball methodology where information from one stakeholder leads to the identification of the next one.

The knowledge compiled through the Legal Review, review of public procurement processes and practices, and the stakeholder analysis should be collated in a **Status Assessment** report providing a consolidated baseline analysis - to be further confirmed through consultations with key stakeholders and presented to the Steering Committee for review and discussion.

The Status Assessment report will be used to inform the development of the SPP Policy Statement and Action Plan.



Resources:

Terms of Reference for the [Status Assessment](#).⁷⁶

Examples of Status Assessment Reports:⁷⁷

[Argentina, Belarus](#)

⁷⁶ ToR of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

⁷⁷ Project Countries SPP UNEP. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/project-countries

Figure 10. Stakeholder mapping



3.5. Organising an Inception Workshop

To ensure overall backing from key stakeholders, a consultative process should be launched at the end of this Phase with the involvement of relevant national and sub-national entities, business associations and experts identified in the stakeholder analysis. It is recommended that this consultative process takes the form of an inception workshop allowing presentation and discussion of the central topics with the Steering Committee.

The Inception Workshop centres around a discussion and endorsement of the findings of the Status Assessment.

To ensure overall backing from key stakeholders, a consultative process should be launched at the end of this Phase with the involvement of relevant national and sub-national entities, business associations and experts identified in the stakeholder analysis

Box 8. Procurement assessment tools: the Methodology for Assessing Procurement Systems (MAPS)

Status Assessments can draw upon information from various sources, including a MAPS assessment if one is available for the country and relatively recent. MAPS, or the ‘Methodology for Assessing Procurement Systems,’ was originally developed under a joint World Bank/OECD initiative in 2003/4 with the objective of providing a harmonized tool in the assessment of public procurement systems in their entirety.

The MAPS tool assesses the following aspects of the public procurement system:

- value for money: the basic goal that every procurement system should be providing the required goods, works and services in an economic, efficient, effective and sustainable way;
- fairness: the ambition that the public procurement process should be free from bias, ensure equal treatment and take decisions accordingly, thus ensuring integrity;
- transparency: the basic and commonly agreed-upon principle of disclosure to make policies, legal and institutional frameworks and information related to decisions available to the public in a comprehensible, accessible and timely manner; and
- good governance: recognising the importance of the wider governance context on the way public procurement is conducted and how reforms to procurement are implemented. This aspect includes a reflection of horizontal procurement goals, policy considerations and integrity principles.⁸¹

The four pillars of the MAPS indicator framework (‘core methodology’) provide a comprehensive approach for assessing procurement systems. The indicator

framework consists of four thematic pillars, with each pillar including indicators, subindicators – qualitative and quantitative and assessment criteria:

- Legislative, Regulatory and Policy Framework
- Institutional Framework and Management Capacity
- Procurement Operations and Market Practices
- Accountability, Integrity and Transparency of the Public Procurement System

Supplementary modules complement the core assessment methodology. A supplementary SPP module was released in April 2021 and can be accessed [here](#).⁸²

A pilot of the SPP Module was conducted in Norway in 2019 to support the development of the supplementary modules. This assessment follows the core MAPS assessment, which Norway undertook in 2018. Lessons from the application are going to be used to improve and finalise the module. The Norwegian SPP assessment using the MAPS tool can be accessed [here](#).⁸³



Source: The MAPS Analytical Framework, Maps Initiative, accessed 9 June 2021. www.mapsinitiative.org/methodology/

81 OECD (2016). Methodology for assessment of national procurement systems (MAPS). www.oecd.org/governance/ethics/Methodology-Assessment-Procurement-System-Revised-Draft-July-2016.pdf
 OECD (2018). Methodology for assessing procurement systems (MAPS). www.mapsinitiative.org/methodology/MAPS-methodology-for-assessing-procurement-systems.pdf

82 MAPS (2021). Sustainable Public Procurement: Supplementary module – version 3, April. www.mapsinitiative.org/methodology/MAPS-Sustainable-Public-Procurement-Module-v3.pdf

83 MAPS (2020). Sustainable Public Procurement in Norway: Testing the MAPS Module on Sustainable Public Procurement (SPP), June. www.mapsinitiative.org/assessments/MAPS-Norway-SPP.pdf

4

Phase II Commitment



4. PHASE II: COMMITMENT

SPP is a relatively fast and cost-effective market-based route for engaging industry in sustainable development. Fiscal measures, such as taxes (e.g., on waste or carbon) can be effective but run the risk of crystallizing opposition from the business sectors and consumers, because of their impacts on operating costs and the end price of products. Optimal results will be obtained by adopting a coherent policy mix, which includes SPP as one component to reach overarching goals.

Having SPP as part of a waste policy, circular economy plan, or SCP policy, backed by the Ministry of Environment, is a positive feature, but is typically not sufficient to mainstream SPP in the public sector as a whole. In countries with no prior experience in SPP, it is strongly recommended to develop an SPP Policy Statement to harness political support for and legitimize SPP, all while providing a coherent framework for implementation.

The value of an ambitious SPP Policy Statement cannot be over-estimated, as it indicates commitment from the highest level of government and links SPP efforts to national sustainable development goals. Aiming at ensuring top-level commitment to the planning and implementation of SPP in the country, this phase also includes overall considerations on the national governance structure for SPP.

This Phase, led by the SPP Unit, will yield the following results:

- preparation and endorsement of an SPP Policy Statement; and
- delivery of an SPP Policy Statement validation workshop.

4.1. Drafting a Policy Statement

An SPP Policy Statement expresses government commitment to SPP, sending a clear message to public officials and the market.

An SPP Policy Statement generally includes:

- a vision, providing the long-term desired scenario;
- policy objectives, detailing priorities and expected outcomes, as well as specific targets in terms of volume of SPP, etc;
- a short, high-level statement of intent - a general statement of policy recognising the importance of SPP and marking a commitment to continuous improvement;
- reference to compliance with relevant legal requirements in the country; and
- indication of resources dedicated to SPP implementation (e.g., establishment of an SPP Unit).

Case study 4. SPP policy extract – Canada

It is the objective of this policy to advance the protection of the environment and support sustainable development by integrating environmental performance considerations into the procurement decision-making process.

The expected results of this policy are:

- a contribution to environmental objectives, such as:
 - reducing greenhouse gas emissions and air contaminants;
 - improving energy and water efficiency;
 - reducing ozone depleting substances;
 - reducing waste and supporting reuse and recycling;
 - reducing hazardous waste;
 - reducing toxic and hazardous chemicals and substances;
 - supporting biodiversity;
- leveraging of the purchasing power of the federal government to achieve economies of scale in the acquisition of environmentally preferable goods and services, thereby reducing the cost for government and strengthening greener markets and industries;
- a more environmentally responsible planning, acquisition, use and disposal practices in the federal government;
- a healthier workplace for employees and for citizens in general; and
- a federal government that is resilient to climate change.

The Policy Statement further specifies the responsibilities of the key government agencies in the context of SPP.⁸⁴

84 Government of Canada (2018) Policy on Green Procurement, August 13. www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32573 [Accessed 12 May 2021].



Photo: Shelf with construction materials. Credit: Momizi/Shutterstock.com

The SPP Policy Statement can, among other things, refer to commitments to:

- communicate the SPP policy to staff, beneficiaries, partners and suppliers;
- develop tools that facilitate SPP implementation;
- include SPP policy information in training programmes;
- include sustainability issues and measures in an independent annual report;
- improve continuously the performance of the SPP policy based on measurable objectives that are monitored; and
- include progress results and impacts in an annual report, to be independently validated and published.

An SPP Policy Statement should be concise and clearly state the goals of the policy. Having clarity and political backing on this greatly improves the likelihood of successful implementation and mainstreaming.

The objectives and targets defined in the Policy Statement should be SMART: Specific, Measurable, Achievable, Realistic, and Time-based, allowing for meaningful monitoring of the level of achievement. Also, the Policy Statement should indicate which government levels (from local to national) will be subject to the policy.

Political support, by the office of the president, prime minister, parliament, or other legislative body, with a clear indication of the link to other policy goals, should be sought.

The SPP Policy Statement should be signed off at the highest level of government, to ensure accountability for delivery and to provide a mandate to those in charge of implementation. It should include information on when the document was issued and who approved it. Periodic revision is recommended, seeking alignment with sustainable development strategies or the SPP Action Plan.

Identification of SPP policy priorities

Based on the Status Assessment, a list of national SPP policy priorities can be prepared, mirroring the national sustainability objectives, and providing a clear direction for SPP product prioritisation (more about product prioritisation in 6.3). Relevant priority areas include, but are not limited to:

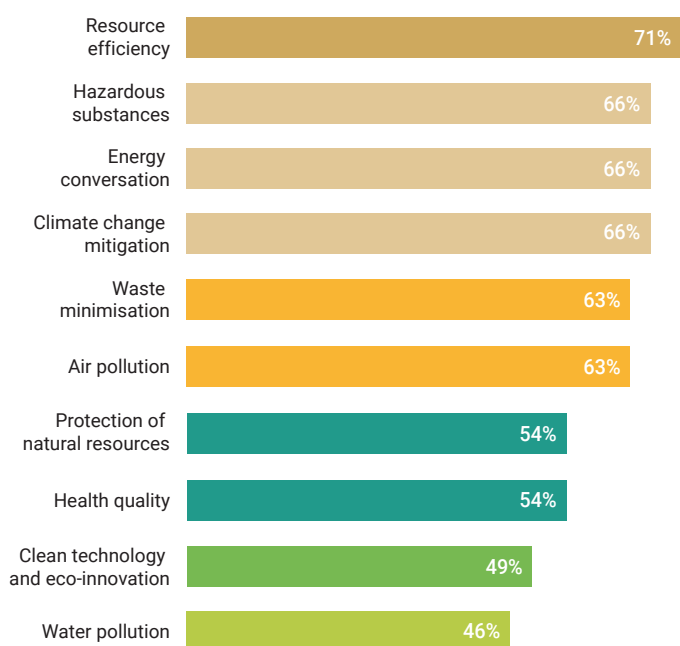
- Climate change
- Ozone depletion
- Resource efficiency
- Transitioning to a circular economy
- Job creation
- Equality and diversity
- Decent working conditions and compliance with ILO conventions
- Economic development and regeneration

SPP policies vary between countries in terms of format and content (see *Figure 11. Specific sustainability issues addressed by SPP policies*). One reason for this is the challenge of finding a suitable balance between the three pillars of sustainable development and the need to prioritize specific areas. Some governments seek to leverage the public procurement function in support of social and economic development, such as promoting local industries and MSMEs, while others focus on addressing environmental issues.

There are also instances where SPP policies are sector or product group-specific, for example, the Organization of Eastern Caribbean States (OECS) in 2021 developed a Model Policy for the Sustainable Public Procurement of Construction Materials (see *Case study 5. Model Policy on SPP of Construction Materials extract – Organization of Eastern Caribbean States (OECS) Commission*). These national priorities will have a strong effect on the selection of the goods and services subject to SPP practices.

SPP criteria reflect the broad scope and different priorities of SPP policies and effort, as shown in *Box 9. Examples of SPP actions delivering SDG benefits*

Figure 11. Specific sustainability issues addressed by SPP policies



Note: Most commonly cited issues identified by participating national governments in the 2017 Global Review of Sustainable Public Procurement Stakeholder Survey.⁸¹ Respondents could choose multiple options.

Case study 5. Model Policy on SPP of Construction Materials extract – Organization of Eastern Caribbean States (OECS) Commission



In 2021, with support from UNEP and the Government of Norway, the Organization of Eastern Caribbean States (OECS) Commission developed a Model Policy for Sustainable Public Procurement of Construction Materials. Below is a short excerpt from the Policy.

Preamble - The Organisation of Eastern Caribbean States (OECS) acknowledges that public procurement decisions made by the Organisation and its Member States have inherent social, environmental and economic impacts, which may occur either at present or in the future and at the level of the Organisation, of individual Member States or, indeed, regionally or globally.

The OECS recognizes the power of public procurement as an essential strategic lever for governments to drive innovation in sustainability and promote sustainable development in a manner that is wholly consistent with the objective of the Eastern Caribbean Economic Union to facilitate 'economic and social progress and cohesion that are balanced and sustainable' and with the national procurement legal regimes of Member States.

Objective - Acknowledging the impact that public procurement can have on promoting sustainable development, the OECS aims to integrate social, environmental and economic sustainability considerations into the public procurement of construction materials and contracts for the execution of civil works in a proportionate manner in such a way as to meet its needs for such materials while achieving value for money, generating benefits to society, minimizing or avoiding damage to the environment and promoting climate resilience and climate change mitigation.

Implementation actions - The OECS will apply Sustainable Public Procurement to:

Contribute to the implementation of the OECS Development Strategy, the national sustainable development strategies of Member States and the UN Sustainable Development Goals (SDGs) across the following three areas of sustainable development..

The full policy can be accessed [here](#).⁸⁵

85 United Nations Environment Programme. Strengthening Sustainable Public Procurement in the OECS. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/strengthening

Box 9. Examples of SPP actions delivering SDG benefits

SDG 6.3
Improve water quality, wastewater treatment and safe reuse

In the EU GPP criteria for textiles, the approach includes purchases of textiles made from fibres which are produced using fewer fertilizers, hazardous pesticides and production chemicals. The criteria highlight wastewater generated from textile production such as wool and how it should be treated before being discharged to the environment, ultimately contributing to SDG 6.3.⁸⁶



SDG 7.3
By 2030, double the global rate of improvement in energy efficiency

Looking at the EU GPP criteria for Electrical and Electronic Equipment used in the Health Care Sector, key environmental aspects include energy consumption in the use phase. The product category criteria emphasize the purchase of equipment that are energy efficient, have a low power mode, are supplied with green performance management instructions and with metering devices. The criteria thereby contribute to SDG 7.3.⁸⁸



SDG 12.5
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

The EU GPP criteria for copying and graphic paper include the recommendation of purchasing paper that is 100% recycled. This put into practice the purchase of paper bearing the European, Nordic Swan or Blue Angel ecolabels, essentially contributing towards SDG 12.5.⁸⁷



SDG 13.2
Integrate climate change measures into national policies, strategies and planning

The EU GPP criteria for data centres, server rooms and cloud services consider their impact on energy usage and contribution to greenhouse gas emissions. The key area for improvement has been identified as reducing greenhouse gas emissions across the life cycle of such centres, server rooms and services. This is proposed to be monitored using the Renewable Energy Factor (REF)⁸⁹ together with the measuring of the use of refrigerants and Global Warming Potential⁹⁰. The criteria with associated metrics ultimately contribute to SDG 13.2.⁹¹

More examples on how Sustainable Public Procurement can contribute towards the achievement of the SDGs can be found in this report from the Nordic Council of Ministers.⁹²

- 86 European Commission (2017) Revision of the EU Green Public Procurement (GPP) Criteria of Textile Products and Services: Technical reports with final criteria, June. www.ec.europa.eu/environment/gpp/pdf/criteria/textiles_gpp_technical_report.pdf
- 87 ICLEI (2008) European Commission Green Public Procurement (GGP) Training Toolkit – Module 3: Purchasing Recommendations: Copying and Graphic Paper, Background Product Report www.ec.europa.eu/environment/gpp/pdf/toolkit/paper_GPP_background_report.pdf
- 88 Swedish Environmental Management Council (2014). Technical report – Criteria for electrical and electronic equipment used in the health care sector (health care EEE), April 24. www.ec.europa.eu/environment/gpp/pdf/criteria/health/TR_Health_Care_EEE.pdf
- 89 ISO (2016). ISO/IEC 30134-3:2016: Information technology – Data centres – Key performance indicators – Part 3: Renewable energy factor (REF), March. Available at: www.iso.org/obp/ui/-iso:std:iso-iec:30134-3:ed-1:v1:en
- 90 Intergovernmental Panel on Climate Change (2007). Changes in Atmospheric Constituents and in Radiative Forcing. In AR4 Climate Change 2007: The Physical Science Basis. IPCC. Chapter 2. 210-215. www.ipcc.ch/report/ar4/wg1/
- 91 Dodd, N., et al. (2020) Development of the EU Green Public Procurement (GPP) Criteria for Data Centres, Server Rooms and Cloud Services: Final Technical Report, Publications Office of the European Union, Luxembourg. www.ec.europa.eu/environment/gpp/pdf/jrc118558_2020_0605_data_centres_technical_report_jrc_clean_with_id.pdf
- 92 Nordic Council of Ministers (2021). Sustainable Public Procurement and the Sustainable Development Goals. www.norden.diva-portal.org/smash/get/diva2:1554600/FULLTEXT01.pdf

Effective coordination between social, economic and environmental policies should be pursued. For example, economic development and environmental protection should work together to address trade-offs between national economic growth and sustainability objectives. This includes a well-funded and well-managed institutional set-up for SPP implementation, with high-level political backing. In balancing the SPP policy with other policy objectives, the Steering Committee can play a pivotal role, bringing together key actors from both the public and private sectors and establishing consultative groups representing different stakeholder interests.

An effective policy is more likely to be developed if public procurement practitioners are directly involved. The opportunities offered by public procurement – as well as the limitations of reaching policy goals with public procurement as a tool – can be more readily appreciated with the input of practitioners. Engaging chambers of commerce at an early stage in the process can be an effective way of bringing the private sector and potential suppliers on board and informing the market about the government's plans.

Once the Policy Statement is drafted, it should be reviewed and endorsed at a validation workshop.

4.2. Securing a budget

A supporting budget for human resources promoting and supporting the SPP Policy makes it likely that the desired results will be achieved. In countries prone to external support, initial financing may be achieved from the donor community, including UNEP. The deliberations should include an overall financial estimate of the budgetary cost of SPP implementation over the following years.



