



Sustainable/ Green Public Procurement



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Preface

A green economy results in improved human well-being and social equity, with reduced environmental risks and ecological scarcities. It aims to be resilient and provide a better quality of life for all within the ecological limits of the earth. Commitments towards a green economy and translating these commitments into actions requires continued mobilisation across the government and by different stakeholders.

The impact of production and consumption on the environment increases. Therefore, the goal of all countries is to eliminate the dependence between economic development and socio-environmental degradation related to the consumption, use of energy and natural resources and waste. To avoid a global environmental crisis model of production and consumption of goods and services need to be changed on quality level.

Every year governments and public authorities spend billions on acquisition of everything they use to support their functioning – goods, services and infrastructure. Typically, they buy a wide array of products – from paper clips up to building of road bridges and administrative facilities. On the contrary, they can build or strengthen markets in support of sustainable development through public procurement policies.

Sustainable Public Procurement (SPP) is a process by which public authorities seek to achieve the appropriate balance between the three pillars of sustainable development - economic, social and environmental - when procuring goods, services or works at all stages of the project.

Many Governments have established policies requiring or favouring procurement of energy-efficient buildings, environmentally friendly vehicles and products, electricity from renewable sources, safe and environmentally friendly cleaning products and sustainably produced food in support of saving environment through green public procurement policies.

Green Public Procurement (GPP) means that public authorities seek to purchase goods, services and works with a reduced environmental impact throughout their life-cycle compared to goods, services and works with the same primary function which would otherwise be procured.

On the social side, public authorities can offer, and require that their contractors offer, good wages and working conditions and have non-discriminatory employment policies. They can also discriminate positively in favour of traditionally disadvantaged groups to promote social and economic equity. Such policies not only provide benefits from public activities, but also set an example for private procurement and stimulate markets that might otherwise be slow to develop.

This e-book contains basic information on public procurement, about benefits and advantages of the procurement for government and public authorities and 10 Year Framework of Programmes on Sustainable Consumption and Production Patterns. It also covers examples of best practices in few countries. The material gathered in this publication also provides a comprehensive view of policies, directives and legal framework of green public procurement of different countries.



Introduction

Current trends of economic development have resulted in significant inequalities in society and damages to environment. Unsustainable consumption and production patterns are increasing water and air pollution, land and forest degradation, waste generation and the use of harmful chemical substances. The pressures on the natural resources will increase with population and economic growth unless consumption and production patterns become more efficient and less polluting. Economic growth will have to be decoupled from resource use and environmental degradation, so that inclusive socio-economic development can be sustained.

An adaptive, interconnected and responsive institutional framework, including policies, laws, financing, technology, diverse stakeholders and practices should, in the words of UN Secretary-General Ban Ki-moon, help connect the dots between various sustainable development challenges.

Majority of developed and developing nations have taken steps to achieve or implement plans to keep the impacts of use of natural resources well within safe ecological limits. One of such approach is to ensure Green / Sustainable Public Procurement.

Public procurement plays a significant role to enhance the production of green products. How governments integrate environmental standards for purchasing goods and services is also significant to ensure fostering trade in Environmental Goods and Services (EGS). Through Green Public Procurement (GPP) measures governments can also catalyze green growth, since industry and enterprises will be willing to invest, innovate and scale up when demand is secure and well directed. Therefore, beyond the contribution of GPP policy in achieving environmental goals, it boosts competitiveness and innovation of the market increasing the demand of high qualified and green jobs. GPP will also play an important role in reaching the UN Sustainable Development Goals.

Over the last decades, many governments have enacted certain environmental policy tools to cope with growing environmental problems such as climate change, soil degradation and water scarcity. Environmental policy tools aim either to stimulate or to enforce firms and consumers to behave in an environmentally friendly manner. Environmental Policies could be classified into three main categories: (1) command and control tools (e.g. legislation and standards), (2) market-based tools (e.g. energy taxes, subsidies, tradable permits) and (3) voluntary tools (e.g. incentives to implement ISO 14001).

Green Public Procurement as defined in the European Union Communication (COM (2008) 400) “Public procurement for a better environment” is “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.” GPP is a voluntary instrument, which means that Member States and public authorities can determine the extent to which they implement it.

Green purchasing is also about influencing the market. By promoting and using GPP, public authorities can provide industry with real incentives for developing green technologies and products. In some sectors, public purchasers command a significant share of the market (e.g. public transport and construction, health services and education) and so their decisions have a considerable impact.



