

Rethinking public procurement to achieve climate outcomes

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Six Pillars of Effective Green Public Procurement Systems

A Diagnostic Tool has been developed for ECA countries and piloted in World Bank projects in Albania, Azerbaijan, Kazakhstan & Uzbekistan. Today at PRIMO, we're sharing the lessons learned from these projects with peers across the ECA region.

The Diagnostic Tool offers a simplified and customizable tool for Governments to benchmark progress identify entry points, and develop a menu of GPP reform options in line with client priorities. Now available for use by all ECA Governments.





Sustainable Public Procurement calls for a rethink of the way governments procure

Many procurers are sceptical at first that defining environmental criteria is too complex or the market is not ready or interested in going green.

Governments are overcoming these obstacles by "rethinking" to overcome this scepticism - taking innovative approaches to simplify green buying and motivate suppliers, and defining a clear "business case" for SPP in their specific context.





VOTE FOR YOUR FAVORITE

Today we'll present three "rethinks". Vote for the topic of most interest to you and your country. (caveat: there are many more ways to rethink SPP)





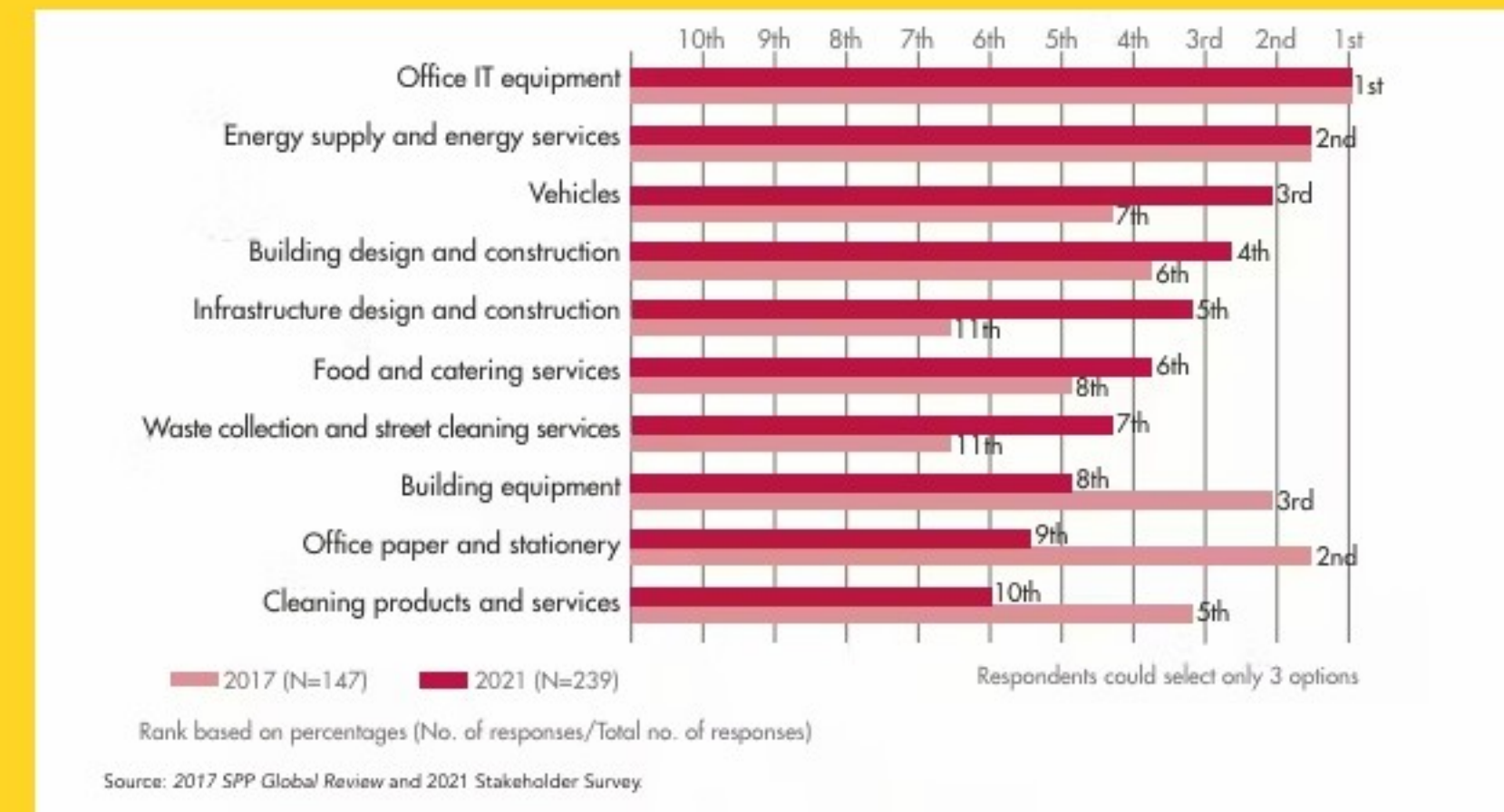
Rethinking from products to works/outcomes



From products to works

For many years, SPP has focused on consumer-based items (e.g. paper, computers, furniture). However, a recent trend is a new focus on high-impact categories of building construction and large-scale infrastructure projects.