Resources:

Terms of Reference for the [SPP Policy Statement](#).⁹³

4.3. Organising a Validation and Training Workshop

National agreement on the SPP Policy Statement is vital for effective SPP implementation. It is recommended that a validation workshop is conducted, allowing presentation and discussion of the central topics with the Steering Committee and key stakeholders. Agenda items for the workshop can include:

- a discussion and endorsement of the draft SPP Policy Statement;
- a discussion and agreement on the scope of the SPP policy (central government, local government);
- a discussion and agreement on the budget for SPP implementation; and
- training stakeholders on the SPP Approach (side event).

A validation workshop report will convey the conclusions of the meeting.

An effective policy is more likely to be developed if public procurement practitioners are directly involved. The opportunities and possibilities offered by public procurement – as well as the limitations of reaching policy goals with public procurement as a tool – can be more readily appreciated with the input of practitioners

⁹³ ToR of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

5

Phase III

Planning



5. PHASE III: PLANNING

Whereas the SPP Policy Statement creates the high-level legal framework and political mandate for SPP, the SPP Action Plan is the road map for its implementation. Without these key milestones, SPP activities may be ad-hoc and largely based on the personal efforts of individuals. As public officials tend to change regularly and institutional memory is lost, adopting an SPP Action Plan allows for continuity in the advancement of SPP implementation.

The objective of this Phase is to:

- prepare and develop an SPP Action Plan; and
- ensure broad acceptance of the Action Plan through consultations with key stakeholders.

5.1. Preparing an Action Plan

Preparation of an SPP Action Plan involves a sequence of steps leading to the development of a comprehensive, and realistic implementable plan. The SPP Unit will lead this process, preparing a draft Action Plan in light of input from decision-makers and practitioners, thereby increasing the likelihood of its acceptance among stakeholders and its chances of implementation. SPP Action Plans which are developed outside the NFO (e.g., by external consultants through cooperation projects) run the risk of being insufficiently supported or not implemented.

Structure and Content

An action plan typically involves the following sections.

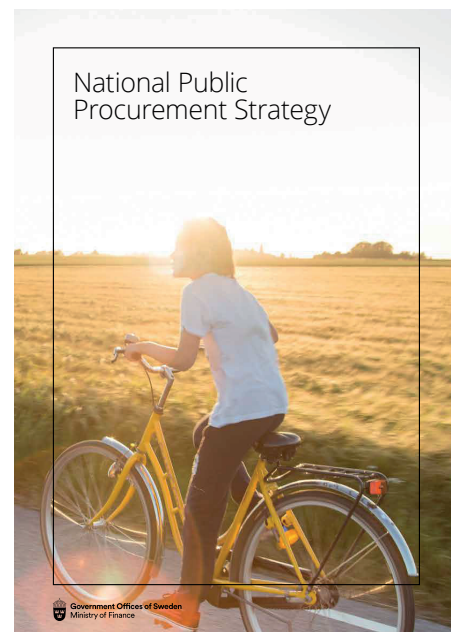
Introduction

An introduction typically begins with a section that presents the national sustainable development objectives and describes how SPP can contribute to their achievement. It provides a historical overview of national SPP advancements, a description of its current status, and relevant laws and regulations. In addition, it is important to indicate the goals and targets of the plan specifying what should be achieved over its lifespan. These should be specific, measurable, acceptable, realistic and time-bound, or, in short, SMART.

Preparation of an SPP Action Plan involves a sequence of steps leading to the development of a comprehensive, realistic and implementable plan

Case study 6. Action Plan - Setting objectives and stipulating actions – Sweden

In 2016, Sweden developed a National Public Procurement Strategy with the purpose of outlining concrete actions across seven policy objectives that contracting authorities and entities could employ in taking a strategic approach to public purchasing. These policy objectives include 'public procurement that is environmentally responsible' (Objective 6) 'public procurement that contributes to a socially sustainable society' (Objective 7) and 'public procurement that drives innovation and promotes alternative solutions (Objective 5). Some of the key actions include ensuring that 'the National Agency for Public Procurement's environmental criteria and other tools such as the criteria directory and benefit calculation tools' are utilized (relating to Objective 6); ensuring the stipulation of 'employment specifications in public procurement' (relating to Objective 7); and ensuring the setting of 'criteria by function, starting from the results to be achieved rather than by stating specific criteria for goods and services' (relating to Objective 5).⁹⁴



The SPP Action Plan should define indicators, allocate tasks to specific institutions and stakeholders, and provide an indicative timeline and budget for SPP implementation.

⁹⁴ Government Offices of Sweden, Ministry of Finance (2017). National Public Procurement Strategy, 10 November. www.government.se/4aba88/contentassets/9ec42c71c00442a39d67169d3c25faed/national-public-procurement-strategy.pdf



1064. 중앙보훈병원역 1번출구
Exit 1 of VHS Medical Center Station

재로배리보 따릉이 30% 할인
필제시

Other latest version of the Ttareungi bike cannot be returned at this station.

Ttareungi, Seoul Public Bicycle: User Guidelines

Target users | anyone ages 15 or older/those who are under the age of 15, and those who are not the registered user are not permitted to use Ttareungi bikes.

Hours of operation | 24 hours day, 365 days a year/other services may be restricted/unavailable (due to inclement weather and/or system malfunctions)

Fee system	1-day pass	7-day pass	30-day pass	180-day pass	365-day pass
1 hour	KRW 1,000	KRW 3,000	KRW 5,000	KRW 15,000	KRW 20,000
2 hours	KRW 2,000	KRW 3,000	KRW 7,000	KRW 20,000	KRW 40,000

Accepted forms of payment | Zero Pay, credit card, mobile micropayment, easy payment

All bikes must be returned within the pre-paid rental period (for both one- and two-hour passes). Failure to do so will result in a penalty fee of KRW 200 for each additional line minute.

If the pass is returned within the stated rental time, the user can rent another bike without needing to purchase a separate pass (unlimited, consecutive rentals are permitted).

Rental (Ttareungi, Seoul Public Bicycle)

Bikes may be rented after downloading and installing the "Seoul Public Bicycle" app from the App Store or Google Play Store. For further information, please refer to the Ttareungi, Seoul Public Bicycle website (www.bike.seoul.go.kr).

Members

Apply for membership | **Purchase pass** | **Select bike and rental center**

Non-members

Purchase pass | **Select bike and rental center** | **Use bike**

Bike return

Temporary lock

Seoul public bicycle, South Korea. Credit: Ju Jae-young/Shutterstock.com

Establishment of an organizational structure for SPP implementation

Roles and responsibilities are allocated between government agencies – with the Steering Committee, the NFO and the SPP Unit at the centre. This section draws from the SPP Policy Statement which outlined the division of roles in SPP implementation (see section 6.1).

Revision of the legal framework – Public procurement legislation is thoroughly examined, barriers to SPP identified, drivers and enablers formulated, and a legal basis developed favouring SPP implementation and mainstreaming. This section draws on the Legal Review (see section 6.2).

Prioritisation of products and market analysis – Product categories with corresponding sustainability criteria are selected in an iterative process, alternating between product prioritisation based on numerous factors and market testing (see section 6.3).

Development of sustainable procurement tools – SPP procurement tools such as Sustainable Procurement Guidelines for Priority Products, an SPP handbook, Standard Bidding Documents, training modules, and more specific tools, supporting SPP efforts, such as LCC-tools enabling calculation of life cycle costs, etc. are developed (see section 6.4).

Pilot tendering – Sustainable Procurement criteria and market responsiveness are tested through the launching of pilot tenders.

Capacity building – A Capacity Building Plan is developed and training is provided to key stakeholders (see section 6.5).

Communications – A Communication Strategy is developed, ensuring that both internal and external stakeholders are well informed and consulted during the SPP implementation process. Building on the Stakeholder Assessment carried out in Phase I, the Communication Strategy should detail a plan for engaging key stakeholder groups. It should outline the main communication activities, tools, objectives, target groups, types of messages, etc. (see section 6.6).

Monitoring – A Monitoring Plan is developed, providing information on progress towards national SPP goals and targets. The Plan should define how to quantify and determine outcomes and impacts (related to the SPP goals and targets) through indicators, and should set frequency and responsibilities of measurements (see section 6.7).

Budget specification – Based on a financial estimate of the costs associated with the implementation of the activities outlined in the SPP Action Plan, funding for on-going operations should be clearly defined. Cooperation funds can be considered, and a fundraising strategy can be prepared, but external funds should not be the principal source since this makes the SPP Programme unsustainable in the long run.

Annex 1 proposes a detailed outline of a model SPP Action Plan and *Figure 8. Outputs of the SPP Approach* presents its main outputs. The Action Plan should be signed off at the highest organisational level, ensuring accountability for delivery

and providing a mandate to those in charge of implementation. The involvement of relevant staff, such as procurement practitioners and technical experts, is also an effective way to encourage buy-in from the start. It is advisable to conduct a workshop, providing key stakeholders the opportunity to discuss and fully understand the Action Plan and its perceived consequences. It is recommended that the SPP Action Plan is signed by all institutions represented in the Steering Committee.

Case study 7. SPP Action Plan - Involvement of stakeholders – Norway

In 2021 the Norwegian Government began the preparation of an 'Action Plan to increase the share of green and innovative public procurement'. building on their White Paper for a Climate Plan 2021-2030. The White Paper details zero-emission requirements for the public purchasing of buses, small vans and passenger cars. The Action Plan will help the public sector to focus on the categories and areas where green and innovative public procurement will have considerable environmental benefits or make a difference in terms of maturing the markets for green innovation and technology. Some of these areas are transportation, low- and zero-emission solutions, construction, circular economy, plastics, food and food-waste and hazardous substances. Involving a broad range of stakeholders through open dialogue has been central to the process of developing the Action Plan. The process has included open hearings and workshops, written input as well as interviews and bilateral meetings with stakeholders.⁹²

Case study based on draft written by Helene Hoggen from the division of public procurement in the Norwegian Agency for Public and Financial Management (DFØ), 2021.



Resources:⁹⁵

Terms of Reference for drafting the [SPP Action Plan](#).⁹⁶

Examples of national SPP Action Plans:⁹⁷

[Argentina](#), [Colombia](#), [Costa Rica](#), [Ecuador](#), [Lebanon](#), [Mauritius](#), [Moldova](#), [Mongolia](#), [Peru](#), [Tunisia](#), [Ukraine](#), [Uruguay](#), [Vietnam](#)

⁹⁵ Case study based on draft written by Helene Hoggen from the division of public procurement in the Norwegian Agency for Public and Financial Management (DFØ), 2021.

⁹⁶ ToR of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

⁹⁷ Project Countries SPP UNEP. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/project-countries

6

Phase IV Implementation



6. PHASE 4: IMPLEMENTATION

SPP implementation is not a straightforward exercise, as it involves numerous stakeholders and technical challenges. The process is characterized by iterative steps where sustainable procurement criteria, procedures and tools are prepared and tested – and experience fed back in the cycle to improve outputs and outcomes.

The objectives of this Phase are to:

- develop all the necessary mechanisms, procedures, tools, knowledge and capacity for effective implementation of the SPP Action Plan; and
- mainstream SPP practices in national and/or sub-national public tendering.

The implementation process mirrors the Action Plan and is structured according to the following activities leading to a set of concrete results:

- establishing the organizational structure
- revising the legal framework → Laws and regulations supporting SPP in place;
- prioritising products, check market readiness, determine feasible and verifiable sustainability requirements* for the prioritized products, develop sustainable purchasing criteria and integrate them in procurement guidelines → Sustainable Procurement Guidelines for the Priority Products drafted;
- conducting pilot implementation → Criteria and procedures tested; Sustainable Procurement Guidelines for the Priority Products finalized;
- mainstream SPP to Integrate sustainability considerations in existing procurement processes, procedures, and tools. An SPP Handbook and tools are in place;
- building the capacity of → Stakeholders trained on SPP;
- communicating actively with stakeholders and general public to keep them informed;
- monitoring and evaluating to keep decision-makers informed about progress and obstacles; and
- identify funding opportunities to keep funding for the implementation process secured.

* **Sustainability criteria** can be defined as “requirements to the sustainable quality of a product and its sustainable production, which have to be fulfilled in order to acquire a sustainability status or certification” (e.g., high level of recycled content, good recyclability, energy efficiency, the

absence of hazardous substances, etc.).⁹⁸ The reader should distinguish sustainability criteria from sustainable procurement criteria. **Procurement criteria** refer to the requirements used in the tendering process at each step of the procurement cycle to purchase specific products, select bidders and manage contracts. When these requirements concern sustainability aspects, one speaks of **sustainable procurement criteria** (e.g., award criteria giving additional points to energy-efficient vehicles or social selection criteria targeting MSMEs for a specific contract). Product sustainability criteria can be turned into technical specifications.

6.1. Establishing an Organisational Structure

The SPP organisational structure can be defined as the formal and informal division of roles and responsibilities of an SPP national (or sub-national) programme. To ensure effective performance and cooperation, the organizational structure and mechanisms should be developed, reflecting the key processes of SPP implementation (see Phase IV) – subject to improvement when implementation takes speed. The organisational set-up should reflect and facilitate collaboration with the appropriate related governmental and non-governmental entities.

The tasks that the SPP Unit could delegate or share with other institutions include (but are not limited to):

- criteria development – a challenging task that should lie with a designated institution. Cooperation should be ensured with the institution developing ecolabelling criteria (in countries where such exists) as well as the National Bureau of Standards. E.g., in the European Union the task of developing GPP criteria is delegated to the Sevilla based, [Joint Resource Centre](#);
- control and evaluation of supplier compliance in order to give sustainability criteria weight and forward a strong signal to the suppliers;⁹⁹ and
- monitoring of the SPP Action Plan implementation, with identification of indicators and collection and analysis of data.

The SPP Unit can further seek the support of experts, consultants and international organizations in the implementation of the SPP Action Plan, for example by forming consultative groups covering criteria development, ecolabelling, Capacity Building, or communications (see the section on Accessing national and international support on SPP).

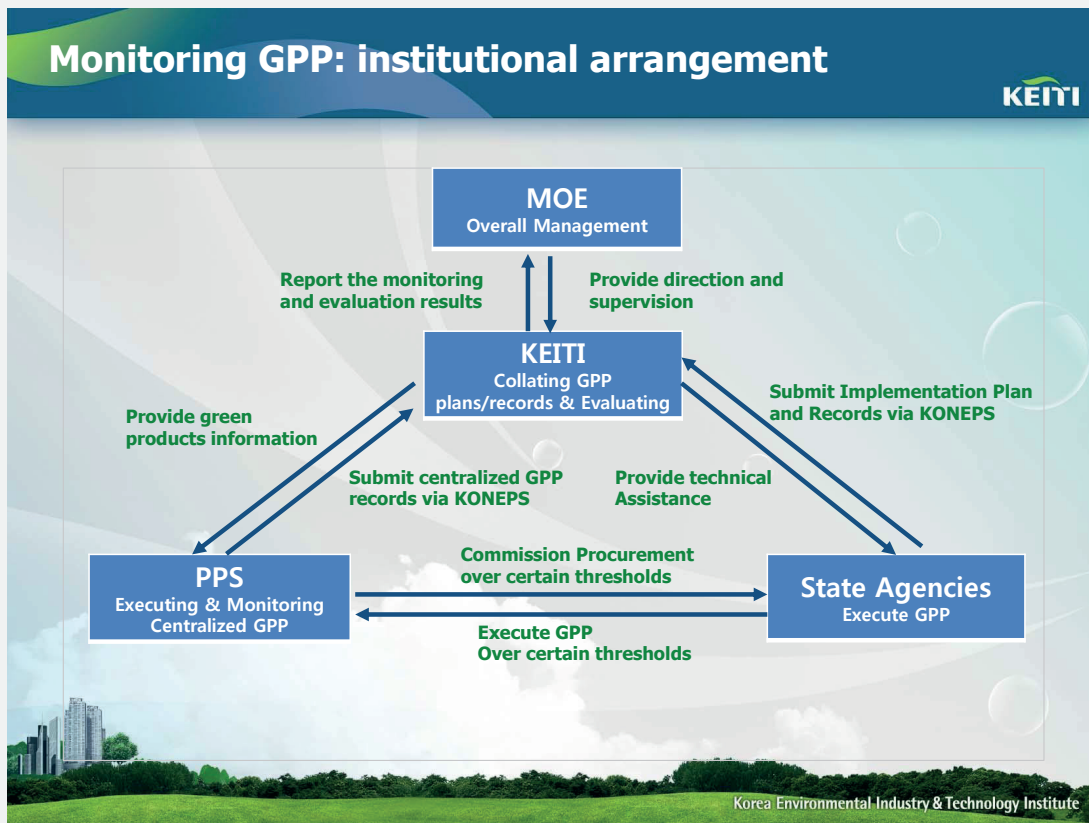
⁹⁸ Pavlovskaja E. Using sustainability criteria in law. *Int J Environ Protect Policy*. 2013;1(4):76–78. doi: 10.11648/j.ijep.20130104.15

⁹⁹ The Sustainable Purchasing Leadership Council (SPLC) recommends the following supplier rating tools: [CDP](#), [ECOVADIS](#), [MSCI](#), [ISS ESG](#), [ROBECOSAM](#) and [SUSTAINALYTICS](#).