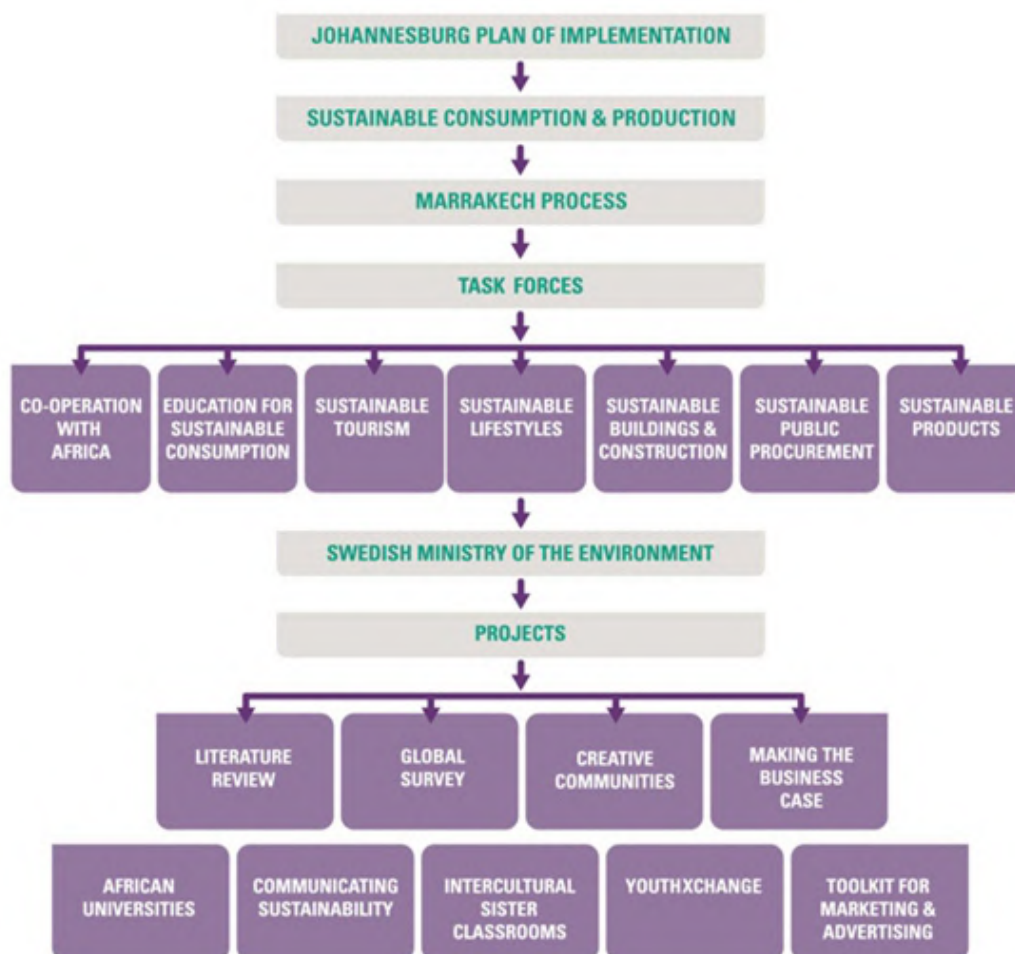
History

The Green Public Procurement (GPP) was officially introduced at the conference of the UN for '*Environment and Development*' in Rio in 1992. Its seminal document, Agenda 21 (paragraphs 4.23, 4.24, 4.25, 4.26) emphasizes that the greening of government purchases and government programmes could be very significant for public policies to introduce the main principles of sustainable development (e.g. economy, environment and society). Several international organizations and scholars also highlight that GPP is likely to play a key role in the overall environmental policy since it may stimulate firms to adopt voluntary environmental management practices to increase their share in public procurement. The GPP implies that state-owned organizations and public authorities should set specific environmental criteria when they make expenditures to acquire the most essential materials for their operations. Public authorities are one of the main consumers of products, services, and works, and can play a crucial role in making consumption more sustainable. Between 10% and 15% of the gross domestic product (GDP) of developed countries is allocated to public procurement, often linked to investments with high environmental impacts. The United Nations defined sustainable public procurement (SPP) as a 'procurement wherein an organization uses its buying power to signal preferences to the market with its choice of goods and services that meet sustainable criteria.' Environmental aspects have been gaining relevance in the public policies of the SPP and giving rise to the concept of green public procurement.

The Marrakech process is another important initiative related to GPP practices. It was initiated by the United Nations in 2003 as a part of the Johannesburg Plan of Implementation, which recognized sustainable consumption and production as an overarching objective and an essential requirement for sustainable development.

The Marrakech Task Force on Sustainable Lifestyles is one of the seven task forces of the Marrakech Process, a global multi-stakeholder process aimed at supporting the implementation of sustainable consumption and production (SCP) and the development of a Global Framework for Action on SCP – the 10 Year Framework of Programmes on Sustainable Consumption and Production (10YFP). The Marrakech Task Force on Sustainable Lifestyles was set up in 2005 by the Swedish Ministry of the Environment, with valuable support from UNEP's Division of Technology, Industry and Economics. The objective of Task Force was to explore ways to engage, exemplify, enable and encourage people, civil society organizations and governments to further sustainability in people's everyday lives. The Task Force on Sustainable Lifestyles ended in 2009.