This is a gamechanger as greening these sectors offers larger and more compelling benefits - both cost savings and reductions in emissions and materials. This new era will require new tools and approaches and a longer-term vision over extended contract durations.

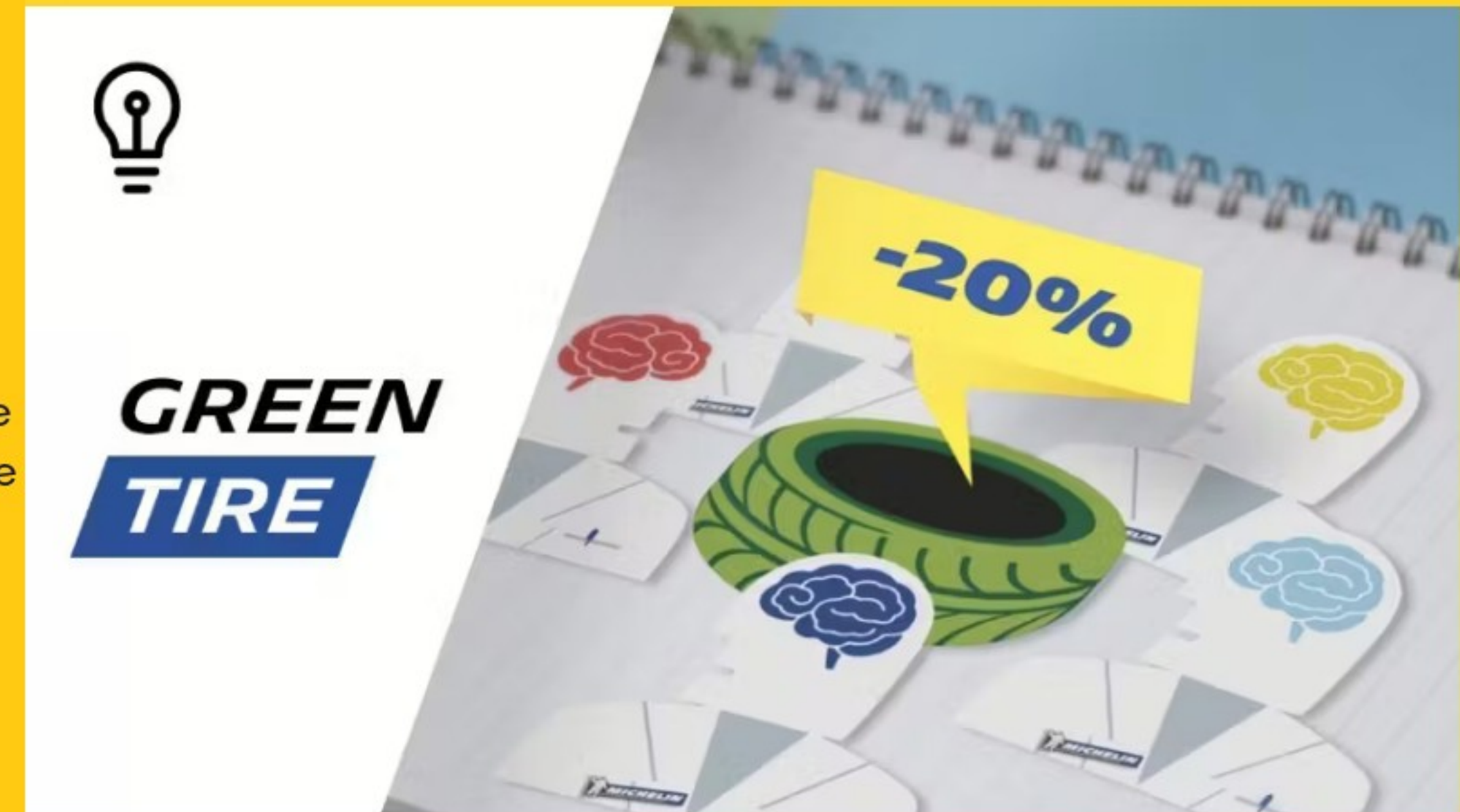




From products to outcomes/services

A major barrier to SPP has been motivating suppliers to go green. An innovative approach is to buy "outcomes" or "services" rather than products. This shifts the responsibility and benefits of improved efficiency over the product life onto suppliers. This can end products designed based on "planned obsolescence."