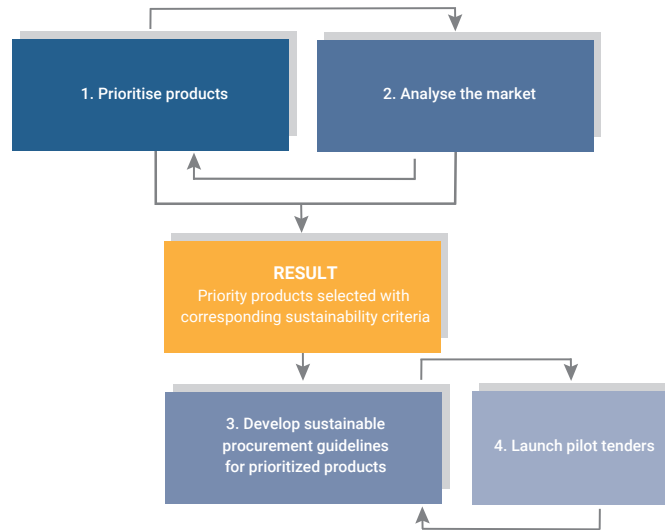
Table 5. Responsibilities in GPP implementation in the Republic of Korea

The Ministry of Environment (MoE)	<ul style="list-style-type: none"> • Overall management of the GPP policy, definition of strategic goals and priorities • Establishment and monitoring of regular five-year action plans for the deployment of the GPP Act
Public Procurement Service (PPS)	<ul style="list-style-type: none"> • Operation of the Korean Online E-Procurement System (KONEPS) to facilitate the actual purchase of green products • Compilation of procurement records of public institutions • Communication of green product information provided by KEITI to public institutions
Korea Environmental Industry and Technology Institute (KEITI)	<ul style="list-style-type: none"> • Central role in GPP Implementation • Management of the Green Procurement Information System (GPIS-I, gd.greenproduct.go.kr/) and the Green Product Information System (GPIS-II, www.greenproduct.go.kr/) • Provision of education and awareness raising on GPP • Monitoring and evaluation of GPP records and performance • Transfer of know-how both nationally and internationally • Cooperation with stakeholders including other ministries, NGOs, research institutes and business
Public institutions	<ul style="list-style-type: none"> • Development of an annual implementation plan with voluntary targets for GPP and institutionalization of GPP in their own organization • Monitoring and reporting of green purchase records to MoE annually • Designation of a Green Procurement Official within their own organization (since 2013)

Figure 12. Institutional Framework for GPP Implementation in the Republic of Korea



Source: 2019, UNEP and KEITI, accessed 9 June 2021. www.oneplanetnetwork.org/sites/default/files/green_public_procurement_in_the_republic_of_korea_-_a_decade_of_progress_and_lessons_learned.pdf

Figure 13. Developing Sustainable Procurement Guidelines for the Priority Products

Note: The iterative process of prioritising products, investigating the market and developing Sustainable Procurement Guidelines for the Priority Products.

Figure 12 and Table 5 provide an example of the distribution of roles in the Republic of Korea between the Ministry of Environment (MOE), which is in charge of the overall management of the GPP policy, the Korea Environmental Industry and Technology Institute (KEITI), which compiles and evaluates the GPP plans, and the Public Procurement Service and State Agencies which execute the GPP policy at their respective levels.

6.2. Revising the Legal Framework

The Legal Review may have revealed gaps in the public procurement legal framework that should be addressed to ensure smooth SPP implementation. The NFO should, in cooperation with the relevant ministries, initiate a process of revising the public procurement legal framework, thereby enabling and promoting the mainstreaming of SPP practices.

The legal revision may include elements such as:

- reviewing SPP-related legal frameworks from other countries as a reference;
- revisiting the SPP Policy Statement if not yet endorsed by parliament; and
- revising or redrafting of the public procurement regulations to pursue SPP, based on the recommendations of the Legal Review.

The revision process can target primary legislation (e.g., the public procurement law) or secondary legislation (e.g., bylaws, decrees, guidelines) which can include the new SPP criteria

and define the way they will be integrated into day-to-day procurement operations.

6.3. Developing Sustainable Procurement Guidelines

An iterative process of prioritising products for SPP, checking market conditions, and developing sustainable purchasing criteria, leads to the development of Sustainable Procurement Guidelines for the selected Priority Products. These Guidelines are tested through a pilot tendering process and subsequently revised. The process includes the following steps as illustrated in *Figure 12. Institutional Framework for GPP Implementation in the Republic of Korea*.

- **product prioritisation** – Priority products for SPP are selected;
- **market analysis** – A market readiness analysis is conducted to verify the existence of alternative sustainable products in the market at an acceptable cost. Product sustainability attributes or specifications contributing to meeting the sustainable development objectives and complying with the best possible market performance are also defined at the outset of the market analysis;
- **Sustainable Procurement Guidelines for the Priority Products** which detail the sustainability impacts and define sustainable purchasing criteria for the selected products are developed; and
- **pilot tendering** – The Sustainable Procurement Guidelines are tested through the launch of pilot tenders and revised based on the outcomes of the process.

The process should be repeated periodically to integrate new product groups for SPP or to revise and update existing Sustainable Procurement Guidelines for the Priority Products. Prioritising product groups for SPP combines procurement analysis and social and environmental insights together with market investigations.



Case study 8. Revising the public procurement legal framework – Georgia

In 2021, Georgia, with support from UNEP and in the framework of the EU-funded EU4 Environment project, began a process of revising its public procurement legislation in an effort to bring it in line with relevant European Union regulations, as defined by the EU-Georgia agreement. A decree supporting the implementation of SPP was drafted including the following elements:

- The principles, requirements and procedures for the application of SPP, the procurement contract performance regulations and control procedures.
- The categories of goods, services and works to which it is mandatory to apply SPP requirements and criteria, as well as relevant requirements and criteria.
- Life Cycle Costing methodology for energy-using products.
- Sustainability clauses that need to be included in the standard terms and conditions of the contract.

Expected outcomes from the secondary legislation project include increased awareness and knowledge on SPP among stakeholders, the implementation of a more sustainability-oriented procurement landscape, and increased female participation in public contracting. The revision process was managed by the State Procurement Agency.¹⁰⁰

100 European Union for Georgia (2021) Strengthening Public Procurement Practices in Georgia, January 20. www.eu4georgia.ge/strengthening-public-procurement-practices-in-georgia/ [Accessed 12 May 2021].

1. Priority products

Selecting the right product and service categories for SPP is crucial for achieving tangible impacts from SPP efforts. This process which is led by the SPP Unit should be repeated periodically to progressively expand the number of sustainable products being purchased by public authorities.

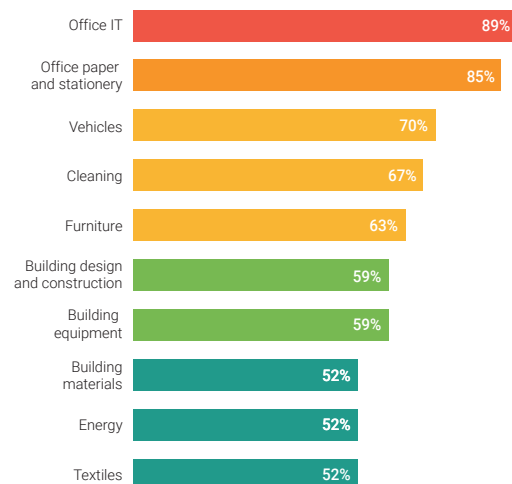
A number of factors should be considered in the product prioritisation exercise. These include:

- National sustainable development priorities and related policies, such as economic development, support for local markets, climate change mitigation (as identified in Phase II);

- product groups with significant public procurement volume (identified through a spend analysis detailed further on in this section);
- product groups that are likely to contribute to SPP objectives in a timely and cost-effective way; these are 'quick win' product groups, where there exists enough experience or knowledge to implement SPP quickly along with a good cost/ benefit ratio;
- market availability of sustainable alternative products;
- market influence of the public contracting authority, with a focus on those product categories for which the procurement authority has the most market influence;
- existence of ecolabels or appropriate means of verification for environmental or social attributes;
- scope for improvement - product categories that are able to be made more sustainable at a reduced cost or limited premium when taking into account Total Cost of Ownership or Life Cycle Costing; and
- goods and services with particular strategic importance for the country (such as coffee in Colombia) or for their high impact throughout their life cycle, even if they are not a contracting priority for the government.

Figure 14 lists the most commonly prioritized products according to the 2017 survey undertaken by UNEP in preparation of the 2017 Global Review of SPP.¹⁰¹

Figure 14. Common SPP product categories



Note: Most commonly cited categories of products, services and works identified by participating national governments in the 2017 Global Review of Sustainable Public Procurement Stakeholder Survey.¹⁰² Respondents could choose multiple options.

101 UNEP (2017) Global Review of Sustainable Public Procurement www.wedocs.unep.org/bitstream/handle/20.500.11822/20919/GlobalReview_Sust_Procurement.pdf

102 UNEP (2017) Global Review of Sustainable Public Procurement www.oneplanetnetwork.org/resource/2017-global-review-sustainable-public-procurement

The UNEP Prioritisation Exercise

UNEP recommends the following sequential approach for product prioritisation:¹⁰³

- establishing a long list of potential priority product groups, products;
- carrying out a spend analysis;
- conducting a preliminary market study;
- assessing environmental risks;
- assessing socio-economic risks;
- determining means of verification of the sustainability attributes; and
- ranking the products through a Master Table.

1a. Establishing a long list of potential product groups

In light of the policy objectives, a long list of the most relevant product groups for SPP should be identified, aimed at achieving environmental, social and/or economic benefits and supporting a broad understanding of SPP.

A relevant list which could be considered by countries is the [list of product groups](#)¹⁰¹ prioritized by the European Commission in the framework of their GPP Policy. The product groups include: cleaning products and services; computers, monitors, tablets and smartphones; copying and graphic paper; data centres, server rooms and cloud services; electrical and electronic equipment used in the Health Care Sector; electricity; food catering services and vending machines; furniture; imaging equipment, consumables, and print services; office building design, construction and management; paints, varnishes and road markings; public space maintenance; road design, construction and maintenance; road lighting and traffic signals; road transport; sanitary tapware; textiles; toilets and urinals; waste water infrastructure; and water-based heaters.

Case study 9. Developing a long list of products – Morocco¹⁰⁴

In Morocco, during the prioritisation process undertaken with the support of UNEP in 2016, expenditure data was retrieved from 38 ministerial administrations. A spend analysis was performed, leading to the development of the following long list of product groups:¹⁰⁵

- office equipment and furniture;
- computer equipment supplies;
- office supplies, printing products, papers and printers;
- computer equipment, supplies and software;
- commercial vehicles;
- passenger vehicles;
- motorbikes and cycles; and
- maintenance products and various supplies.

¹⁰⁴ European Commission. EU GPP criteria. Available at: www.ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm

¹⁰⁵ More details about the market prioritisation can be found at:

Ministère délégué auprès du Ministre de l'Energie, des Mines, de l'Eau et de l'Environnement, chargé de l'Environnement and UNEP (2016) Etude de marché relative à l'inclusion des produits verts au sein des marchés publics, December 5. www.oneplanetnetwork.org/sites/default/files/morocco_marketanalysis_final_clean_1.pdf

¹⁰³ ToR of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

1b. Carrying out a Spend Analysis

For each product category identified in Step a, the procurement value and/or the number of procurement contracts recorded for the various products or product groups in the last three years should be estimated and analysed. If available, it is recommended to also collect data related to upcoming procurement contracts.

A spend analysis provides a picture of public procurement spending, divided between government institutions and administrative levels and distributed by product groups. It is an important step in the SPP prioritisation process. The analysis of expenditure should build on information from, for example, spending from central government, central government plus autonomous bodies, or contracting derived from state budgets or loans. The Ministry of Finance and/or a Public Procurement Authority is often the most realistic place to find relevant data. The data enables the SPP Unit to identify other relevant product groups for SPP which would not have been included in the initial long list. Very often, spend data is not readily available or cannot be consolidated at the level of the government. In this case, it is advisable to use spend to estimate the procurement volumes on a 0 to 3 scale (see the Vietnam example in Table 6).



Skilled Workers at a LED lighting factory. India. © PradeepGaurs/Shutterstock.com.

Table 6. Example of spend analysis (Vietnam)

As public procurement statistical data was not available in Vietnam, the following methodology was applied on estimated procurement volumes and contracts:

- For the estimated procurement volumes, the scores range from 0 to 3, with (0) corresponding to 'not purchased in public procurement'; (1) to 'negligible amount'; (2) 'medium amount'; and (3) 'the amount is significantly higher than for other products'.
- The estimated number of contracts (frequency of purchase) was scored with the same approach, from (0) 'no contract'; to (1) 'small/negligible number'; (2) 'medium'; and finally (3) 'the number of contracts is significantly higher than for other products'.

Types of products	Total Amount of purchase	Total number of contracts (frequency of purchase)	Score
1. Office paper	1	3	4
2. Laptop	2	1	3
3. Television	2	1	3
4. Wooden chair	1	1	2
5. Wooden table	1	1	2
6. Printer/Photocopy machine	1	1	2

Source: SPPEL Project (2015). Vietnam prioritisation report. www.oneplanetnetwork.org/sites/default/files/vietnam_prioritisation_report.pdf

1c. Conducting a Preliminary Market Study

It is recommended to carry out a preliminary market study focused on the product groups identified in the long list to assess the availability of 'green' or more sustainable alternatives on the local market. The study will also investigate the and the average price difference between conventional and alternative products, applying, when it is justified, the life cycle approach (see *Box 3. Life Cycle Assessment and Life Cycle Costing*).

The product groups for which the market cannot supply sustainable alternatives, or for which sustainable products are assessed as being too expensive compared to conventional ones, when looking both at upfront costs and the Total Cost of Ownership, should be excluded from the long list.



Female labors work in a cloth factory in Jiangxi province, East China. © Humphery/Shutterstock.com.

Table 7. Example of preliminary market study scoring (Vietnam)

To compare the average purchase price between sustainable and conventional products, a qualitative method was applied through 4 scales: (1) sustainable products are significantly more expensive than conventional products; (2) more expensive but negligible; (3) no difference in price; (4) sustainable products are cheaper than conventional products.			
Types of products	Availability of sustainable alternative on the market for this type of product	Comparing the average purchase price premium in % (sustainable vs conventional products)	Score
1. Office paper	3	3	6
2. Wooden desk	3	2	5
3. Wooden chair	3	2	5
4. Printer/Photocopy Machine	2	3	5
5. Fluorescent lamp	3	2	5
6. Screen/Monitor	2	3	5

Source: SPPEL Project (2015). Vietnam prioritisation report. www.oneplanetnetwork.org/sites/default/files/vietnam_prioritisation_report.pdf

1d. Factoring in sustainability impacts

It is necessary to analyse and reflect on which types of products will have the greatest sustainability impacts. The reasoning should be based on the assessment of the possible risks and benefits which could be gained from the purchase of sustainable alternatives to conventional products. Recommended criteria for this selection are described below (Steps 4-6) considering environmental, socio-economic impacts, and the existence of certification schemes.

Based on the sustainable development priorities and spend analysis, countries can identify risks and opportunities for improvement and on this basis further refine the prioritisation of products and services.

Given that some products with a relatively small spend or quantity carry high sustainability risks, it is not enough to focus solely on high-expenditure categories. For example, a country may spend relatively little on the purchase of toxic chemicals, but their potential to do environmental damage and the social impacts of inappropriate handling place them in a high sustainability risk category of spending and thus worthy of consideration.

1e. Assessing environmental risks

The objective of this step is to assess and rate the main environmental impacts generated by the products identified in Step 3 throughout their life cycle. A hot spot approach should be used, focusing on the critical impacts which can be found in the life cycle or scientific literature.¹⁰⁶ Examples of impacts include greenhouse gases emissions, other polluting air emissions, emissions to water, waste to landfill, hazardous substances, raw materials extraction, energy consumption, water consumption, biodiversity impact, other (noise, mercury content), etc.

Positive effects that could be obtained through the purchase of sustainable products (vs. conventional ones) should also be considered (e.g., reduction of electricity consumption and GHG emissions when switching to LED lighting).

Table 8. Example of environmental impacts scoring (Vietnam)

The life cycle approach was utilised to assess the impacts of each product. An estimation method was applied using information from secondary sources to identify the environmental impacts of products – from production to consumption and disposal. A linear numeric scoring scale was developed from 1 to 3, the higher score, the more serious impact the product may cause to the environment.

Production/ Service type	Green house Effect	Air Pollution	Water Pollution	Solid Waste	Toxic Waste	Energy Consumption	Water Consumption	Ecosystem Effects	Total
1. Office paper	3	3	2	3	2	2	2	2	19
2. Wooden Desk	1	1	2	2	2	2	2	2	14
3. Wooden Chair	1	1	2	2	2	2	2	2	14
4. Printer/Photocopy Machine	1	1	2	3	3	1	0	0	11
5. Fluorescent lamp	1	1	0	2	2	2	0	0	8

Source: SPPEL Project (2015). Vietnam prioritisation report. www.oneplanetnetwork.org/sites/default/files/vietnam_prioritisation_report.pdf

¹⁰⁶ Life Cycle Initiative. Global Principles and Practices for Hotspot Analysis (Flagship 3a). www.lifecycleinitiative.org/activities/phase-iii/hotspots-analysis/

1f. Assessing socio-economic risks

The objective of this step is to identify the main socio-economic issues generated by the products throughout their life cycle. Examples of impacts include impacts on health, employment conditions, community, diversity, etc.

One should also assess the positive socio-economic impacts that could be obtained through the purchase of sustainable alternatives (vs. conventional ones) for the selected types of products. Examples include the promotion of a gender balance, improved working conditions, support to local industry or MSMEs, fair trade, etc.

1g. Determining means of verification of the sustainability attributes

The purpose of this step is to verify if the sustainability attributes identified for the selected products can be verified through existing and accessible standards or labels or by other means (self-declarations, laboratory tests, etc.). Products whose sustainability attributes can be easily verified in the procurement process will have an advantage (translating into a higher score) compared to products whose sustainability criteria will be hard to verify.

More can be found in [Box 10: Using sustainability standards and ecolabels in SPP](#).