Source: <https://www.unenvironment.org/explore-topics/resource-efficiency/what-we-do/one-planet-network/marrakech-task-force-sustainable>

The Marrakech Task Force on Sustainable Lifestyles implemented nine key projects, which covered activities in 43 countries across all regions of the world. The projects covered fields as diverse as social innovation, communication, education, marketing, advertising and research. These projects tested ideas and collected stories on sustainable lifestyles from around the world. All the projects have contributed to a greater understanding of what sustainable lifestyles are and how they can be achieved. The lessons learned from these projects, along with the new areas for further work, are the Task Force's contribution to the 10YFP.



10YFP - 10 Year Framework of Programmes on Sustainable Consumption and Production Patterns



In 2012, at the Rio+20 United Nations Conference on Sustainable Development, Heads of State converged around the idea that fundamental changes in our production and consumption patterns are indispensable to achieving long-term sustainable development.

Moving towards Sustainable Consumption and Production (SCP) patterns is a far greater task than any one organization, sector or region can hope to achieve. The realization that a global shift towards SCP would require the commitment of diverse actors across the globe, Heads of State adopted the 10-year framework of programmes on sustainable consumption and production patterns (10YFP), a global framework of action to enhance international cooperation to accelerate the shift towards sustainable consumption and production (SCP) in both developed and developing countries.

The 10YFP generates collective impact through multi-stakeholder programmes and partnerships, which develop, replicate and scale up SCP policies and initiatives at all levels.

10YFP consists of six programmes: Sustainable Public Procurement, Consumer Information for SCP, Sustainable Tourism, Sustainable Lifestyles and Education, Sustainable Buildings and Construction, and Sustainable Food Systems.

All United Nations Member States in 2015 adopted the Sustainable Development Goals (SDGs), also known as the Global Goals to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The 17 SDGs are integrated—that is, they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.



The Goal 12 is a standalone goal which aims to 'Ensure sustainable consumption and production patterns'. It includes eight specific targets (Targets 12.1–12.8) plus three targets related to Means of Implementation (12.a–12.c). The Target 12.1 focuses on the implementation the 10YFP. Implementation of the 10YFP can contribute to the achievement of most SDG 12 targets, particularly those relating to use of natural resources, waste generation, sustainable corporate practices and reporting, and scientific and technological support to developing countries.

Green Public Procurement Programme

Green Public Procurement (GPP) can be defined as “public procurement for a better environment”. This is a process whereby government and its agencies procure goods, services and works with a reduced environmental impact throughout their life-cycle when compared with goods, services and works procured having same primary function.

The Public Sector has a main responsibility to promote green procurement, in order to support countries' environmental and wider sustainable development objectives. GPP is recognised internationally as an effective means for public authorities to manage the balance between cost effectiveness and sustainable development. Citizens need to be sure that what is purchased on their behalf has minimal harmful effects on the environment and society. At the same time, these goods, services and works must represent both short-term and long-term value for money.

In most countries, the public sector is the largest overall purchaser of goods and services. Public spending accounts for an average of 12% of gross domestic product (GDP) in Organization for Economic Cooperation and Development (OECD) countries, 19% in the European Union (EU) and up to 30% in developing countries. Today 30% of the GDP of India is also spent on public procurement. Given the massive size of public spending, public sectors can be a prime driver towards sustainable production and consumption and can create environmental and economic benefits. So there is a need of using GPP as an environmental policy instrument.

Public authorities are one of the main consumers of products, services, and works, and can play a crucial role in making consumption more sustainable. Authorities have the potential to guide production and consumption trends by encouraging demand for environmentally friendly products and services. For this reason, interest in GPP has increased significantly in recent years. The GPP enables the identification of areas that can be improved, as well as opportunities to improve the tendering procedures from an environmental point of view.

A large number of GPP programmes depend on national, international, or independent eco-labels or other certification schemes such as environmental product declarations (EPDs) to establish the products and services that are eligible to be procured under GPP policies. Many governments across the world have already recognized its value as a policy instrument and are trying to leverage the money they invest in large contracts to achieve green goals.



Implementation of Green Public Procurement Programme in different countries

In different countries, policies range from top-down decrees and executive orders, to specific national action plans, to provisions embedded within procurement policies and regulations. This section provides an overview of the array of different legal and policy approaches being taken in different countries.

European Union

Each year European public authorities spend the equivalent of 16% of the EU Gross Domestic Product on the purchase of goods. The potential of GPP was first highlighted in the 2003 Commission Communication on Integrated Product Policy where Member States were recommended to adopt national action plans for GPP by the end of 2006. Its legal framework for public procurement has clarified how public purchasers can include environmental considerations in their procurement processes and procedures. The renewed EU Sustainable Development Strategy (June 2006), set the policy objective for 2010 of bringing the average level of EU green public procurement up to the standard achieved by the best performing Member States in 2006. On 3 March 2010, the European Commission launched the Europe 2020 strategy: A European strategy for smart, sustainable and inclusive growth. The EU's new strategy for sustainable growth and jobs in some of its flagship initiatives mentions also GPP.



There are 27 countries that are part of European Union. These are Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

Green Public Procurement Criteria

GPP criteria have been developed for priority products and services that have been identified as most suitable for “greening” through public procurement. The new procedure for GPP criteria development established in 2010 aims to make the process more transparent and participatory, and enhance synergies among different product-related policy instruments such as GPP, Ecodesign, EU Ecolabel and Energy label.