For example, Michelin Tires sells "Pay By the Mile" tires rather than as one-off sales. This incentivizes the company to improve tire durability and servicing.





Rethinking from green to climate/circularity



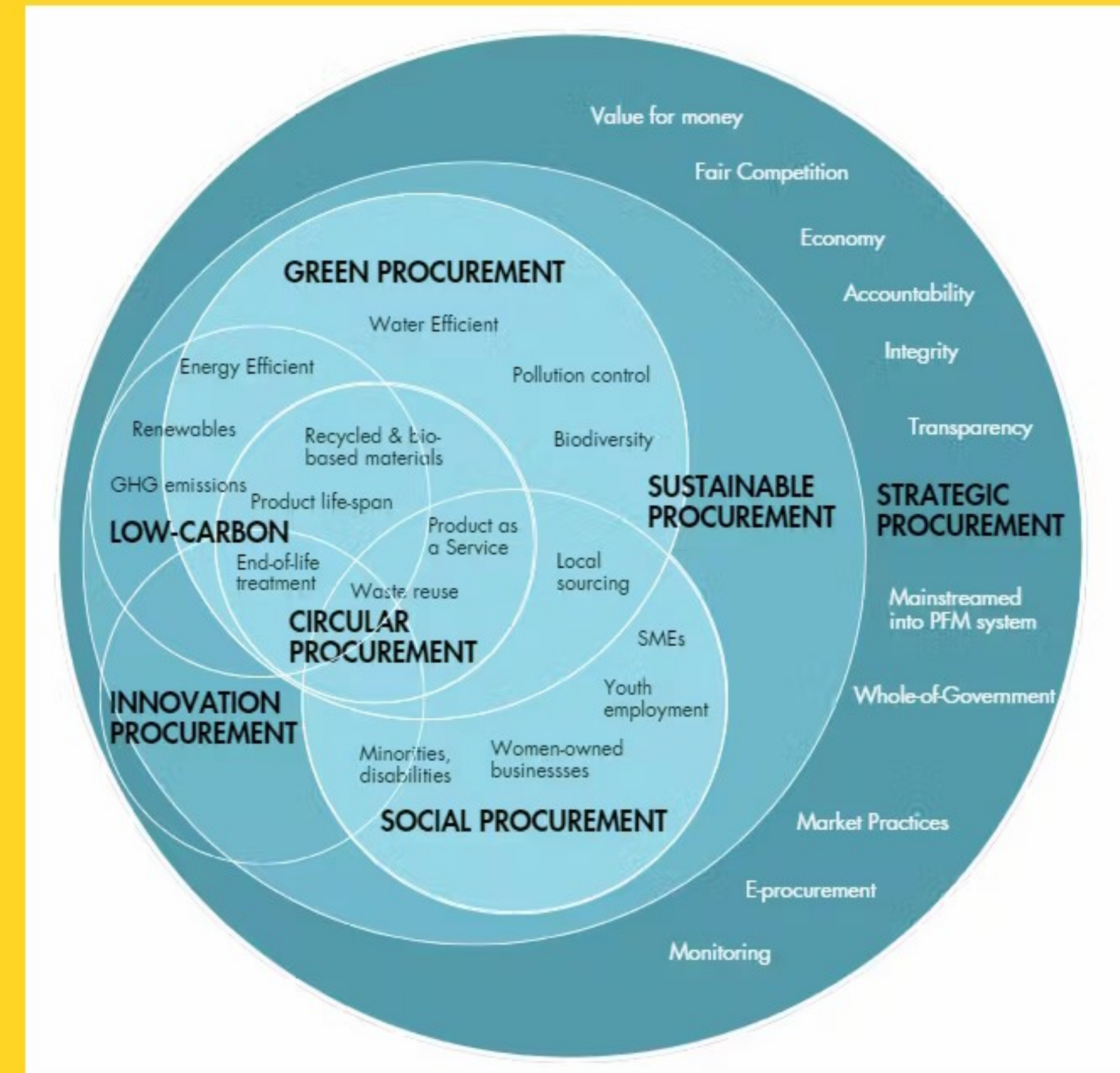


Rethinking: From "green" to "circular" & "climate-smart"

Many stakeholders remain unmotivated by "green" procurement as it seems focused on just reducing environmental impact.