Table 9. Example of socio-economic impacts scoring (Vietnam)

The ranking is based on the scale from 1 to 3, where 1 is the least relevant, and 3 is the most relevant.

Production/ Service type	Promoting gender equality	Work opportunities for people with disabilities	Work opportunities for people from ethnic minorities	Promoting MSMEs	Score
1. Office paper	2	1	2	3	8
2. Wooden table	1	1	2	2	6
3. Wooden chair	1	1	2	2	6
4. Printer/Photocopy machine	2	0	0	1	3
5. Fluorescent lamp	2	0	0	2	4

Source: SPPEL Project (2015). Vietnam prioritisation report. www.oneplanetnetwork.org/sites/default/files/vietnam_prioritisation_report.pdf

Table 10. Example of scoring applied to means of verification (Vietnam)

The following scoring methodology was applied:

- products with no ecolabels were excluded;
- products having one national ecolabel were marked with 2 points; and
- products with an equivalent international ecolabel were marked with 1 point.

Points could add up. The products which had 2 points or more in total were selected for prioritisation.

Product	Type of ecolabel	Score
1. By-hand dish-washing chemical	Green Label	2
2. Soap bar	Green Label	2
3. Office paper	Green Label, Forest Stewardship Council (FSC), Rainforest Alliance	4
4. Wooden chair	FSC, Rainforest Alliance	2
5. Wooden table	FSC, Rainforest Alliance	2
5. Printer/Photocopy machine	Green label	2

Source: SPPEL Project (2015). Vietnam prioritisation report. www.oneplanetnetwork.org/sites/default/files/vietnam_prioritisation_report.pdf

1h. Ranking the products through a Master Table

The shortlisted products can be ranked in a Master Table which compiles the scoring tables of Steps 2 to 6. The final ranking helps the NFO, and Steering Committee prioritize a first set of products for which a thorough market analysis will be conducted. The number of selected products depends on the ambition and means dedicated to the NFO and the SPP policy (because of the cost of prioritising products, undertaking market readiness analysis and developing Procurement Guidelines) but is however usually in the range of 2-4 products.



Resources:

Terms of Reference for the SPP prioritisation exercise.¹⁰⁷

Examples of national Prioritisation reports:¹⁰⁸

Argentina, Belarus, India, Morocco, Peru, Vietnam.



Dark skinned business woman saleswoman working at textile shop.
© Von yurakrasil/Shutterstock.com.

Table 11. Example of master prioritisation (Vietnam)

Type of products	Ecolabels or certification systems in place (2)	Total amount of contracts value (3)	Market and price (4)	Environmental impact (5)	Socio-economic impact (6)	Total Score (2+3+4+5+6) Consumption	Final ranking
1. Eco-friendly paper	10.0	6.7	7.5	7.9	6.7	38.8	1
2. Laptop	10.0	5.0	6.3	6.3	2.5	30.0	2
3. Fluorescent lamp	10.0	3.3	6.3	3.3	3.3	26.3	3
4. Wooden table	5.0	3.3	6.3	5.8	5.0	25.4	4
5. Wooden chair	5.0	3.3	6.3	5.8	5.0	25.4	4

Source: SPPEL Project (2015). Vietnam prioritisation report. www.oneplanetnetwork.org/sites/default/files/vietnam_prioritisation_report.pdf

¹⁰⁷ ToR of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

¹⁰⁸ Project Countries SPP UNEP. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/project-countries

2. Analyse the market

As part of the iterative prioritisation/market readiness process, it is essential to clarify what the market is ready to deliver, at which price, and for which sustainability criteria.

The market readiness analysis will complement the prioritisation exercise. It will concern the list of products or product groups selected as the outcome of the initial prioritisation process (based on the final ranking of the Master Table).

It will lead to the final validation of a list of product groups to be introduced in the public procurement system together with a corresponding set of sustainability criteria. It should build on the preliminary market analysis conducted in the framework of the prioritisation exercise (step 1c).

The analysis will address important market aspects such as:

- what are the new developments with regard to this product or service?
- what can the 'best in class' actors supply? At what price and with which sustainability attributes?
- do ecolabels support the identification of more sustainable alternatives?
- what is the nature of MSME participation in the market (retailers, producers, etc.)? Are they producers? What is their size distribution and dynamism?
- are there policies in place to support companies in improving their social and environmental performance, either through training or technical assistance?
- are there financial instruments/subsidies available to make necessary investments?
- what are the potential threats/opportunities that SPP might create for MSMEs and for the local market? And
- which measures and existing programmes can contribute to the development of a local market for sustainable products and increase supplier competitiveness?

UNEP recommends the following approach for the market readiness study:

Supply Analysis

The aim will be to assess the capabilities of the local market to supply the selected products at a competitive price and analyse the potential threats or opportunities for the local economy. The following activities could be carried out:

- analysis of the sustainability attributes of the products available on the market (e.g., in terms of energy efficiency, water efficiency, recycled content, recyclability, etc.);
- determination of the existing means of verification for the sustainability attributes, such as existing internationally

recognized ecolabels, voluntary sustainability standards, basic information required by law, laboratory tests, product declarations, which can serve to verify the sustainability attributes of the selected products;

- identification of the level of availability, prices and market shares of the selected products. Historical data and forecast could be analysed to give an overview of the evolution of the supply and prices for the selected products;
- description of the market players involved in the market segments considered:
 - what is the number and size of the enterprises involved in the manufacturing / import / commercialization of the targeted products?
 - are the selected sustainable products locally produced, or imported?
 - do companies in the targeted sectors have environmental and social management systems in place and / or other sustainable development credentials? Corporate social responsibility?
 - what are the companies' strategies in terms of transition to sustainable/circular production methods/products?
 - what are the average prices in the country? How do these prices compare with international prices and with the prices of conventional items (price premium)?
- analysis of the potential threats and opportunities for the local production which could arise from the introduction of these procurement criteria in the public procurement of goods and the compliance with an eco-labeling scheme:
 - what would be the main impacts of the import of goods on local producers (possible risk of exclusion of local production in favour of imports)?
 - what would be the potential market (internal and external) for an increased supply of products certified with ecolabels?
- analysis of the potential for the development of selected products and services, nationally and abroad. What are the prospects for the development of export markets in the targeted sectors? What are the main sustainability criteria to consider in the targeted sector to ensure compliance with the main export market?

Demand analysis

The aim here will be to analyse the national public procurement demand for the selected products (history and forecasts). The following activities could be carried out:

- assessment of the national public procurement demand, inclusive of public procuring entities identified to execute pilot tenders in the SPP implementation phase:
 - past and current volumes of tenders and purchasing entities (ministries/departments);
 - percentage of sustainable orders, if possible; and
 - planned tenders targeting the selected products.
- identification of the main obstacles and opportunities for the purchase of more sustainable products by public entities. For example, have there been previous attempts to purchase more sustainable products by public entities?

- public contracting authorities concerned with the environmental and health impacts of wood preservatives may wish to procure lumber products that have been treated with lower toxicity chemicals;
- the negative impacts of transportation can be minimized by procuring legally harvested lumber from nearby sources; and
- public contracting authorities may choose to purchase lumber that meets a minimum quality standard to ensure durability.

Conclusions and recommendations of the Market Readiness Study

The analysis of the supply and demand conditions, for the prioritised products, should allow the SPP Unit to conclude on the opportunity and feasibility to prioritise the selected product groups for SPP implementation.

The market readiness analysis should help define for each of the priority products, a set of feasible sustainability criteria, together with possible means of verification and a list of potential suppliers.

The Market Readiness Analysis should also recommend actions to develop the local supply of sustainable products and services at the national or regional level and increase the suppliers' competitiveness. The proposed measures should take place in the short, medium and/or long-term depending on the level of market readiness for the set of sustainable products selected.

Case study 10. Market Readiness Analysis recommendations – Antigua and Barbuda, Dominica and Grenada

In 2021, a Market Readiness Analysis was carried out on sustainable construction materials in Antigua and Barbuda, Dominica and Grenada, as part of a UNEP project financed by the Norwegian Government. Lumber was identified as a priority material and the following recommendations were made:

- at minimum, public contracting authorities may wish to ensure that the lumber which is procured either directly or indirectly through civil works contractors is from legal sources;
- public contracting authorities may also go a step further, ensuring that lumber is sourced from responsibly managed forests;

Case study 11. Conclusions of Market Readiness Analysis – Mongolia

A4 copy paper: all types of sustainable A4 copy paper that are recognised at an international level are present in the Mongolian market. It will however require a certain time to formally mandate the use of A4 copy paper sustainability labels in public procurement. In the case of A4 copy paper, the cost of shifting to sustainable products is low.

Toner cartridges: some basic sub-categories of sustainable toner cartridges that are recognized in an international context are possible to apply in Mongolian Sustainable Public Procurement at present, namely, the avoidance of heavy metals and AZ colorants, environmentally preferred packaging, a quality management system (for original cartridges), ease of re-use/recycling, and technical quality. Most original and some remanufactured toner cartridges imported to Mongolia already meet some sustainability requirements. Evaluation methods recognised at an international level can be applied to toner cartridges in Mongolia; however, a certain adaptation period is needed to incorporate sustainable criteria into public procurement practice.

Lightweight concrete blocks: some green attributes of toner cartridges can be used in Mongolian Sustainable Public Procurement at present, namely, the reduction in water consumption, use of recycled materials or indoor chemical and the pollutant source control. The products that meet these sustainability criteria have already begun to be produced in Mongolia. However, the methods of verifying such requirements are still under development.

Case study 12. Development of sustainability criteria – Argentina

In some cases, sustainability criteria are first determined at regional level and then adjusted at national level following a market analysis and dialogue with the market, as demonstrated by the example below.

The Southern Cone countries¹⁰⁹ defined [sustainability criteria](#)¹¹⁰ for several products: printing and copying paper, furniture and cleaning materials. International bibliographic research was carried out to identify key sustainability aspects throughout the life cycle of products. In order to develop simple and flexible criteria adapted to the reality of each country, potential criteria and means of verification were proposed.

Using these criteria, Argentina carried out a [market analysis](#)¹¹¹ of the cleaning materials sector in 2017, with a view to:

- identify the most important companies in the Argentinian market as well as the market share represented by this sector, and volume of export and import;
- review the offer of products / brands with sustainable criteria and the companies that differ with regard to sustainability in the Argentine market; and
- analyse the results of a market dialogue workshop to establish a proposal for the applicability of sustainability criteria for public sector procurement.

This market study also mapped the companies, brands and industry associations identified in the sector.

109 Argentina, Brazil, Chile, Paraguay and Uruguay.

110 SPPEL Project (2016). Cono Sur – Propuesta de criterios de sustentabilidad clave. Para el sector: papel de impresión y copiado, mobiliario y químicos de limpieza. www.oneplanetnetwork.org/sites/default/files/cono_sur_-_propuesta_de_criterios_de_sustentabilidad_clave.pdf

111 This market analysis can be accessed at: SPPEL Project (2016). Análisis de mercado en Argentina: Sobre la capacidad de cumplir con criterios de sustentabilidad para el sector productos químicos de limpieza. www.oneplanetnetwork.org/sites/default/files/reporte_analisis_de_mercado_argentina_limpieza_final.pdf



Resources:

Terms of Reference for the [Market Readiness Analysis](#).¹⁰⁸

Examples of Market Readiness Analysis reports:¹⁰⁹ [Colombia](#), [Costa Rica](#), [Lebanon](#), [Mauritius](#), [Moldova](#), [Tunisia](#)

3. Develop Sustainable Procurement Guidelines for Priority Products

Sustainable Procurement Guidelines can be seen as a practical translation of sustainability considerations into directly applicable procurement criteria for the selected product groups. The Sustainable Procurement Guidelines should address the whole procurement cycle with suggestions for selection criteria, technical specifications, award criteria and contract performance clauses.¹¹⁴

The [EU model](#)¹¹⁵ uses the following structure: key sustainability impacts, followed by technical specifications and related means of verification, followed by selection criteria, award criteria and contract performance clauses.

Responsibilities and resources for the development of Sustainable Procurement Guidelines must be clearly assigned and the creation of committees with relevant stakeholders - users, technical experts, procurers and decision-makers – to work on specific product groups is recommended.

Sustainable Procurement Guidelines should – where possible – be developed by experts also involved in the preparation of ecolabel criteria and the national standard setting organisation. As mentioned, the development of Sustainable Procurement Guidelines is an iterative process during which ambitious criteria are tested on the market – and revised according to market readiness. This may mean that it is not about achieving the highest standard imaginable, but about doing better than the status quo. The new sustainable purchasing requirements included in the Sustainable Procurement Guidelines should be developed through broad stakeholder consultations (see case studies 13, 14 ad 15) and tested through pilot tendering.

112 ToRs of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

113 UNEP SPP project countries. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/project-countries

114 Product-specific Procurement Guidelines should be distinguished from general SPP Guidelines or Handbooks, by looking in detail at which sustainability criteria should be developed for each category.

115 European Commission. EU GPP Criteria. Available at: www.ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm

Case study 13. Importance of stakeholder consultation in determining sustainable purchasing criteria – India

In April 2018, the Department of Expenditure (DoE) of India's Ministry of Finance established a Task Force on SPP to identify priority products and develop sustainable purchasing criteria. The Task Force was composed of staff from the Ministry of Environment, Forest

and Climate Change, Ministry of Railways, Government e-Marketplace, Bureau of Indian Standards, Bureau of Energy Efficiency, as well as UNEP and industry stakeholders.

Room Air Conditioners were selected by the Task Force as one of the potential priority products for the following reasons:

1. room air-conditioners have a high environmental impact across all its life stages. The room air-conditioning market has been growing fast in India, at an average rate of 18-20% over the last decade, reaching a market size of 7.6 million units;
2. room air-conditioners have high energy consumption costs which justifies the procurement of energy efficient models; and
3. integrated efforts of public entities such as the Bureau of Indian Standards (BIS) and the Bureau of Energy Efficiency (BEE), towards the procurement of efficient room air conditioners, provides for an enabling environment and ensures ease of implementing a Sustainable Public Procurement for this product.

With the support of UNEP and of the US AID MAITREE project, a collaborative expert consultation was set up to bridge the gap between the industry's perspective on the recommendations and criteria outlined for Room Air-conditioners. An air conditioning expert consultation was organized on January 7, 2021, with industry representatives and experts to seek feedback on the proposed criteria which included considerations such as safety and performance, energy consumption and building materials. Further feedback was gathered regarding the award of contract and contract clauses.

The final output of the process led to a recommendation that authorities select variable-capacity room air-conditioner, with minimum Indian Seasonal Energy Efficiency Ratio as per the 5-star level of Bureau of Energy Efficiency (BEE). The consideration of evaluations based on the Total Cost of Ownership (TCO) for products with higher efficiencies has also been recommended.

On 5 June 2021, on the occasion of the World Environment Day, the Government e-Marketplace (GeM) announced that it was including Green Air-conditioners into its platform. The energy efficiency threshold can be periodically evaluated based on global and Indian market assessments.

The process showed the importance of including various stakeholders early on in criteria development¹¹⁶

Source: Workshop on Life Cycle Assessment for Sustainable Public Procurement. UNEP, EDS, USAID, MAITREE (2019). Life Cycle Assessment (LCA) for Sustainable Public Procurement, September 20. www.maitree.edsglobal.com/wp-content/uploads/2020/11/Event-report-and-presentations.pdf

¹¹⁶ UNEP, USAID, CII-ITC, CII, EDS, TERI (2019). Sustainable Public Procurement in India: Selection of priority products and Preliminary Market Assessments, December 23. www.sustainabledevelopment.in/wp-content/uploads/2020/06/1592393377Sustainable-Public-Procurement.pdf

UNEP, USAID (2021) Expert Consultation on Sustainable Public Procurement: Room Air-conditioners. Background note and draft agenda, January 7.

Case study 14. Green Public Procurement (GPP) criteria – European Union



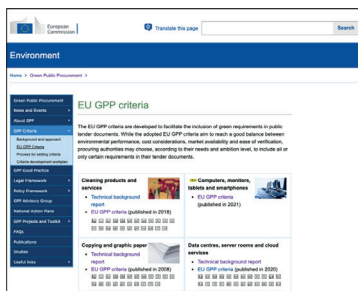
The EU periodically issues new and updated GPP criteria to facilitate the inclusion of green requirements in public tender documents. The EU GPP criteria page¹¹⁷ (see *Figure 15. EU GPP criteria web page*) features links to 20 sustainable procurement

criteria. The use of the criteria is voluntary. The criteria are formulated in such a way that they can be integrated into tender documents, if deemed appropriate by the individual authority. While the EU GPP criteria aim to reach a good balance between environmental performance, cost considerations, market availability and ease of verification, procuring authorities may choose, according to their needs and ambition level, to include all or only certain requirements in their tender documents.

The EU GPP criteria can serve as a model on *how to develop criteria*.¹¹⁸ They are based on the most significant environmental impacts of the product, on life cycle data, and are broken down into 'core' and 'comprehensive' criteria. They also clearly identify the verification method and involve stakeholders in the development.

First, a preliminary report and a technical report are developed. These are then open for consultation, by being posted on an accessible website and through in-person meetings open to all interested parties. If the underlying criteria for an ecolabel are developed or revised in tandem with the GPP criteria, the reports and consultation are used as a basis for both. After a final report is issued, the criteria are published on the dedicated EU GPP website.