The priority sectors for implementing GPP were selected through a multi-criteria analysis conducted in 2006. These criteria cover an extensive range of product groups and sectors.

Criteria sets offer two types of criteria for each sector covered:

The **Core criteria** are designed to allow for easy application of GPP, focussing on the key area(s) of environmental performance of a product and aimed at keeping administrative costs for companies to a minimum.



The **Comprehensive criteria** take into account more aspects or higher levels of environmental performance, for use by authorities that want to go further in supporting environmental and innovation goals.

Legal Framework

Public procurement in the European Union is subject to a number of sources of EU Community law:

- The Procurement Directives (2014/24/EU and 2014/25/EU)
- The Treaties (Treaty on the Functioning of the EU and its predecessors)
- Case law of the Court of Justice of the European Communities
- Law applying to related areas such as State Aid and Competition
- In addition there are a number of sources of interpretation of the relevant laws and principles, such as the Buying Green handbook and European Commission's Interpretative Communications.

On 26 February 2014, the Council of the European Union and the European Parliament adopted two directives aimed at simplifying public procurement procedures and making them more flexible. The new rules seek to ensure greater inclusion of common societal goals in the procurement process. These goals include environmental protection, social responsibility, innovation, combating climate change, employment, public health and other social and environmental considerations.

The Organization for Economic Co-operation and Development (OECD)

The Organisation for Economic Co-operation and Development (OECD) was officially established on 30 September 1961. Today, 37 OECD member countries worldwide regularly turn to one another to identify problems,



discuss and analyse them, and promote policies to solve them. The OECD has launched an agenda on public procurement reform to support countries in creating an overarching approach to procurement that enables efficiency, fosters growth and accomplishes their strategic goals. The Green public procurement (GPP), i.e. public purchasing of products and services which are less environmentally damaging when taking into account their whole life cycle, is increasingly used by countries to achieve such policy objectives in the area of environmental protection. The 37 OECD members are Australia, Austria, Belgium, Canada, Chile, Czech Republic, Colombia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States. The OECD works closely with some of the world's largest economies: Brazil, China, India, Indonesia, and South Africa, who are OECD Key Partners.



To assist countries in their efforts to implement GPP and address challenges, OECD asked its member countries to present case studies on the best practices for sustainable procurement. Countries have reported to the OECD that they face obstacles to successfully implementing GPP. However, countries increasingly recognise that GPP can be a major driver for innovation, providing industry with incentives for developing environment-friendly works, products and services, particularly in sectors where public purchasers represent a large share of the market, such as construction, health services or public transport.

A collection of best practices has been prepared by the OECD, providing good practices for green public procurement at national and sub-national levels. The practices cover the following areas:

- Green Public Procurement Legal and Policy Framework
- Understanding Market Capacity and Assessing Costs and Benefits
- Introducing Environmental Standards in Procurement
- Professionalising Green Public Procurement
- Raising Awareness
- Monitoring Green Public Procurement

Almost all OECD countries have developed strategies or policies to support green public procurement (GPP). 69% of OECD countries are measuring results of GPP policies and strategies.

Asia Pacific Region

The Asia Pacific region is composed by regions with different level of development, since it can be identified economies with low income of GNP (Gross National Product), like Viet Nam or higher income as Australia. There were many international organizations in this region taken initiative for implementation of GPP in Asia Pacific region.

Asia–Pacific Roundtable for Sustainable Consumption and Production was founded in the 1997-1999 period as a result of a regional meeting for cleaner production held in Thailand. The need of a yearly forum to discuss and share results of this new concept arose from that meeting. Since then, the APRSCP meet periodically every 18-24 months, with the participation of 27 Asian–Pacific economies, where UN agencies are placed, and Asian Development Bank.

Asian Productivity Organization is an international intergovernmental organization established in 1961 in the Asia–Pacific Region aimed to contribute to the sustainable socioeconomic development through enhancing productivity. APO is constituted of 20 member economies. The APO has published an on-line database of ECO-products of green goods and services (<http://apo-ecoproducts.com/>) produced in APO member economies. The directory has the ultimate goal to encourage green purchasing among enterprises and citizens giving them access to information about eco-products in their market.



Sustainable Public Procurement in Urban Administrations in China (SUPP-Urb) was funded by the Switch-Asia program that aims to promote the adoption of Sustainable Consumption and Production (SCP) in Asia. This funding scheme started in 2007 with a budget of €152 million for the period 2007-2013. The project SUPP-Urb provided capacity building for the adoption of GPP policies in China. The consortium of the project was composed by European and Chinese entities that carried out 3 pilot tests in Chinese cities that included GPP measures in their purchasing activities. The results of the project serve to disseminate GPP policy in China and other Asian economies.

International Green Purchasing Network and Green Purchasing Network (IGPN-GPN)

GPN has established in 1997 aimed at the promotion of GPP measures in Japan. Nowadays GPN has become a reference in GPP initiatives in terms of key information and the development and promotion of useful tools. Since 2005, GPN with the collaboration of other international organizations such as ICLEI, UNEP and other regional stakeholders, created the International Green Purchasing Network.

Asia-Pacific Economic Cooperation: The idea of Asia-Pacific Economic Cooperation (APEC) was firstly publicly introduced by former Prime Minister of Australia Bob Hawke during a speech in Seoul, Korea, on 31 January 1989. There are total 21 Member Economies aim to create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration. These countries are United States, Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong, China, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, The Philippines, Russia, Singapore, Republic of Korea, Chinese Taipei, Thailand, and Viet Nam.



Green growth has arisen as the new motive power for social and economic growth. APEC Leaders committed to “make green growth a reality in all of our economies.” In 2014, they agreed to establish the APEC Cooperation Network on Green Supply Chain (GSCNET) in the area of Green Growth and sustainable development to facilitate the reduction of pollution and waste linked to manufacturing and logistics networks in the Asia-Pacific while boosting secure trade and economic growth. They endorsed the establishment of the first pilot center of APEC Cooperation Network on Green Supply Chain in Tianjin China, and encouraged other economies to establish pilot centers and advance related work actively. The APEC Green Supply Chain Cooperation Network is now a bridge for economic entities in the Asia-Pacific region to conduct cooperation and provides a platform for the exchange of information and experience about building the green supply chain.

To achieve environmental and social benefits throughout the supply chain, public procurement plays a significant role to enhance the production of green products.



How governments integrate environmental standards for purchasing goods and services is also significant to ensure fostering trade in Environmental Goods and Services (EGS) in APEC economies. Through GPP measures governments catalyse green growth, since industry and enterprises are willing to invest, innovate and scale up when demand is secure and well directed. Therefore, beyond the contribution of GPP policy to achieving environmental goals, it boosts competitiveness and innovation of the market increasing the demand of high qualified and green jobs.

There is no unique or accepted definition for GPP but all descriptions emphasize the idea of the use of public purchasing to promote green products and achieve desirable environmental outputs. In addition, there is no common or accepted name to designate these strategies; for example, in the United States the term “environmentally-preferable purchasing” (EPP) is mostly used. In other economies or regions, the concept is referred to green government purchasing (GGP) or just green purchasing.

The development of environmental policies requires governmental and administrative support to achieve the desired results effectively. Thus, GPP policies partly depend on economic and social development of APEC economies, which in turn determines the challenges and opportunities for GPP development in each economy.

The implementation and progress of GPP policies differs widely between the 21 APEC economies. The Environmental Preferable Purchasing (EPP) programme has increased the awareness of administrators and consumers on green purchasing. The **tools, guidelines and environmental criteria** established by the EPP programme have been used as a basis for the establishment of GPP policies in economies. GPP policies, at different levels of development, are in place in 18 of 21 APEC economies. No policy tools or actions addressed to preferable purchase of environmental products have been identified in Brunei Darussalam; Papua New Guinea and Russian Federation.

The range of policy tools for the implementation of GPP by the 18 economies is very wide. Some economies have developed GPP through the enforcement of **legislation**, whereas others economies have defined **guidelines or designed plans, programmes and framework policies**. The policy tools on GPP developed by governments have been classified into **legislation, strategies, policy, programme, plan and guidelines**. Among 18 APEC economies, **guidelines and policy** are the most common tools to adopt green public purchasing.

Most of the APEC economies already adopted three instruments - **general policies, guidelines and strategies** on GPP initiatives. The fourth instrument most implemented on APEC economies are **plans** followed by **framework legislation** in GPP. The adoption of **programmes** is less common in APEC economies.



Global View

Different countries across the world practice some form of GPP to promote products and materials that are more environmentally friendly and have lower energy or carbon footprint.

Types of products and services covered under GPP programmes vary in number, the aim is to address a range of environmental concerns from mitigating climate change, reducing GHG emissions and promoting energy efficiency and also to protect soil, water, biodiversity and health. Some programmes cover social criteria, such as giving preference to small businesses in a percentage of contracts awarded.

Commission for Environmental Cooperation–North American Green Purchasing Initiative (CEC-NAGPI) was created within the framework of collaboration of Canada, the USA and Mexico, to protect the environment. The NAGPI initiative of CEC aimed at promoting the uptake of GPP policies in this region with information website and tools to assess the adoption of GPP policies for both public and private organizations.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, sustainable procurement is now widely recognized as a strategic lever to drive innovation and improve the sustainability performance of both public and private sector organizations across the world.

Sustainable Public Procurement (SPP) policies are still most commonly associated with environmental concerns, but a broader scope is progressively being adopted. Public and private procurers increasingly support the idea that sustainable procurement is about more than just purchasing more environmentally friendly products. Sustainable Public Procurement (SPP) is one of six programmes of the 10-Year Framework of Programmes on Sustainable Consumption and Production. The Programme builds synergies between diverse partners to achieve the Sustainable Development Goal target on SPP. UN Environment has developed a methodology for SPP policy development and implementation for all member states.

Different government defines these policies as sustainable public procurement for environmentally responsible or green public procurement, socially responsible public procurement.