Figure 15. EU GPP criteria web page



Source: Screen capture from the EU GPP criteria web page, accessed on 9 June 2021. www.ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm

117 European Commission. EU GPP criteria. Available at: www.ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm

118 European Commission. Procedure for the development and revision of EU GPP criteria. Available at: www.ec.europa.eu/environment/gpp/gpp_criteria_procedure.htm



Case study 15. Development of green procurement criteria by the Partnership for Green Public Procurement platform – Denmark

The Danish Partnership for Green Public Procurement¹¹⁹ is a platform

for creating GPP criteria that the members of the partnership have committed to implement through their own procurement activities. The members of the partnership are mainly local governments. The partnership sets criteria which address the reduction of Greenhouse Gas (GHG) emissions, the move towards circular economy, and several of the SDGs. Participating organisations have to meet two core criteria in order to become members: the organisation has to commit to implementing the criteria, and it must have a published strategy or policy, wherein they present their green procurement ambitions. The Danish Environmental Protection Agency plays a facilitating role in creating the specific sustainable procurement criteria. A wide range of stakeholders are invited to participate in the criterion development process to ensure that they are both ambitious and realistic.

Source: Image from the annual GPP conference arranged by the Partnership and the Forum. Partnership on Green Public Procurement, Denmark (2015). Best practices in regional SPP/PPI networks, June. www.sppregions.eu/fileadmin/user_upload/Resources/Denmark.pdf

119 Ministry of Environment of Denmark. Partnership for Green Public Procurement. Available at: www.eng.mst.dk/sustainability/sustainable-consumption-and-production/sustainable-procurement/partnership-for-green-public-procurement/



RESOURCES

Terms of Reference for the [Prioritisation Exercise](#) ¹²⁰

Examples of national sustainable Procurement Guidelines for Priority Products:¹²¹

[Mauritius \(paper for office use\)](#), [Moldova \(doors and windows\)](#), [Vietnam \(green label copiers\)](#).

UNEP periodically records sustainable purchasing criteria developed at the global level for the most common product groups in its [International Directory of Sustainable Public Procurement Criteria](#).¹²²

but small enough to avoid risks such as higher costs or lack of bids; and

- while it may be attractive to choose 'low hanging fruits', i.e., categories that are easy to implement, it is recommended to include at least one more complex procurement process to truly test the developed criteria: these can encompass more complex sustainability requirements and verification methods, as there can be fewer potential bidders when the level of requirements is higher.

The pilot procurement should be conducted in compliance with national procurement rules and regulations, and include the sustainable procurement criteria to be considered in the selection of the winning bidder.

Once the purchased product or service has been delivered, the process should be evaluated. The guidance given in section 6.8 of these Guidelines on monitoring and evaluation should be used to the greatest extent possible, as it is equally relevant to test the evaluation aspect of the approach in the pilot implementation. The following factors (among others) could be investigated:

- did the existing Sustainable Procurement Guidelines (if such were developed prior to the pilot process) provide sufficient guidance for the condition of the pilot?
- what were the main challenges faced in the pilot process?
- how did the market respond to the tender and the sustainable procurement requirements?
- did the delivered products or services fully meet the sustainability criteria?
- what were the economic implications of the purchase of these sustainable products?
- did the pilot procurement demonstrate that the developed criteria are relevant and can be applied in this specific context?

The results of the evaluation, and the lessons learned from the process of pilot implementation, can then be used to adjust the Sustainable Procurement Guidelines for the Priority Products and the mechanisms of SPP before a full roll out of the SPP Programme.

4. Launch Pilot Tenders

The pilot implementation of SPP allows for testing and refinement of the Sustainable Procurement Guidelines of the Priority Products. It is suggested to run actual procurement tenders for up to three products or services using the sustainable procurement criteria.

The pilots should demonstrate that SPP can be implemented. They will also support the development of capacity in SPP and can contribute to the refinement of the SPP Action Plan. Pilots can act as a test bench for national SPP procedures, if such are already developed, or deliver experience and input for the preparation of new SPP procedures.

The products or services to be purchased should be selected from those identified as prioritized.

When selecting which tenders or products shall be procured in the pilot exercise, a number of factors can be taken into consideration:

- the sustainable procurement pilot exercise should concern actual tenders already included in procurement plans;
- the volume of the contract should be large enough to provide an incentive for the market to match the criteria,

¹²⁰ ToR of UNEP's Sustainable Public Procurement Guidelines. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sustainable-public-0

¹²¹ Project Countries SPP UNEP. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/project-countries

¹²² International Directory of SPP criteria around the world can be found at UNEP's SPP page. Available at: www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement

Case study 16. Purchasing of LEDs for hospitals – Mongolia

Pilot tenders form a part of UNEP's Approach to SPP. Mongolia integrated such a pilot activity as part of small-scale grants for green initiatives in 2017. The SPP piloting also constituted a portion of an over-arching green economy Policy, to link the financing/state budget to the national development goals and targets.

In a hospital located in the province of Orkhon, soviet-era lighting was replaced with LEDs, a truly sustainable substitute with environmental, social and economic advantages. LED lights meet occupational health and safety standards, are able to be repaired, and carry no risks of fire and explosion. The upfront purchasing costs of LEDs are higher compared with incandescent bulbs, however significant savings exist when considering life cycle costs. As well as using less energy, which has financial and environmental benefits, LED lights carry a forecasted lifespan that is more than 20 times longer than incandescent bulbs. For the hospital, which calls for 24/7 lighting, the savings are estimated to be 55% per year.

The only national producer of LED lighting 'And Energy LLC' was selected to provide the replacement and installation service, and even though other in-country suppliers of imported LEDs existed, none chose to participate in the tender. The results of the pilot tender were monitored by the Orkhon Governor's Office-Department of Environment and Tourism and were used as a business case for more widespread SPP implementation.¹²³



Note: Images of the Erdenet local hospital before and after LED lighting installation, PAGE small grants programme fosters local green economy initiative in Mongolian provinces, accessed 9 June 2021. www.un-page.org/page-small-grants-programme-fosters-local-green-economy-initiatives-mongolian-provinces

123 PAGE. Page small grants programme fosters local green economy initiatives in Mongolian provinces. Available at: www.un-page.org/page-small-grants-programme-fosters-local-green-economy-initiatives-mongolian-provinces [Accessed 12 May 2021].

Figure 16. Integrating sustainability considerations across the procurement cycle

Note: Inspired by the Handbook on Sustainable Public Procurement – Integrating Sustainability Criteria into Public Procurement Procedures.¹²⁰

6.4. Integrating sustainability considerations in the procurement cycle

The sustainable purchasing criteria developed as part of the Sustainable Procurement Guidelines of the Priority Products (see Section 6.3) relate to all stages of the procurement cycle:

- Identifying needs
- Defining specifications
- Evaluating and selecting suppliers
- Evaluating bids and awarding contracts
- Defining contract terms
- Managing contracts

Mainstreaming SPP implies that public institutions apply sustainable purchasing criteria across the procurement cycle, as part of a nationwide SPP Programme.

There are many ways in which the sustainability outcomes of public procurement can be maximised when applying sustainable procurement criteria at various stages of the procurement cycle (see *Figure 16. Integrating sustainability considerations across the procurement cycle*). Traditionally, the specification stage of the procurement cycle has been widely used in various parts of the world, because it is simple and straightforward in SPP implementation. The government identifies priority product groups based on their sustainability

profile and asks contracting authorities to procure these items as per the sustainable product criteria developed through a multi-stakeholders consultation process at the central level. But focusing solely on this stage will limit the ability of contracting authorities to exploit available sustainability opportunities at other stages of the procurement cycle. Also, since the development of product specifications is a long, consultative process, the progress of sustainable procurement implementation in a country gets limited only to those products for which sustainability criteria have been defined and communicated to contracting authorities.

It is therefore recommended that contracting authorities consider integrating sustainable purchasing criteria across the procurement cycle, thereby harnessing the full potential of an SPP policy. Governments can empower procurers by developing appropriate tools, such as an SPP handbook, Sustainable Procurement Guidelines, Standard Bidding Documents, etc., as well as by providing SPP-specific training. In this manner, procurers will be in a better position to identify opportunities at different stages of the procurement cycle and deliver sustainability benefits through their decisions.

124 OECD, UNECE, UNEP, UNIDO (2016) Handbook on Sustainable Public Procurement – Integration of Sustainability Criteria into Public Procurement Procedures www.oneplanetnetwork.org/sites/default/files/handbook_spp.pdf



Worker setting mobile screen in a mobile manufacturing plant in India. © PradeepGaur/Shutterstock.com.

A - Identifying needs and improving efficiency

Every purchase – every product, service or works – has some impact on the environment, the economy, and society.¹²⁵By consuming less, we require fewer raw materials, including non-renewable natural resources. Reducing demand also has the added benefit of direct savings. The most sustainable purchase is often the one not made (see *Case study 17. Eliminating the need for printed tickets – India*).

SPP however is not about denying a service, nor is it about challenging the authority of internal customers and budget-holders. Some goods, works and services are vital to the delivery of government's objectives, and it is not the role of procurement to deny the need for such purchases.

Every purchase – every product, service or works – has some impact on the environment, the economy, and society. By consuming less, we require fewer raw materials, including non-renewable natural resources.

125 UNEP (2012). The Impacts of Sustainable Public Procurement. Eight Illustrative Case Studies. www.oneplanetnetwork.org/sites/default/files/the_impacts_of_sustainable_public_procurement_eight_illustrative_case_studies.pdf

Case study 17. Eliminating the need for printed tickets – India



Procuring products and services using sustainable criteria is central to SPP. However, reducing the need to use a product further limits negative impacts. A reduction in demand results in greater benefits as compared to other stages in the procurement process.

The Indian Railways, one of the world's largest railway networks, covering more than 60,000 km with 7,500 stations, has an annual procurement volume of more than US\$20 billion. Passengers can reserve a seat or berth on a train by booking tickets online at [Indian Railways' e-ticket portal](#). Before 2012, the railway's passengers were required to carry printouts of e-tickets while boarding the train. This additional proof of reservation applied to all passengers and was done on A4 sheets of paper.

Demand management is a key element of sustainability procurement efforts. During a brainstorming session, a multidisciplinary team deliberated on whether a printed ticket was needed for validation and how this step could be alternatively fulfilled. It eventually emerged that the ticket validation process could be achieved, instead, by sending e-ticket details via SMS to the mobile phones of passengers, who booked online. These same passengers could then show the SMS as proof of valid reservation during the boarding process, thus eliminating the need for printing.

This system was introduced to passengers of Indian Railways in early 2012, and subsequently resulted in a savings of approximately a half-million A4 sheets of paper per month. Dispensing the need for ticket printing resulted in reduction of 1.48 Metric Tons (MT) CO₂ equivalent per month, i.e., about 18 MT CO₂ equivalent per year. Passengers also welcomed the decision as it reduced the burden of carrying a printout while providing additional savings in terms of ink, cartridges and printer use. Considering the number of e-tickets booked on Indian Railways has now increased to 1.5 million per month (2017), reduction in GHG emission has also decreased by a factor of three.

Indian Railways spent few resources on software development as the existing e-ticket set-up was already programmed to collect its customers' mobile numbers during booking. Likewise, the railway incurred almost no additional expense as costs per SMS message are quite low in India. Even though Indian Railways did not financially benefit from this change, society as a whole benefitted as the new system helped in the reduction of GHG emissions and climate change mitigation. Meanwhile, this decision improved the Indian Railway's image in the eyes of the public, through its focus on improving the customer experience and taking measures to protect the environment.

Source: Indian Railways

Nevertheless, an examination of what is essential to the delivery of government services helps to identify where there are inefficiencies or 'waste' in the system which can take the form of duplication of efforts, over-ordering of materials (as a safety net or buffer), or wrong purchases due to flawed specifications. Money saved through more circular or smarter procurement can be channelled back into core operations. This represents better value for money for the organization as well as a more sustainable solution for the environment and society. Indeed, many of procurement approaches to reducing sustainability impacts are relatively easy to implement.

The questions that can be asked are:

- what need is being fulfilled and what function is being delivered through this purchase?
- are there other ways of meeting that need or delivering that function?
- do we really need to buy at all?
- can we develop a more sustainable specification, even a performance-based specification allowing for innovation?
- how can we work with internal customers and budget-holders to re-configure the demand through sharing and better management?
- what are the whole-life costs of meeting this need in this way?

Some techniques that can help to identify needs and improve efficiency include:

- auditing energy use, water use, and waste generated;
- establishing an online exchange for products and services between departments;
- longer-term planning to purchase products designed to be durable or renewable;
- planning training, conferences or workshops in locations that can be easily reached by participants and offer sustainable catering; and
- moving from purchasing products to services, an approach known as 'Product Service Systems or PSS'¹²⁶ (see Key concepts and terms).

126 UNEP (2015). Using product-service systems to enhance sustainable public procurement: Technical report, May. www.oneplanetnetwork.org/sites/default/files/using_product-service_systems_to_enhance_sustainable_public_procurement.pdf

B - Defining specifications and inviting bids

All bidding documents require a specification that describe the need to be fulfilled. Specification setting is critical as it defines the product requirements and presents significant scope to drive the sustainability agenda with suppliers. Specifications can vary in terms of complexity. For example, the specification for a train ticket is quite straightforward - 'get me from A to B by train'; in comparison, the specification for the construction of a new school would be very detailed.

Producing a specification is not a simple task, but it is extremely important to ensure that the organisation gets what it needs at the optimum cost, while maximising sustainability outcome

The following considerations should be taken into account when developing specifications inclusive of sustainability requirements:

- different types of specifications encourage different levels of innovation from the supplier, and it is up to the contracting authority to determine which is most appropriate for the specific contract need. Functional criteria describe the problems to be solved or functions to be fulfilled, allowing for innovative solutions, whereas technical criteria describe the characteristics, manufacturing processes and material compositions of products to be purchased, to a larger degree specifying the exact product or service to be delivered. Innovation should only be encouraged if the contracting authority has the means to evaluate the sustainability claims of suppliers and will seriously evaluate alternate solutions, as suppliers will become frustrated if their ideas are not given due consideration. Accordingly, adequate extra points should be given to suppliers for innovative solutions in the award criteria;
- threshold criteria set a minimum or maximum standard that must be met by suppliers if their bids are to be considered. Sustainable product criteria thresholds should only be employed if there is a clear understanding of the market and what it can deliver;
- if it is unclear how the market will respond to a higher standard of sustainability performance, the use of award criteria can be employed. Award criteria are used to determine which bidder is best placed to deliver, and which should be awarded the contract;
- while defining technical specifications in terms of functional or performance specification, contracting authorities should ensure that requirements are sufficiently precise, enabling market operators to determine what is being asked of them and how their offers will be evaluated; and
- in a similar vein, contracting authorities should ensure that technical specifications are not too narrow or

limiting, distorting competition and leading to potential discrimination among bidders.

While setting technical requirements for products, the means of verification shall invariably be part of the specification (see [Box 10. Using sustainability standards and eco-labels in SPP](#)). Also, bidders shall be given an option to establish compliance against requirements through alternative means. Contracting authorities need to take into consideration the cost of verification of (sustainability) criteria, which can be a burden, particularly for MSMEs. Therefore, as far as possible, specifications should be based on national standards or ecolabels.

C – Evaluating and selecting suppliers

When practicing SPP, certain sustainability risks could be addressed through the pre-qualification of suppliers. For example, contracting authorities may choose to only select suppliers that meet particular environmental management system standards or sustainable harvesting practices when purchasing timber products. Alternatively, contracting authorities may choose to invite many suppliers to bid for a contract and put the emphasis on the specification and bid evaluation to determine contract award.

Evaluating in detail a supplier's approach to meeting the sustainability requirements of a contract, whether they conduct their own business in a sustainable manner, as well as how they apply sustainability principles with their own suppliers, will ensure the long-term success of the SPP approach.

In many instances, suppliers are pre-selected before offers are placed, through a selection or qualifications process that should be legal, logical and structured. Suppliers, for example, may be selected based on having an environmental management system in place. Contracting authorities might also ask to see the suppliers' relevant experience in delivering sustainable products, works and services, and/or ask for information on their achievements in the areas of waste disposal, green construction, or facilities management.

Depending on their production and manufacturing processes, suppliers can have a considerable impact on the sustainability performance of their goods and services. Suppliers may also be in a position to control and manage the sustainability performance of their own suppliers and contractors, however less so in relation to their sub-suppliers.

If they are distributors or other intermediaries, they are unlikely to be able to exert much influence on major global players.

Asking for and awarding concepts of how to manage their suppliers based on specific aspects, such as following the ILO core conventions¹²⁷, encourages bidders to involve their supply

127 ILO. Conventions and Recommendations. Available at: www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/Index.htm

chains. An organisation may start with asking suppliers to sign, on a voluntary basis, a Supplier's Code of Conduct based on ILO Core Conventions and the UN Global Compact and gradually develop them into selection criteria.

Procurement rules and regulations must be respected, and a structured and logical supplier evaluation process must be conducted. This will ensure that all suppliers are treated fairly and equally and that the most appropriate suppliers are selected. It will also ensure that the appropriate level of sustainability is applied and that risks are managed. While social criteria are not generally used as a selection criterion in public procurement, failure to abide by certain provisions regarding social issues such as violation of child labour, unequal treatment of employees etc., which are otherwise prohibited by the law of the land, can be used as exclusion criteria at this stage of the procurement cycle.

Selection criteria should reflect the sustainability capabilities of the market, so as not to discourage the participation of small suppliers and limit competition. Criteria that are set too high will likely deliver sub-optimal procurement results and may have a detrimental impact on the value for money principle of procurement.

D – Evaluating bids and awarding contracts

Bid evaluation is a critical stage in the procurement cycle, as this is when responses to sustainability requirements are assessed, and contracts are awarded. It is also the stage that often receives the most scrutiny, therefore care should be taken to carry out the bid evaluation process in a systematic, fair and transparent manner, ensuring the best possible outcome. Bid evaluation can vary from a very simple approach of selecting the lowest price offer (meeting technical specifications), to a much more complex one of weighting and assessing numerous non-cost factors. The environmental or social non-price award criteria should allow for the contracting authority to determine the offer providing the best value for money and should be measurable in a uniform and objective manner, allowing for the neutral comparison of offers. Naturally, these criteria should be explicitly stated in the tender document/notice and comply with the fundamental principles of public procurement.

In certain instances, when the market capacity to offer sustainable solutions is unknown or uncertain, this stage of the procurement cycle provides an opportunity to incentivise and reward suppliers for offering increased sustainability performance in their offers. In applying sustainable award criteria and giving appropriate weight to non-price attributes, contracting authorities can influence the sustainability outcomes of their procurement decisions. For example, if the desired sustainability criteria have already been specified in the technical specifications, the contracting authority may choose to use lowest price as the award criteria.

If bids will be evaluated on criteria other than cost, then a bid evaluation model (methodology) should be developed. This model indicates the formula/decision-making process that will be applied in evaluating offers. It should be common public procurement practice for bids to be evaluated on the basis of 'value for money', where this is consistent with the prevailing legal framework.

In the EU, contracting authorities are not only free to choose the criteria for awarding the contract, but can also determine the weighing of such criteria. In some countries, however, a maximum weight for environmental criteria is set in the case of Norway it is 30%.



Case study 18. Evaluating bids – Costa Rica

In Costa Rica, procurement regulations specify that purchase price must occupy the highest percentage in the rating, in relation to

the rest of the evaluation factors. However, it is possible to include other evaluation factors, since the Law 8839 of 2010 specifically authorises the inclusion of environmental criteria. To promote the inclusion of sustainability factors in the evaluation of offers, the Ministry of Finance issued a technical regulation in 2015 declaring that 20% can be used for environmental, as well as other sustainable criteria, in the evaluation system.

That percentage may be raised by the contracting authority, provided a record of justification of the rise is in the procurement file. The sustainable criteria must be linked to the subject matter. The sustainable criteria must conform to the preliminary market study that supports the initial decision. In this way, it is guaranteed that the requested criteria can be met by the market.

The requirements imposed by the legal regulations cannot be subject to additional scoring, since they are mandatory (they are qualification criteria). The sustainable criteria must be specific and objectively verifiable. If the criteria can only be verified during the execution of the contract, sanctions should be defined in the procurement document in case of non-compliance, taking into account the seriousness of the breach.

Source: www.hacienda.go.cr/contenido/13023-compras-publicas-sustentables

E - Contract terms and conditions

Contract conditions are a legal document that binds suppliers to the delivery of products or the performance of the specified tasks as per mutually agreed terms and conditions. This document sets out the key commercial terms between the contractual parties, specifying duties, rights, roles and responsibilities.

Contracting authorities may lay down special conditions governing social and environmental considerations to enhance the sustainability objectives of the contract. In the event of a breach of these conditions, the contracting authority will have a recourse to remedies as per the existing legal framework. However, these conditions must be explicitly stated in the call for tenders to ensure transparency and equality.

This stage of the procurement cycle offers a good opportunity to influence the sustainability performance of the contract. This is especially true of service and works contracts in which most of the sustainability impacts occur during the execution stages. For example, contracting authorities may use appropriate terms and conditions to create employment opportunities for local youth or encourage suppliers to improve their sustainability performance during the execution of the programme. The contracting authorities can achieve these objectives by employing suitable contract conditions, without giving any price advantages to the winning bidders.

Contract conditions should be relevant to the performance of the contract and add to the achievement of value for money. Conditions, such as delivery in bulk, recovery/reuse of packaging materials, delivery of products in reusable containers, collection and recycling of products at the end of life, environmentally sound methods of transport can be used to enhance the environmental sustainability of procurement decisions. Conditions can also relate to social objectives, such as abidance by working time regulations or health and safety of workers at the workplace, etc. These conditions should include references to compliance with national and international acts, agreements and protocols related to social and environmental issues, which are protected at the constitutional or other high levels of law. Contracting authorities may also employ a gradual improvement approach to the sustainability performance of suppliers during the period of the contract.

F - Managing contracts for SPP

Both for transparency purposes and for ensuring that what is asked for in a tender is actually delivered, criteria should be verifiable. Some environmentally preferable choices may be simple to set as criteria, such as using certain materials like wood instead of plastic. If ecolabels are widely available and the criteria used are based on them, this can be used as a straightforward means of verification. However, alternative means of verifying supplier performance should be allowed, depending on the product or service, as well as the criteria addressed.

Verification methods should be transparent and allow for equal treatment. They should be included in the tender documents. Third-party verification is more robust than self declarations but may not always be accessible.

Means of verification can include:

- Laboratory reports (e.g., chemical composition)
- Testing (e.g., noise, energy use)
- Technical documentation (e.g., performance)
- External audits (e.g., working conditions)
- Membership in a multi-stakeholder initiative (e.g., for social criteria in textiles)
- Documentation on workers/suppliers (e.g., for MSMEs and/or gender-related issues)
- Proposing a concept to address issues in the supply chain

When proposing a given means of verification, resources such as human capacity and technical equipment should be available either internally within the contracting authority or externally to check them.

Determining supplier sustainability performance during contract implementation can be achieved in several ways:

- audits – Interview suppliers directly or use a questionnaire as part of sustainability performance audits, encouraging suppliers to improve their performance through a set of agreed-upon actions. Since most contracting authorities have limited resources for auditing, deciding where and when to audit or verify performance should be determined in light of the risks associated with the product or service procured; and
- improving supplier sustainability performance during contract duration – a demanding activity that needs to be focused on key suppliers. Contracting authorities should target sustainability activities appropriately and use the contract to work on improving specific aspects or approaches related to sustainability during its execution. For example, contracting authorities may ask a contractor to increase the percentage of women in their work.



Separation work of recyclable materials. © Von Alf Ribeiro/Shutterstock.com.



Stacks of lumber on a rack for sale. © Heidi Besen/Shutterstock.com.

force from X% to Y% during the contract period, as per agreed terms and conditions. Key suppliers should be encouraged to review their own approach to sustainable procurement and the application of sustainability principles throughout their supply chain.

If a contracting authority is to deliver on its commitment to SPP it should ensure that its suppliers deliver on their sustainability commitments, as the majority of sustainability impacts come from the supply chain. Contracting authorities and vendors must agree on a joint sustainability performance improvement plan and methodology for measuring results. In this manner, the contracting authority will be able to demonstrate improvements in sustainability performance. Contract management is under the joint responsibility of procurement, sustainability and user department teams; hence, strong internal cooperation and management is required.

Though both the supplier and the contracting authority have legal contractual obligations to honour terms and conditions, contracts that are well managed ensure that commitments are met on both sides and problems are dealt with quickly.

Time and commitment are required to build a solid working relationship between the contracting authority and the supplier. This is particularly important for service and works contracts, because most of the sustainability risks occur during the execution of the contract. Moreover, contract management is important for high-risk contracts, where the products or services supplied have high sustainability impacts, as well as for essential purchases of the contracting authority.

When proposing a given means of verification, resources such as human capacity and technical equipment should be available either internally within the contracting authority or externally to check them

Box 10. Using Sustainability Standards and ecolabels in SPP

Consumer information tools such as product standards and ecolabels can facilitate conscious and informed SPP decisions.

Procurers can use these tools:

- as reference for drafting technical specifications;
- for verifying compliance; and
- as a mandatory means of verification (if legally possible).

There are hundreds of consumer information tools available worldwide, including ecolabels, standards and certification schemes. There is a great degree of diversity in how these tools were developed and what issues are addressed. Some focus on a single environmental attribute during use (e.g., energy efficiency), while others consider multiple environmental attributes during the full life cycle of the product.

Where available, prioritise Type I ecolabels for environmental criteria (see Global Ecolabelling Network¹²⁸ for definitions) as these provide the best assurance of quality and reliability of the criteria (see Types of ecolabels).

When considering using standards and labels in SPP, some questions to be asked in advance are:

- is it sufficiently spread in the market?
- is it credible?¹²⁹
- does it address relevant aspects?

It may make sense, or even be legally required, to use the criteria for the relevant label, but let the supplier decide how to demonstrate that they meet it, for example via third-party verification or by providing lab test results directly.

Using Social Labels

In addition to eco-labels covering the environmental performance of a product (or service), social labels can cast light on important aspects of product sustainability performance.

- social labels can verify improved working conditions or other social criteria along the supply chain;
- social labels tend to focus on one or a few product categories, with Fairtrade covering agricultural products from coffee to cotton as well as some manufactured products such as footballs, Rugmark specializing in rugs and carpets, and TCO Certified looking at IT products, to name a few;
- increasingly, labels are covering social and environmental issues, such as the case with the Forest Stewardship Council (FSC) and Rainforest Alliance (RA); and
- social labels differ depending on which issue or phase is addressed in the supply chain. The geographical limitations of labels result in the exclusion of some producing countries, even though social criteria may be met because of stricter government control, well organized unions, etc.

Alternative verification could include membership in a multi-stakeholder initiative, external audit reports or supplier questionnaires.

128 Global Ecolabelling Network. What is Ecolabelling? Available at: www.globalecolabelling.net/what-is-eco-labelling/

129 For useful questions on credibility of sustainability claims: ISEAL, Challenge the label. Available at: www.isealliance.org/challenge

Types of ecolabels

ISO (International Organisation for Standardization) differentiates between three broad types of voluntary labels: Type I, II and III. In addition, ISO Type I-like, single issue labels as well as mandatory labels exist¹³⁰:

Definition	Examples
<p>(ISO 14024) Type I – a voluntary, multiple-criteria based, third-party programme that awards a license that authorises the use of environmental labels on products indicating overall environmental preferability of a product within a particular product category based on life cycle considerations.</p>	<p>European Ecolabel, German Blue Angel, Nordic Swan, NF-Environment (the French Ecolabel), Global Organic Textile Standard (GOTS), etc.</p>
<p>(ISO 14021) Type II – self-declared environmental claims that are made, without independent third-party certification, by manufacturers, importers, distributors, retailers or anyone else likely to benefit from such a claim.</p> <p>The ISO standard lists several requirements for self-declared environmental claims. Among these are accuracy, possibilities for verification and consideration of relevant environmental aspects.</p> <p>The standard specifies that unwarranted claims such as vague or non-specific claims ('eco-friendly', 'green', 'non polluting'...) should be avoided.</p>	<p>A declaration, a logo, a commercial etc. e.g. 100% recycled paper etc.</p>
<p>(ISO 14025) Type III – voluntary programmes that provide quantified environmental data of a product, under pre-set categories of parameters set by a qualified third party and based on life cycle assessment, and verified by that or another qualified third party.</p>	<p>Eco Profiles Environmental Product Declaration (EPD) systems e.g. Swedish EPD</p>
<p>Type I – like, single issue labels often referred to as 'certification schemes' or 'sustainability labelling,' they share the same characteristics as Type I but are often focused on specific impacts (i.e. energy consumption, agricultural practice) and applied only to a specific sector (i.e. energy-using appliances, agricultural commodities).</p>	<p>FSC, Marine Stewardship Council (MSC), NaTrue, OekoTex, Programme for the Endorsement of Forest Certification (PEFC)</p>
<p>Mandatory labels</p>	<p>Energy Label, crossed out wheeled bin symbol, CE marking, CO₂ emissions from passenger cars etc.</p>

130 More information available at: Retail forum for sustainability Labelling (2011). Issue paper N°7, June. www.ec.europa.eu/environment/industry/retail/pdf/labelling_issue_paper_final.pdf. ISO (2019) Environmental labels. 2. www.iso.org/files/live/sites/isoorg/files/store/en/PUB100323.pdf UNEP. Ecolabelling. Available at: www.unenvironment.org/explore-topics/resource-efficiency/what-we-do/responsible-industry/eco-labelling

6.5. Developing a Capacity Building Plan

Capacity Building should be administered throughout the SPP Programme, from its inception to implementation, beginning with the training of decision-makers, followed by procurement practitioners, suppliers, and other relevant stakeholders.

Some key challenges include building the necessary skills and knowledge for continuous operation and improvement of the SPP Programme and changes in technical staff. Through training, communication, and the development of tools such as SPP Handbooks, target audiences develop a shared understanding and language around SPP. Capacity-building activities also create awareness and build a network of stakeholders engaged in SPP.

The SPP Unit should be made responsible for developing and overseeing the implementation of an SPP Capacity Building Plan that, when finalised, should be endorsed by the Steering Committee. The Plan can be developed based on the stakeholder mapping exercise of Phase I, as well as a capacity needs assessment elucidating the following:

- The SPP-related tasks to be fulfilled
- The needed capacity to carry out these tasks
- The present capacity within the listed areas of expertise
- The gap between existing and needed capacity

The capacity needs assessment should provide a good indication of the knowledge gaps across the various stakeholder groups that will need to be addressed through training activities. The Capacity Building Plan should provide a roadmap for filling these gaps (see Table 12), leveraging different training modalities, both online and in-person, such as webinars, workshops, seminars etc. Some content, for example, a general introduction to SPP, can be the same, while other aspects and content should be tailored to the particular audience. Taking into consideration workload and time constraints of working people, the SPP Unit should consider developing a short online training programme. Such a programme can also be useful for reaching out to rural areas.

Table 12. Issues to be addressed when defining a Capacity Building Plan

Question	Issues to be addressed	Output
Who?	<ul style="list-style-type: none"> • who is the target audience (procurement practitioners, contract administrators, auditors, users, producers, MSMEs¹²⁷, etc.)? Central government and/or local governments? 	<ul style="list-style-type: none"> • Target audience group(s)
What?	<ul style="list-style-type: none"> • what are the necessary skills and knowledge that the target groups require for their role in the SPP Programme? This includes considering if these skills and knowledge should be incorporated into the job profile at some point. 	<ul style="list-style-type: none"> • Capacity building goals and objectives
When?	<ul style="list-style-type: none"> • what should be the time scope (years) of the plan? • what can be achieved in the short, medium and long term? 	<ul style="list-style-type: none"> • Definition of short-term, medium-term and long-term objectives
Where?	<ul style="list-style-type: none"> • will the capacity building efforts focus on specific region(s) of the country? If yes, which ones? What are the selection criteria? 	<ul style="list-style-type: none"> • Geographical focus
How?	<ul style="list-style-type: none"> • which instruments are available? Which ones need to be developed/updated according to each target group and the defined goals and objectives? • how will these activities be financed? • how can the success of these activities be properly monitored and evaluated? 	<ul style="list-style-type: none"> • Instruments: trainings (in person, eLearning), guidelines, tools (like calculators), websites, university curricula, networks, etc. • Financing • Monitoring and evaluation
By whom?	<ul style="list-style-type: none"> • who will implement the activities? • which partnerships exist for implementation? (private sector, universities, training centres...) 	<ul style="list-style-type: none"> • Institutional set-up • Partnerships

Source: GTZ (2011) *Capacity WORKS: The Management Model for Sustainable Development*, January 1. www.shareweb.ch/site/DDLGN/Documents/GIZ_2009_capacity-works-manual.pdf



Construction workers. © Bannafarsai_Stock/Shutterstock.com.

The Plan should also provide an indication of the types of materials that will accompany each training modality, the persons who will be responsible for developing such materials or will administer the training activities. Development of training curricula and materials can be achieved with support from international partners, NGOs, consultancies or any other stakeholder group with relevant knowledge, such as trade unions or universities.

There is also a wealth of training materials available online that can serve as inspiration, such as UNEP's SPP Training Toolkit¹³¹. Training can be administered with support from national trainers who are likely to have more in-depth knowledge on the specific situation or international trainers who should have a broader experience. As SPP matures in the country, initial training materials should be complemented by other tools such as the Sustainable Procurement Guidelines of the Priority Products or an SPP Handbook (see *Box 11. SPP Handbooks*).

A new tool which emerged in 2017 and could be of great help to SPP policy makers and practitioners is the [ISO 20400 document](#) which provides guidance to organisations on integrating sustainability within procurement, as described in ISO 26000. It is intended for stakeholders involved in, or impacted by, procurement decisions and processes.

The ISO document assists organizations in meeting their sustainability responsibilities by providing an understanding of:

- what sustainable procurement is;
- what the sustainability impacts and considerations are across the different aspects of procurement activity:
 - Policy
 - Strategy
 - Organization
 - Process
- how to implement sustainable procurement.

The Capacity Building Plan should also include a strategy for knowledge retention, foreseeing staff turnover and changes in government. Below are some strategies to ensure knowledge is retained.

- identify SPP experts and trainers nationally and internationally and make their contacts available;
- find resources on the [One Planet Network](#);
- work with universities to integrate SPP into public procurement, policy management, development and other relevant courses;
- establish a help desk which can be contacted for technical assistance, training, best practices etc.;
- strengthen NGOs working on a specific sector (labour rights, environmental conservation...) to integrate SPP and provide expertise;
- integrate sustainability in public procurement training for officers in-house; and
- undertake train-the-trainer activities to build capacity.

¹³¹ UNEP's Training Toolkit can be shared upon request at unep-spp@un.org

Box 11. SPP Handbooks

A national SPP Handbook can support national procurers in implementing SPP 'the national way', and so can specific tools such as Excel®-spreadsheets help to calculate Total Cost of Ownership. Key sources for preparing a national SPP Handbook should be existing handbooks from other regions and countries, although the handbook details should always be specifically tailored to the country local context. Short case studies and examples to illustrate a point can help making handbooks and guidelines more relatable. Existing Sustainable Procurement Guidelines incorporating environmental and social criteria address different levels of government, product categories, and sustainability impacts (labour rights, water use, innovation, etc.). Some notable examples are listed below. More examples can be found on the [One Planet Network](#).

In Europe, the [Buying Green Handbook](#), developed by the European Commission, has become an important tool for mainstreaming GPP. Now in its third edition (2016), the Handbook's objective is to explain, in concrete terms, how environmental considerations can be integrated in public procurement procedures.