Benefits:

Environmental benefits:

Allows public authorities to achieve environmental targets

- Sustainable supply of forest products/Deforestation, (e.g. through the purchase of wood and wood products from legally harvested and sustainably managed forests)
- Greenhouse gas emissions (e.g. through the purchase of products and services with a lower CO₂ footprint throughout their life-cycle)
- Water use (e.g. through choosing more water-efficient fittings)
- Energy efficiency and resource use (by choosing products which are more efficient and implementing environmentally conscious design principles, e.g. cradle-to-cradle)



- Air, water and soil pollution (by controlling chemicals and limiting the use of hazardous substances)
- Waste (by specifying processes or packaging which generate less waste or encouraging reuse and recycling of materials)
- Sustainable agriculture (e.g. by purchasing organically produced food)

Sets an example to private consumers

- Green purchasing means setting an example for the general public and the private sector, and influencing the marketplace. It can also encourage private sector organizations to use green criteria for their own procurement.

Raises awareness of environmental issues

- Also act as a useful channel for raising environmental awareness by identifying the environmental impacts of a particular product/service throughout its life-cycle and providing information on the benefits of greener alternatives. For example, serving organic and sustainable food in a public canteen is likely to increase awareness amongst users and providers of the service.

Social/Health benefits:

- Policies can improve services to the public and thus enhance quality of life. Cleaner public transport, for example, improves air quality. Reduced use of toxic chemicals in cleaning products provides a healthier working environment
- Helps establish high environmental performance standards for products and services
- Help drive higher quality standards for products and services, delivering better performance for public authorities and ultimately citizens. New products and services which have been developed to meet the requirements of GPP may also become popular with private consumers, improving overall standards.

Economic benefits:

Saves money and resources when life-cycle costs are considered

- Often leads to savings over the whole life-cycle of a purchase- both for public authorities and for society in general. Purchasing more energy-efficient IT equipment can save money in many different ways: for example lower electricity use and easier recycling or reuse at the end of its life. Similarly a more energy and water-efficient building may cost more up-front, but will save money in the long run.

Provides incentives to industry to innovate

- Promoting green procurement gives important incentives for industry to develop 'green' technologies and products and promote them in the market place. In particular, small- and medium-sized companies may profit from environmental procurement, as it offers an opportunity to find markets for their innovative solutions and products.

Can reduce prices for environmental technologies

- Introducing 'green' tendering criteria can influence the marketplace and result in new entrants in the field of environmental technologies and products - potentially resulting in increased competition and reduced prices.



Political benefits

- An effective way to demonstrate the public sector's commitment to environmental protection and to sustainable consumption and production.

Drawbacks

- **Greener products and services are more expensive:**

Capital costs of greener products and services are the most influential in hindering the use of GPP practices in procurement procedures. It is a strong barrier in all the countries. Increased costs and a slow return on investment are seen as an economic disadvantage to purchasing environmental products and services.

A key challenge identified by many public sector organizations is changing behavior within purchasing departments. In particular using purchase price alone to decide between offers, rather than the full life-cycle cost of the product or service, can affect the take-up of green products and services.

While applying environmental criteria to procurement procedures can sometimes mean higher initial purchasing costs, the overall costs often actually decrease since the higher purchasing prices of green goods and services are compensated for by lower operating, maintenance or disposal costs.

- **Lack of practical tools and information:**

These are important obstacles for purchasers. Therefore it can be ascertained that communication, dissemination and practical training are extremely important to increase the level of GPP. Lack of resources may contribute to the knowledge deficit as GPP requires a lot of expertise both in the legal and technical contexts of procurement.

- **Lack of political and governmental support:**

A high percentage of public authorities cited lack of management support as a barrier to broader implementation of GPP. This indicates that senior officials within the public sector do not have a high awareness of the importance of the GPP agenda or that their awareness is not made explicit to their purchasing staff. They have resistance to change procurement procedures. Therefore GPP deserves strong national support.

- **Lack of training:**

There is a lack of training and educational programmes on GPP. Staff responsible for carrying out specific tasks do not always have the skills, or are not provided with the appropriate training. Training is generally required for procurers on the legal and technical aspects of GPP implementation, on the concept of life-cycle costing and for end-users on the sustainable use of products. Practical training is extremely important if a country is to increase its level of GPP.

There is a lack of methods to compare environmental credentials of greener goods and services



- **Lack of legal expertise in applying environmental criteria:**
Many purchasers within public authorities do not and should not be expected to know all the environmental and social impacts of purchasing particular products or services. In some cases purchasers still struggle to define what an “environmentally and/or socially preferable” product or service is, and how to include appropriate criteria to identify these in tendering. The ability to accurately assess and verify information submitted by tenderers in response to environmental criteria is also a challenge.
- **The need for systematic implementation and integration into management systems:**
Decentralized organizations require effective management systems to ensure the consistent application of environmental and social initiatives – and this applies equally to GPP. Joint procurement is one of possible approaches to overcome these kinds of obstacles.
- **Lack of co-operation between authorities:**
Both informal and formal cooperation needs to grow between the public and private sectors to enhance GPP. The lack of coordinated exchange of best practice and networking between authorities has been identified as an obstacle to greater GPP implementation.
- **Limited established environmental criteria for products/services:**
There is a poor choice of environmentally friendly products and services and lack of methods to compare environmental credentials of greener goods and services. For many product and service groups, public authorities do not have access to clear and verifiable criteria which allow them to incorporate environmental considerations into their tendering while complying with the requirements of the Procurement Directives and other sources of procurement law.