In Latin America and the Caribbean, the International Institute for Sustainable Development (IISD) together with partner organisations, developed a [Handbook for the Inter-American Network on Government Procurement \(INGP\)](#). The Handbook is an effort to make public procurement a catalyst for inclusive sustainable growth, addressing regional challenges, such as crowding-in of MSMEs and supporting minority suppliers and women-owned enterprises.

A national SPP Handbook can support national procurers in implementing SPP 'the national way', and so can specific tools such as Excel® spreadsheets help to calculate the Total Cost of Ownership.

The Nordic Council of Ministers developed the [Nordic Guidelines for Green Public Procurement](#) in 2017, as part of its Nordic co-operation involving Denmark, Finland, Iceland, Norway, Sweden, the Faroe Islands, Greenland, and Åland. The Guideline aims to create a unified Nordic understanding of the possibilities to account for sustainability considerations in accordance with the EU Public Procurement Directives.

Procura+ is a network initiated by ICLEI-Local Governments for Sustainability in which public authorities and regions connect, exchange and act on sustainable and innovation procurement. The [Procura+ Manual](#) includes guidance on six key sectors for Sustainable Public Procurement, as well as case studies and advice on how to implement SPP at an organisational level.

The [Going Green handbook](#) developed by the OECD is covering best practices for sustainable and green procurement with a wide scope covering many different regions in the world.

The European Commission has issued in 2021 the second edition of [Buying Social – a guide to include social considerations in public procurement](#).

Ukraine, through the [EaP GREEN](#) Programme and its partner organisations, developed the [Handbook on Sustainable Public Procurement: Integration of Sustainability Criteria into Public Procurement Procedures](#). The handbooks adapt existing materials to a local and practical context for procurers. The handbook is used as a base for training, publications in journals and public procurement websites.

See Annex 2 for a suggested structure of SPP Handbook.

SPP trainings

Training on SPP should begin as soon as the NFO, SPP Unit and Steering Committee are established. These initial training sessions should target all those responsible for leading the SPP Programme, as well as any other relevant stakeholders, such as contracted consultants or key staff. The training sessions should provide a general introduction to SPP and its benefits, as well as to the SPP Approach. These sessions will help stakeholders make informed contributions with respect to the development and implementation of the SPP Programme and will increase their performance and willingness to exchange knowledge and collaborate.

Training on SPP should continue throughout the implementation of the SPP Programme and should be tailored to the target audience, such as procurers as well as staff from:

- Finance
- Legal Departments
- Contract Management
- Project Management
- Heads of Departments/Senior Management Teams
- As well as suppliers and civil society

The specific objectives of an SPP Training will vary accordingly, and the training can comprise both organisational and more technical topics.

Organisational topics include:

- Awareness raising on the benefits of SPP in perspective of the overarching policy goals
- Obtaining political support and willingness to implement SPP
- SPP leadership
- SPP Status Assessment and legal review
- Preparing the SPP Policy Statement
- Establishing a governance and organisational structure
- Development of the SPP Action Plan
- Implementation of the SPP Action Plan
- Monitoring and evaluation
- Mainstreaming SPP

Technical topics include:

- The spend analysis
- Sustainability assessments of products and services
- Prioritising products for SPP
- Preparing SPP criteria
- The market readiness analysis
- Life Cycle Costing
- Integrating sustainable procurement criteria in the public tendering processes

Additional topics for the training of suppliers may also include:

- Contributing actively to the market readiness assessment
- Documenting compliance with SPP criteria

It is recommended that invitations for SPP Training sessions should come from a high-ranking role that the audience is likely to respond to, such as the Ministry of Finance.

Case study 19. SPP Training – Vietnam



In Vietnam, two training sessions were held as part of the UNEP-led SPPEL project; one occurred in Hanoi, the country's capital, and the other in Ho Chi Minh City, Vietnam's most important economic centre.

To find the right group of participants, the Vietnam Environment Administration (VEA) cooperated with the Asian Institute of Technology in Vietnam (AIT-VN) to develop a list of potential governmental departments, institutions, organisations, suppliers and trainers/consultants across public procurement (from planning and tender preparation to purchasing) as well as ecolabelling. An invitation was then sent to this list, to other networks of the involved organisations and via social media publications. Participants were selected based on their professional position, background and experience in the field of SPP and ecolabelling.

The 125 participants came from a variety of stakeholder groups. They represented private companies, including MSMEs and service providers, purchasers, project managers, consultants, public officials and academia.

The training sessions were delivered by local experts along with SPP and ecolabelling experts from UNEP.

Building on the Training Toolkit provided by UNEP, the curriculum was adapted to the audience and the local context, including case studies from Vietnam. A field trip to a paper company showed ecolabelling and environmental management systems in practice. As well as delivering information on Sustainable Development, SPP and ecolabels, the training sessions allowed time for participants to ask questions and discuss their specific context. This also enabled them to come away prepared to integrate SPP in the tendering process.¹³²

¹³² UNEP (2018) UN Environment: 10 years of action to accelerate the shift to Sustainable Public Procurement at national, regional and global levels. SPP and Ecolabelling Project (SPPEL) 2013-2017. www.oneplanetnetwork.org/sites/default/files/un_env_case_study_2018_0.pdf

6.6. Developing a Communication Strategy

Communication on the SPP Programme is a critical and ongoing activity that can be as simple as an advertisement for SPP Training sessions, or more complex and involved such as a press conference. Knowledge dissemination can be key in motivating staff, bringing stakeholders on board, and informing all sectors of the society about the potential or achieved benefits of SPP. Communications with the right content increase the satisfaction of stakeholders.

Communications should be directed to internal stakeholders (through programme reports, status meetings, etc.), as well as external ones (through consultative workshops, press conferences, etc.).

It is recommended that a Communication Strategy is developed, detailing the appropriate communication approach based on an understanding of the audience and their interest.

The development of such a Plan should consider the following questions:

- Who is the target audience?
- What are the communication needs of the different stakeholders?
- What is the aim of the communication – involvement, information, direction or other?
- What is the substance of the communication?
- What methods and channels will be used, considering the target audience?
- What should be the timing and frequency of the communication?
- Who will be responsible for the communication?

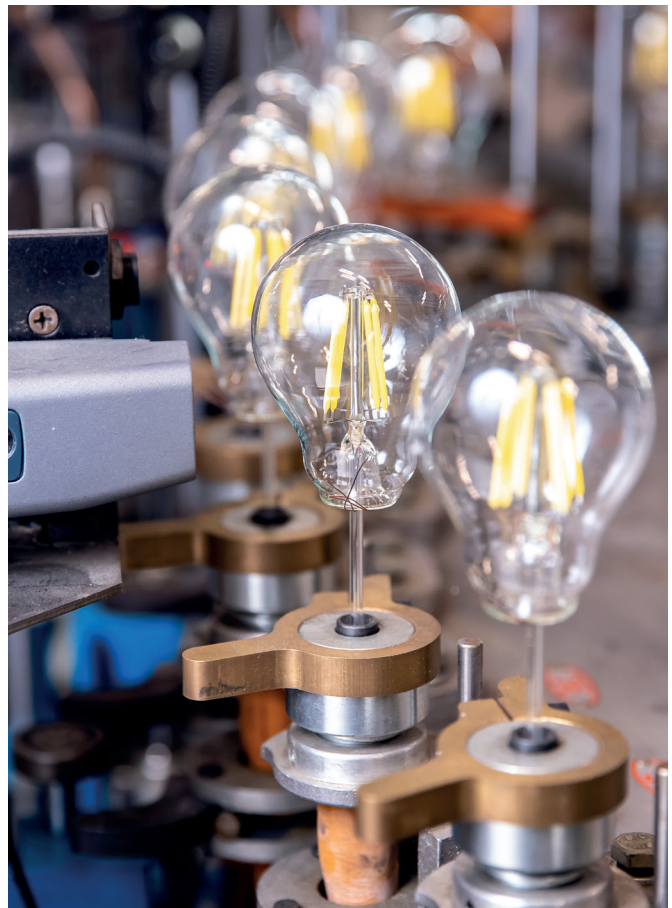
The Communication Strategy is a critical tool for moving the country towards achieving its SPP vision and should therefore naturally be aligned to the overall objective of the SPP Programme. It is recommended to develop a Communication Strategy that can:

- position SPP as an official initiative of the government;
- publicise the benefits of SPP for over-arching policy goals;
- gain support for and engagement with SPP from civil society;
- contribute to having public officers, suppliers, as well as other stakeholders, speak a 'common language' on SPP;
- inform the market about SPP plans to allow producers to adjust and adapt to future needs;
- publicise achievements from SPP, including impacts;
- identify opportunities for improvement;

- maintain political support, particularly during transitions of governments;
- support procurers in understanding the principles and practice of SPP.

Among many relevant topics for dissemination through communications are:

- Workshops and training sessions
- Examples of benefits of SPP
- Exchange of experience
- Information on where to find information such as detailed criteria, help desk, etc.
- Contribution of SPP to overarching policy goals
- Product categories being purchased with SPP considerations
- Sustainability or financial outcomes achieved
- Progress made in SPP (results of monitoring and evaluation)



Automated workshop conveyor for production of glass lamps bulbs factory. © Parilov/Shutterstock.com.

Case study 20. Communication Strategy – Moldova

Communication is relevant in both setting up SP and the longer-term implementation. In the Republic of Moldova, a Communication Strategy established guidelines for disseminating information and raising awareness of SPP. The communication activities were the responsibility of a specifically created coordination committee. Different types of communication channels (outlined below) targeted civil society, public institutions, mass media and businesses.

The strategy had the following objectives:

- Grow the popularity of environmental protection
- Offer citizens tools to get involved in sustainable development
- Encourage the private sector to invest in sustainable technologies
- Facilitate market engagement for different levels of government
- Specific topics covered were:
 - Benefits of SPP
 - The role of civil society in SPP implementation
 - Government support for the private sector to contribute to sustainable development
 - Results of the SPP implementation

To reach the objective of disseminating the topics to the diverse target audience, a range of communication channels were used. This included the Public Procurement Agency web page, to publish events and standard bidding documents with sustainable criteria. Within the site, there is also a dedicated area for SPP containing more information on sustainable criteria that have been developed, a handbook, and a list of potential suppliers for sustainable products and services.

Several events such as training sessions, workshops, round tables and a final conference were organised for different target groups. Flyers, brochures and stand-up banners were also used during these events.

Finally, the Facebook page of the Public Procurement Authority was used to promote events and publish results.

Find out more about the EaP GREEN project in Moldova [here](#).¹³³

¹³³ EaP GREEN. Moldova. Available at: www.green-economies-eap.org/countries/moldova/

6.7. Establishing a Monitoring and Evaluation System

Monitoring and evaluation allow policy-makers to make informed decisions and help managers improve programme efficiency. In addition, monitoring and evaluation demonstrate political commitment, contribute to keeping each agency accountable, and enhance transparency when results are communicated. Monitoring and evaluation are also important factors in making the business case for SPP, thus ensuring that it is a priority activity for decision-makers.

It is important to establish a Monitoring and Evaluation System to track the progress and results of an SPP Programme (see *Figure 18. Defining and setting up an SPP monitoring system*). This should be done preferably at an early stage. The SPP Monitoring System should be integrated into the broader public procurement Monitoring and Evaluation System (see *Figure 18. Defining and setting up an SPP monitoring system*).

The aim is not only to follow the progress of SPP implementation but also to measure the sustainability impacts and market transformation effects of the SPP Action Plan.

The UNEP 2017 *Global Review of Sustainable Public Procurement* found that national governments continued to find challenges in monitoring the adoption of SPP, and, even more so, in measuring outcomes achieved through SPP.¹³⁴

National governments monitor different aspects of SPP based on their unique policies, priorities, and the objectives of their monitoring exercises (see *Figure 17. Aspects of SPP monitored by national governments*).

These aspects can be classified into three main areas, as defined in the UNEP report "*Monitoring Sustainable Public Procurement Implementation Recommendations and Case Studies*":¹³⁵

- institutionalisation refers to the process and actions undertaken by an organisation to integrate and embed SPP in that organisation's culture and daily operations;
- outputs are the direct results of the procurement activities and can be divided into four groups: i) procurement processes (tenders, contracts, procurement orders) including sustainability requirements; ii) sustainable products, services or works purchased; iii) contract with or purchase from preferred companies; and iv) direct generation of employment opportunities, the latter being an output as well as an outcome; and
- outcomes are the benefits to, or impact on, the environment and society generated by SPP practices.

¹³⁴ UNEP (2017) *Global Review of Sustainable Public Procurement*, 22. www.oneplanetnetwork.org/sites/default/files/globalreview_web_final.pdf

¹³⁵ UNEP (2016). *Monitoring Sustainable Public Procurement Implementation. Recommendations and Case Studies*. 10YFP Sustainable Public Procurement programme: www.scpclearinghouse.org/resource/monitoring-sustainable-public-procurement-implementation

Figure 17. Aspects of SPP monitored by national governments

Source: UNEP (2017). *Global Review of Sustainable Public Procurement*, 23. https://www.oneplanetnetwork.org/sites/default/files/globalreview_web_final.pdf

As mentioned in Phase III, SMART objectives and targets in the Policy Statement allow for relevant monitoring of the level of achievement.

The main elements of defining and setting up SPP monitoring systems, structured in steps are summarized in *Figure 18. Defining and setting up an SPP monitoring system.*

A methodology to measure SPP implementation and the SDG Indicator 12.7.1, i.e., the "Number of countries implementing SPP policies and actions plans", The *SPP Index Methodology*¹³⁶, has been developed by UNEP and partners and can serve as a reference.

The methodology proposes an Index for measuring the level of implementation of Sustainable Public Procurement (SPP) in a single country covering the following four groups of indicators:

- the existence of SPP policies and/or SPP legislation;
- the efforts and means dedicated by countries towards the implementation of SPP policies (process indicators);
- the outputs developed through these policies (outputs indicators); and
- the results achieved by these policies (outcome indicators).

The methodology can be used by all countries regardless of their status of their SPP implementation and mainstreaming, just as it can be used at both national and sub-national levels.

The indicators used in this methodology correspond to UNEP's SPP Approach described in these Guidelines:

- existence of an SPP Action Plan/Policy Statement, and/or SPP regulatory requirements;
- the SPP regulatory framework is conducive to Sustainable Public Procurement;
- practical support delivered to public procurement practitioners for the implementation of SPP/GPP;
- SPP purchasing criteria/ buying standards / requirements identified;
- existence of an SPP monitoring system; and
- percentage of sustainable purchase of priority products/ services.

The SPP Index has been designed to minimise the risk of data gaps by selecting easily verifiable and measurable sub-indicators.

Find out more about the SDG Indicator 12.7.1. in *Box 4. First reporting exercise on SDG Indicator 12.7.1* and on the One Planet Network.¹³⁷

¹³⁶ UNEP (2021). SDG Indicator 12.7.1: SPP Index Calculation Methodology & Guidelines, 18 June. www.oneplanetnetwork.org/sites/default/files/spp_Index_methodology_-_sdg_indicator_12.7.1.pdf

¹³⁷ One Planet Network. Methodology for measuring SDG 12.7.1 indicator on SPP reclassified to Tier II. www.oneplanetnetwork.org/methodology-measuring-sdg-1271-indicator-spp-reclassified-tier-ii

Figure 18. Defining and setting up an SPP monitoring system

The different stages towards the definition and setting-up of an SPP monitoring system are summarised in Figure 18 below.



Case study 21. Monitoring GPP: the Korean experience, Republic of Korea



GPP as a strategic driver of sustainable economic growth in Korea

The Republic of Korea launched its Green Public Procurement (GPP) policy in 2005 (Act on the Promotion of Purchase of Green Products) which

has come to be recognised as a best practice example. The GPP policy has a strong focus on supporting Sustainable Consumption and Production (SCP) by developing the market for ecolabelled products through public demand. The policy requires contracting authorities to set their own voluntary GPP targets and produce yearly progress reports.

The Republic of Korea is a leader in the use of electronic procurement systems and platforms for GPP implementation and monitoring. To assess the progress of GPP, two aspects are monitored. The first is the number of public authorities developing GPP implementation plans and reporting their implementation. The second is the share of green products purchased (EcoLabel and Good Recycled Mark).

Results of GPP implementation

In 2017, 97% of State agencies submitted their implementation plans for 2018 and all of the organisations reported on their implementation performance for the previous year. Between 2006 and 2017, the total expenditure on green products by all public institutions increased from USD 759 million to USD 2,945 million. This resulted in an increase of the share of green procurement to 47.5% of the total volume of expenditure.

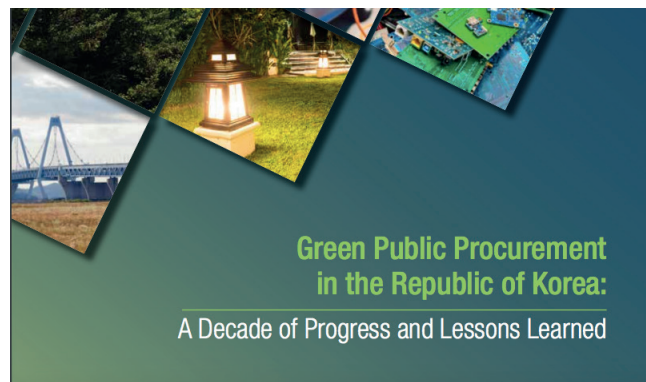
Direct and indirect benefits

GPP, as part of an SCP policy instrument, tends to increase demand for green products and positively impact green production. Throughout the period 2005-2017, the number of certified products increased from 2,721 to 14,647.

Sustainability benefits can be expressed in CO₂ equivalent, environmental, social and economic. In 2017, the reduction of CO₂ equivalent emissions was estimated at 665,000 tons. The total green purchases executed by the Public Procurement Service (PPS) led to the creation of USD 35.4 million and 4,415 new jobs in the green economy.