Conclusion

Green procurement generates environmental value as part of purchasing goods, services and works. It reinforces environmental benefits. It can help stimulate a critical mass of demand for more sustainable goods and services which otherwise would be difficult to get onto the market.

GPP is fundamentally a voluntary instrument, but it can be legislated. Many countries like in Japan, the Republic of Korea and Thailand, there are specific laws regarding the promotion of green public procurement. South Africa adopted policy under the law. In Mexico sustainability criteria in the procurement policy covered under procurement law. European Union (EU) adopted two directives and many of the EU countries have transposed these directives or rules into national laws.

By promoting and using GPP, public authorities can provide industry with real incentives for developing green materials, technologies and products. GPP is therefore a strong stimulus for eco-innovation.



Examples of Best Practices

Promotion of green public procurement and on-line purchasing in Korea

Objective: Through the development of the on-line procurement and the support of websites on environmental products (green products mall) and the green purchasing website, the Korean government aims to:



- Increase the efficiency and transparency of the procurement and reduce the paperwork and meetings.
- Provide clear information on green products to officers.
- Encourage green purchasing, through the green products mall which is organized by product names.

Result: In 2008 Public Procurement Service (PPS) purchased and supplied green products worth US\$1.45 billion which accounts for 10.79% of the total domestic procurement (US\$13.9 billion). In 2010 PPS spent about US\$1.6 billion in green product, roughly 10% of the total procurement (US\$15.54 billion).

Information technology procurement in Canada

Objective: Environmental standards to buy IT hardware within the Government of Canada were first introduced in 1994. Increasingly stringent environmental criteria have been introduced ever since using a phased, iterative approach. The iterative approach consists of implementing a realization cycle in which the activities are conducted in a predetermined sequence. This sequence shall be reproduced in the same manner as many times as necessary.



The standards cover a wide range of fields in terms of energy consumption, reduction of hazardous materials, design for reuse and recycle, environmental stewardship in the manufacturing process, packaging, supplier engagement and report and billing. Environmental considerations for IT hardware aim to include the whole life cycle approach and the commitment of the supplier to good environmental practices.

Result: Environmental benefits expected with the implementation of the policy on Green Procurement in the acquisition of IT Hardware were estimated in the report published in 2008 by Terrachoice. The report determined energy savings, greenhouse gas savings, air emissions savings, water emissions savings, toxic material savings, municipal solid waste savings, hazardous waste savings resulted from the procurement of IT products with environmental attributes in comparison with purchasing in 2003.



Green policy in vehicles procurement in New Zealand

Objective: Through the implementation of the Sustainable Government Procurement Project, public administration aims to accelerate the adoption of sustainable practices in public procurement in the areas of greatest impact in New Zealand. The project supports to:

- Government leadership in sustainability.
- Raise awareness and increase knowledge of sustainability issues in the government market.
- Develop a common guidelines and standards to sustainable procurement across public agencies.

sustainability
.govt.nz

Result: Within the implementation of the Sustainable Government Procurement Project and the definition of sustainability standards for purchasing motor vehicles, the government wants to improve values for money over whole life from departmental expenses reduce cost savings and foster the development of low carbon technologies whereas protecting the environment.

Environmentally Preferable Products (EPP) Procurement Programs of Massachusetts Government

Objective: The main goal of the EPP Procurement Programs is to foster the Commonwealth green procurement in order to reduce the environmental and health impacts of the state government's activities. The EPP Programs aim to stimulate markets for recycled content products and promote the purchase of those goods and services that conserve energy, water and other resources while reducing waste and toxic substances.



Result: The main results reported by the EPP Procurement Programs in the FY 2011 are:

- An increase of 6% in the purchase of EPPs (from US\$288 million to over US\$305 million over the fiscal year).
- US\$3 million in cost savings and a reduction of 20,000 tonnes of carbon emissions.
- Led the interagency Toxics Reduction Task Force.
- Actively participated in the awarding of three new statewide contracts that include EPPs.
- Recognized by the US Environmental Protection Agency for innovative leadership in utilizing state contracts to achieve “best practices” in procuring energy efficient equipment.



One of the key components of the EPP Programs' best case consists in the creation and dissemination of tools that associate the purchase of green products with the environmental and financial benefits achieved. Thus, procurers know potential benefits, in terms of environmental and costs savings, from the inclusion of environmental standards in procurement. Within this context, EPP developed the calculator EnviroCalc.