Strengths of the Republic of Korea's overall GPP approach

The Republic has a two-decade history of green procurement practices. The successful implementation of GPP was enabled by a strong institutional framework built around the collaboration between the Ministry of Environment, Korea's Environmental Industry & Technology Institute (KEITI), the Ministry of Economy and Finance and the Public Procurement Service (PPS). Other drivers are the development of annual implementation plans by public authorities and mandatory green product purchase and reporting. A noteworthy feature of the Republic of Korea's approach is the early use and widespread of electronic procurement systems and platforms for GPP implementation and monitoring.¹³⁸ For more information on GPP implementation in the Republic of Korea, please see Green Public Procurement in the Republic of Korea: A Decade of Progress and Lessons Learned, a report jointly issued by UNEP and KEITI in 2019.



138 UNEP, KEITI (2019). Green Public Procurement in the Republic of Korea: A Decade of Progress and Lessons Learned. www.oneplanetnetwork.org/sites/default/files/green_public_procurement_in_the_republic_of_korea-a_decade_of_progress_and_lessons_learned.pdf

Coordination of SPP monitoring should be defined in the SPP Action Plan, as information gathering may involve several institutions. It is also essential to ensure leadership by appointing a monitoring agency or department with authority to mobilise stakeholders and get as many responses as possible in the monitoring exercises.

The integration of SPP monitoring into existing electronic tools (i.e., e-procurement systems) helps to monitor the procurement of sustainable goods and services. It facilitates the identification and ranking of sustainable buyers. It helps to measure outcomes and benefits, and as a result enables to fine-tune decisions in terms of policy making and SPP implementation.

To incentivise the uptake of SPP, countries could use the information gathered through monitoring to define incentives linked to certain results, such as ranking institutions or recognition to top performing contracting authorities or individual officers.

Further reading

ICLEI - Local Governments for Sustainability, European Secretariat (2017) *Market Engagement: State of the art report*. www.sppregions.eu/fileadmin/user_upload/Resources/Market_Engagement_SoA_Report.pdf

ISO, International Organization for Standardization (2017). *ISO 20400:2017: Sustainable procurement – Guidance* www.iso.org/obp/ui/-iso:std:iso:20400:ed-1:v1:en

New Zealand Government (2015). *Constructive Market Engagement: A guide to engaging effectively with suppliers*. www.procurement.govt.nz/assets/procurement-property/documents/guide-constructive-market-engagement.pdf

SEAD (2013). *Guide for Monitoring and Evaluating Green Public Procurement Programs*. www.oneplanetnetwork.org/sites/default/files/sead_guide_for_monitoring_and_evaluating_green_public_procurement_programs_espanha_34.pdf

Sergio Ugarte, SG Consult; David D'Hollander, ISEAL; Norma Tregurtha, ISEAL; and Nina Haase, WWF (2017) *SDGs Mean Business: How Credible Standards Can Help Companies Deliver the 2030 Agenda* www.awsassets.panda.org/downloads/2017_wwf_sdgs.pdf

UNDP (2017). *Environmental Questionnaire for UNDP Suppliers and Manufacturers of Healthcare Products*. www.procurement-notices.undp.org/view_file.cfm?doc_id=170573

UNEP (2017). *Comparative Analysis of Green Public Procurement and Ecolabelling in China, Japan, Thailand and the Republic of Korea: Lessons Learned and Common Success Factors*. www.oneplanetnetwork.org/resource/comparative-analysis-green-public-procurement-and-ecolabelling-china-japan-thailand-and

Zhu, Qinghua & Geng, Yong & Sarkis, Joseph. (2013). *Motivating green public procurement in China: An individual level perspective*. *Journal of environmental management*. https://www.oneplanetnetwork.org/sites/default/files/motivating_green_public_procurement_in_china_an_individual_level_perspective.pdf

Appendices

Annex 1

Sample outline of an SPP Action Plan

Context

- 1.1 History of SPP in the country
- 1.2 Contribution to sustainable development objectives
- 1.3 Relevant laws and regulations for SPP

Institutional arrangements

- 2.1 This should explain how the SPP responsibilities are divided between ministries and other stakeholders

Addressing legal barriers for SPP

- 3.1 Changes or adjustments that should be made to the current legislation to favour SPP
- 3.2 Actions to articulate existing laws and regulations to favour SPP implementation

Identifying priority product groups and services and definition of criteria

- 4.1 Brief summary of how and why these product groups or services can be selected
- 4.2 Process of prioritising and selecting products and services for SPP
- 4.3 Process of market engagement
- 4.4 Preparation of SPP criteria

Development and adaptations of new sustainable procurement tools

- 5.1 Sustainable Procurement Guidelines of the Priority Products
- 5.2 Updated tender documents
- 5.3 Training modules

Integrating sustainability requirements in the procurement cycle

- 6.1 Analysis of processes that facilitate SPP implementation, including procurement planning
- 6.2 Actions to ensure integration of sustainability requirements at all stages of the procurement cycle
- 6.3 Institutions to be implementing pilot tenders

Capacity Building Strategy

- 7.1 Capacity Building needs
- 7.2 Capacity Building Strategy

Communication Strategy

- 8.1 Communication responsibilities
- 8.2 Stakeholders to be reached
- 8.3 Communication Strategy

Monitoring and control

- 9.1 Need for monitoring and control
- 9.2 How to quantify and determine impact through indicators

Estimated budget to be allocated

- 10.1 Fundraising and other strategies to ensure SPP annual funding

Annex 2

Suggested structure for an SPP Handbook

1. Introduction to Sustainable Public Procurement

- Sustainable Public Procurement as a tool for reaching policy goals;

This connects to the overarching programme SPP contributes to according to the SPP Policy Statement, for example sustainable development, innovation or environmental protection;

- Key Aspects and Principles of the Sustainable Public Procurement

This can be built on the introduction found above, with adaptation to the country-specific context; and

- The Legal Framework on the Sustainable Procurement.

This contributes to building security for those implementing SPP.

2. Sustainability throughout the procurement cycle

Introduction: Needs assessment

- 2.1. Subject Matter
- 2.2. Drawing Up Technical Specifications
- 2.3 Qualification (Selection) of the Suppliers
- 2.4. Awarding a Contract
- 2.5. Contract Management

3 Criteria for prioritized product groups

Introduction: Criteria development

Assessing the Sustainability Impacts for the Selected Product Groups

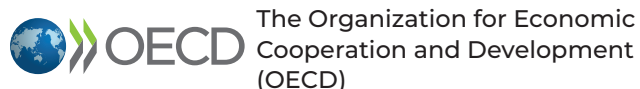
- 3.1. Sustainability Impacts of Product Group A
- 3.2 Criteria for Product Group A
- 3.3 Sustainability Impact of Product Group B
- 3.4 Criteria for Product Group B
- 3.5 Sustainability Impact of Product Group C
- 3.6 Sustainability Impact of Product Group C

Further resources

Guides, networks, websites and other resources available nationally and internationally.

Annex 3

Detailed presentation of selected support organizations and networks



The potential support to OECD and non-OECD countries on SPP

The OECD supports member and non-member countries in reforming their public procurement systems to ensure they deliver on national priorities, are strategically aligned with the Sustainable Development Goals (SDGs) and promote long-term sustainable and inclusive growth as well as trust in government including, by:

- Undertaking hands-on peer reviews to evaluate and assess the quality and effectiveness of public procurement systems, to help governments (on national or sub-national level) understand whether their systems properly support the implementation of SDGs and to provide proposals for improvements. OECD is using different assessment tools based on the special needs of the country seeking for support. Relevant frameworks include:
 - the [Recommendation of the OECD Council on Public Procurement](#) and;
 - the [Methodology for Assessing Procurement Systems \(MAPS\)](#), and the [Supplementary Module on Sustainable Public Procurement \(MAPS SPP\)](#).

Examples for this support:

- MAPS assessments in [Norway](#), [Eastern Caribbean Countries](#), [Kazakhstan](#),
- Using the OECD Recommendation on Public Procurement in [Costa Rica](#) to identify pathways for the modernisation of the public procurement system, with a special focus on green public procurement, SMEs development, innovation, and RBC or in [Malta](#) that has been reforming its public procurement system to contribute to the success of its fast-growing economy,
- Using OECD Framework for Measuring Well-Being and Progress in the review of the federal public procurement system in [Germany](#).
- Providing policy advice on the design of sustainable public procurement strategies and action plans, including stakeholders mapping and identification of critical success factors, based on OECD's vast experience and knowledge.

Examples for this support:

- Applying the MAPS SPP Module in Norway (see: [Sustainable Public Procurement in Norway](#)) that fed the development of the new Sustainable Public Procurement Strategy.
- Providing capacity building and training activities (tailored workshops) on the strategic use of public procurement, with a focus on sustainable public procurement. The support could entail developing training action plans, training materials on the specific topics related to SPP and organisation of trainers' training, tailored to the specific needs of the requesting country, and with the participation of peers from relevant OECD countries.

Examples for this support:

- In recent years, OECD supported EU member states like Slovakia, [Lithuania](#) and [Bulgaria](#) with developing comprehensive public procurement Capacity Building Strategies, including training materials, with special focus on SPP.
- OECD supported [Algeria](#) with Capacity Building of officials in charge of public procurement, including the development of a training action plan, development of training materials, organization of trainers' training, development of a public procurement guide.
- Providing frameworks for monitoring sustainable public procurement practices and measuring the impacts of sustainable public procurement as well as the achievement of sustainable public procurement targets. The OECD has developed a framework for measuring the performance of the public procurement system, including measuring environmental and social impacts.

Examples for this kind of support:

- The framework was tested in Finland and Chile, see: [Productivity in Public Procurement: A Case Study of Finland: Measuring the Efficiency and Effectiveness of Public Procurement](#),
- Developing practical tools on various topics related to the implementation of SPP.

Examples for this kind of support:

- The OECD recently worked with [Tunisia](#) to develop a comprehensive risk management strategy, guide and tool for public procurers to engage positively and constructively with risks that are an inevitable part of every procurement process. (Guide de management des risques dans les marchés publics en Tunisie).

Contact points:

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The Organization of
American States (OAS)



The Inter-American
Network on Government
Procurement

The SPP services of the Inter-American Network on Government Procurement (INGP)

The [Inter-American Network on Government Procurement \(INGP\)](#) is a hemispheric mechanism recognized by the Organization of American States (OAS), as its Technical Secretariat, through the General Assembly Resolution GA/RES. 2894 (XLVI-O/16) (June 2016) in order to provide high-level horizontal technical cooperation to generate and strengthen synergies among its members.

For over a decade, the INGP has been providing technical cooperation in SPP to public procurement agencies of the Americas through activities related to strengthening institutional capacity, knowledge generation, and exchange of experiences & lessons learned; in order to integrate social and environmental criteria into national public procurement systems, and to promote the principle of value for money, and a triple-impact economy.

In this respect, the INGP can offer:

- [Technical dialogues](#) through its webinars, workshops and Annual Conference intended to exchange good practices and lessons learned between countries in relevant SPP topics (value for money, Green Building considerations, SMEs participation in public procurement, amongst others).
- [Capacity Building](#) for Public Officials/Servants through training e-courses: SPP for Latin-America region, SPP for the Caribbean region, Effective Public Procurement: value for money, amongst others. These e-courses are provided by the OAS School of Government.
- [Knowledge Generation](#) through the development of regional Diagnostics and Studies intended to identify progresses, challenges, opportunities, and to provide recommendations for the continuous improvement of the public procurement agencies in SPP towards a triple-impact economy.
- Conducting of [Technical Assistancess](#) for the benefit of public procurement agencies through the development and implementation of action plans and roadmaps in SPP.

For further details about INGP activities in [Spanish](#).

For further details about INGP activities in [English](#).



ICLEI-Local Governments
for Sustainability

ICLEI-Local Governments for Sustainability provides training and services to public authorities of any size wanting to start or further develop sustainable, innovative, and circular public procurement. Our training sessions support procurers, policy makers, heads of department and politicians to develop knowledge, skills, and techniques to:

- ensure compliance with labour law, create employment opportunities for long-term unemployed and disadvantaged people, as well as people with disabilities;
- address the climate crisis and other environmental policy targets;
- tackle ethical trade issues such as the promotion of human rights and decent work in global supply chains;
- procure new technology or services to solve problems and meet needs with solutions not yet available on the market;
- create jobs and boost the competitiveness of businesses, start-ups and SMEs and improve public service effectiveness and efficiency; and
- procure products and services that contribute to closed energy and material loops within supply chains.

ICLEI's trainings range from half-day to a multi-day training programme. It is modular approach that has been used in over 500 training sessions given by ICLEI staff since 1996. Modules include 'Raising awareness', 'How to get started', 'Engaging the market' or 'Circular Economy and Procurement'. Their tailored approach can be delivered in English, Spanish, German, or Italian. Training sessions can focus on a particular product, service, or sector such as Construction and Infrastructure, Cleaning Services, Electricity, Food & Catering, ICT, Transport and Mobility or Sustainable Finance.

In addition to training ICLEI can provide:

- assistance to public authorities in piloting newly developed tools, criteria or specifications;
- facilitation of workshops aiming at the development of a sustainable, circular, innovation procurement process and strategy;
- city twinning on curated topics to exchange good-practice across Europe;
- guidance on how to finance sustainable urban development and infrastructure projects;
- support in applying innovative approaches to financing such as crowd-funding, cooperative financing, public-private financing and energy performance contracting;
- coordination of European and international projects; and
- proposal writing for funding calls.

More information and get in touch [here](#).¹³⁶



The International Green Purchasing Network¹³⁹

The [International Green Purchasing Network \(IGPN\)](#)¹⁴⁰ is a global multi-stakeholder partnership, initiated by Professor Ryoichi Yamamoto launched by Japan Green Purchasing Network in 2005 with the following mission:

- promote globally the development of environmentally friendly products and services and green purchasing activities;
- share information and know-how on green purchasing and environmentally friendly products and services internationally; and
- harmonize the efforts of green purchasing and the development of environmentally friendly products and services from a global viewpoint.

The International Green Purchasing Network (IGPN) is composed of the Green Purchasing Networks from Japan, Korea, Thailand, Malaysia, Singapore, the Philippines, India, Vietnam, China, China Hong Kong, and China Taipei, etc.

Its operational objectives are:

- collect and deliver global green purchasing activities, the best practices and latest trends:
 - dissemination information with [quarterly newsletter](#)¹⁴¹ on activities relating to green purchasing around the world; and
 - cases [collections of best practices and know-how](#),¹⁴² purchasing guidelines, product information, research outcomes, and the latest trends, and share it on the website.
- Hold [workshops and webinars](#)¹⁴³ regularly in regions:
 - hold workshops and seminars targeting the stakeholders in regions, where the implementation of green purchasing is essential, to drive the dissemination of green purchasing while establish green purchasing promoting organizations in the regions.

139 Sustainable Procurement Platform. Sustainable procurement training and services. Available at: www.sustainable-procurement.org/trainingservices/

140 International Green Purchasing Network. Welcome to IGPN website. Available at: www.igpn.org

141 International Green Purchasing Network. News. Available at: www.igpn.org/news/Index.html

142 International Green Purchasing Network (2021). IGPN Webinar of Green Purchasing Network-A Landscape of Practice to Achieve SCP Held to Active Collaborations, June 4. Available at: www.igpn.org/news/2021/06/post.html

143 International Green Purchasing Network. IGPN Events. Available at: www.igpn.org/igpn_events/Index.html

- Collaboration for development of [tools for international use](#):¹⁴⁴
 - cooperate with other organizations to develop internationally harmonized green purchasing guidelines and tools for product evaluation, to collect data and to develop methodology to measure the effectiveness of green purchasing and training materials to be internationally utilized.
- other activities:
 - conduct research to drive the implementation of green purchasing and any other necessary activities to promote green purchasing around the world.

The International Green Purchasing Network (IGPN) partners with the [Global Lead City Network \(GLCN\)](#)¹⁴⁵ on sustainable procurement. It collaborates with the [Sustainable Public Procurement Programme of One Planet Network](#)¹⁴⁶

The International Green Purchasing Network (IGPN) Secretariat is hosted by [CEC-China Environmental United Certification Center](#)¹⁴⁷ since 2018.

Interested to become a partner or enquiry on the documents relevant to the International Green Purchasing Network (IGPN), please contact with: igpn.secretariat@igpn.org -**OV>21**

144 International Green Purchasing Network. Guidelines and Criteria. Available at: www.igpn.org/guideline/Index.html

145 Global Lead City Network on Sustainable Procurement. Our mission & values. Available at: www.glcn-on-sp.org/about/ourmissionandvalues

146 One Planet Network. Sustainable Public Procurement. Available at: www.oneplanetnetwork.org/sustainable-public-procurement

147 CEC. Welcome to CEC. Available at: www.en.mepcec.com

The Sustainable Public Procurement Implementation Guidelines give direction to SPP policy makers, experts and consultants on designing Sustainable Public Procurement (SPP) policies and implementing them. They use a specific and adaptable approach, referred to as the 'SPP Approach', refined on the basis of the experiences and feedback received from countries using this methodology. It can be used as a step-by-step guide on how to set up and strengthen a country's long-term work on SPP, and is also intended to be a point of reference and inspiration on sustainable procurement in general. The aim is to provide a common vision, language and framework for SPP and to guide stakeholders on how to effectively pave the way towards SPP implementation.

This second edition of the SPP Guidelines incorporates a large number of best practices and case studies mostly gathered in the countries supported by our organization since 2012. The methodology proposed by UNEP has also been revised to take into account the lessons learned in our various SPP projects. Finally, the reader will also find in this new edition highlights of UNEP's monitoring activities extracted from the 2013 and 2017 Global SPP Reviews or from the first data collection exercise of SDG 12.7.1.

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