EnviroCalc is an excel spreadsheet tool designed by Operational Services Division (OSD) EPP Program staff to calculate energy and cost savings. It has the capability to quantify environmental benefits for a number of products made with recycled materials. The outputs of the spreadsheet are based on data gained from product suppliers, obtaining credible information for public purchasers. The user introduces the number of products that meet environmental standards and the EnviroCalc estimates the energy savings, monetary savings based on energy conservation, greenhouse gas (GHG) emission reductions, weight of materials recycled, weight of materials reused, landfill space savings, number of trees saved and avoided oil extraction.

Besides, EnviroCalc the EPPs Programme website disseminates other tools such as:

- **Energy Star Savings Calculator:** to estimate the energy consumption and operating costs of office equipment and the savings generated from using the power management features built into the equipment (developed by US EPA).
- **EPEAT, The Electronic Product Environmental Assessment Tool:** to select desktop computers, notebooks and monitors based on environmental attributes. EPEAT was created by the non-profit organization Zero Waste Alliance.
- **HEV Cost Calculator Tool:** to determine the costs and benefits of using hybrid electric vehicle instead of fuel vehicles. The calculator was developed with the support of U.S. Department of Energy.

Green council and Hong Kong green purchasing charter

Objective: Green Council has three principal objectives:

- Raise public awareness for the need of a better environment.
- Encourage and improve environmental management and performance of local industries, through the establishment and promotion of the Green Label Scheme.
- Promote the image of Hong Kong as a city that gives high importance to environmental protection.



In relation to green purchasing (green consumerism), the green council launched in 2007, the Hong Kong Green Purchasing Charter (HKGPC) scheme with the ultimate goal of raise awareness and promote the use of green purchasing as a



means to reduce and avoid adverse environmental impacts. HKGPC and other local green purchasing networks help organizations to strengthen their green purchasing schemes and accelerate the expansion of the scope of product categories addressed.

Result: According to Green Council, benefits of environmental labels are that consumers can easily recognize products with less environmental impact. Moreover, the manufacturers and suppliers are increasing the financial benefits of producing products with less environmental impact.

For the particular case of Hong Kong Green Label Scheme, the following considerations have been identified:

- Effective marketing tool: the green label shows the commitment of the manufacturer or supplier with the environment through the easy recognition of the green label.
- A sensible cost savings move: the effective use of resources would lead the reduction in the related costs in energy, water. In addition, the costs of waste management will be also reduced.

ECO-Buy - local action to support GPP in Australia

Objective: The main objective of ECO-Buy consists in influencing the market towards environmentally preferable choices. It undertakes several initiatives in order to achieve this objective providing and assisting organizations with information, tools and knowledge to uptake green purchasing policy.



Moreover, the association promotes the supply of green goods and services supporting manufacturers and suppliers with the information needed to reduce the environmental impact of their products

Result: Main results obtained are:

- The expenditure by all reporting ECO-Buy local government members has increased from AUD \$5 million (here after \$) in 2000–2001 to \$71.5 million in 2007–2008 and a slight drop to \$67.4 million in 2009-2010.
- The number of green products purchased by members has grown from 80 in 2000-2001 to over 430 in 2009-2010.
- Over 37,500 tonnes of CO₂ were avoided, 9.9 giga litres of water and 84 hectares of land were saved as a result of green products purchased in 2009-2010.
- Recycled product spend has increased by \$3.3 million from 2008-2009 to 2009-2010, in part due to the increase in fleet management products.
- In 2009-2010, 77 percent of members are making good progress in developing policies and strategies



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Consumer Education and Research Centre

Consumer Education and Research Centre (CERC), set up in 1978, is a non-political, non-profit and nongovernment organisation dedicated to the education and empowerment of consumers as well as promotion and protection of consumer interests through effective uses of education, research, the media and law. CERC has three major roles-to make consumers aware of their rights, to help them protect themselves and to make providers of goods and services accountable. Its activities include complaints handling, legal advice and litigation, consumer education and awareness programmes, library and information service, publication, comparative testing of products, advocacy, investor and environment protection.

CERC-ENVIS Resource Partner

Ministry of Environment, Forest and Climate Change, Government of India has recognized Consumer Education and Research Centre (CERC) as ENVIS (Environment Information System) Centre in 2005. The focus of ENVIS is to provide environmental information to decision makers, policy planners, scientists and engineers, research workers, etc. across the country. ENVIS was conceived as a distributed information network with the subject-specific centers to carry out the mandates and to provide the relevant and timely information to all concerned.

Subject assigned to the CERC- ENVIS Centre is "Environment Literacy - Eco-labelling and Eco-friendly Products." The Centre launched the website <http://cercenvis.nic.in/> on NIC (National Informatics Centre) platform with the theme 'Eco-labelling and Eco-Friendly Products'. The website furnishes the information on national and international scenario on this subject.

It publishes theme based quarterly newsletter named "Green Insights". It also circulates bi-monthly e-bulletin "Green Alert". Since Social Media is very popular among youth and to attract them and sensitise them towards eco products, ENVIS Resource Partner has started a page on facebook also (<https://www.facebook.com/EcoProductsEcoLabeling>).



CERC-ENVIS Resource Partner

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