Governments are designing policies that promote "circular" (EU) or "low-carbon/climate-smart" (Finland) procurement. This shows the strategic side of GPP, how procurement offers a strategic tool to achieve national development and climate goals that institutions, companies and citizens care about.

The best procurements achieve multiple environmental, social and economic goals.





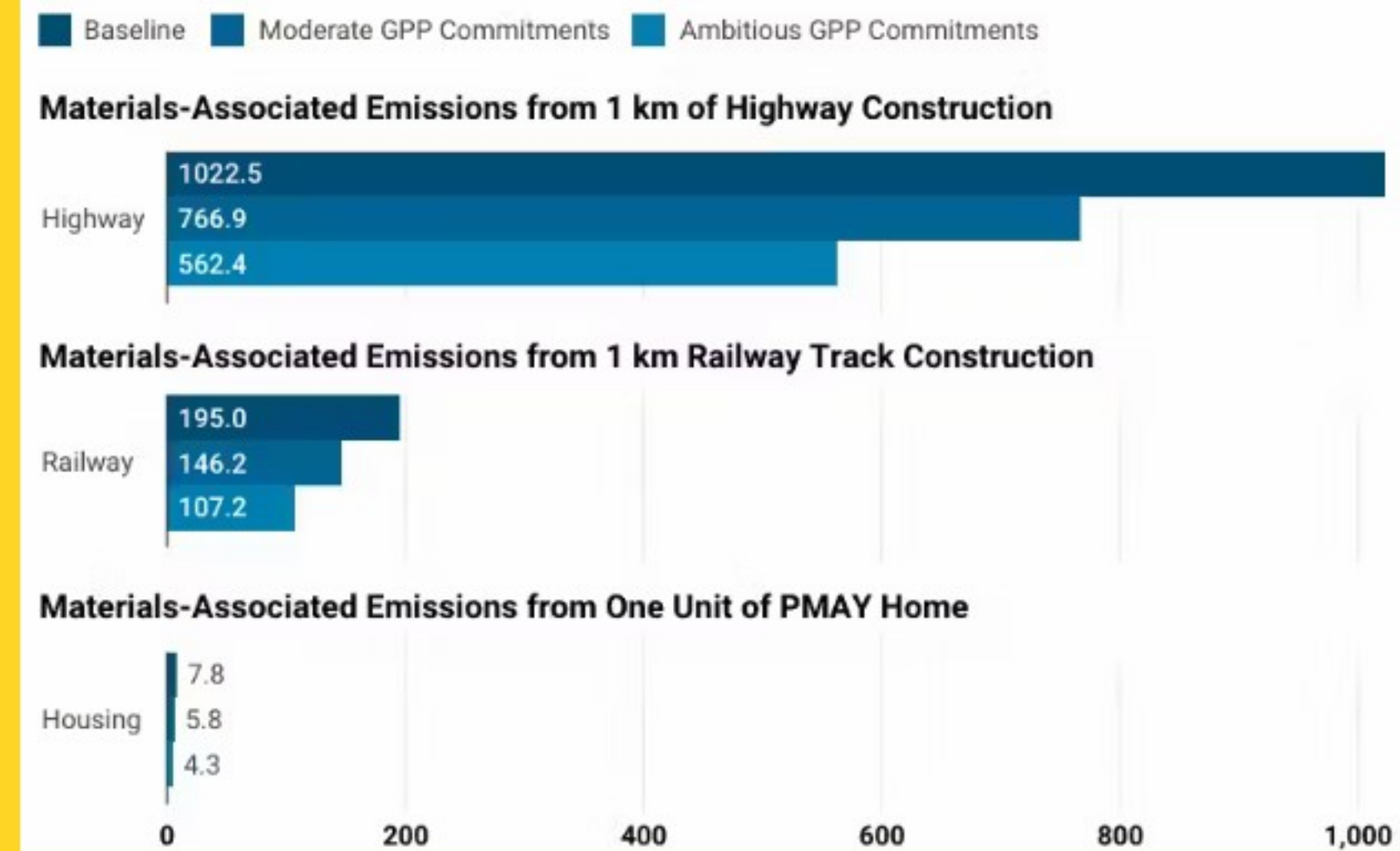
The benefits of "climate-smart" procurement

Climate procurement allows Governments to take a quantitative approach that can overcome scepticism.

For example, in India, to build the business case for GPP, a scenario analysis was conducted to compare the emissions from materials used in three construction projects: 1 km of highway vs. 1 km of railway vs. 1 urban home.

<https://rmi.org/insight/unlocking-the-potential-of-green-public-procurement-in-the-indian-economy/>

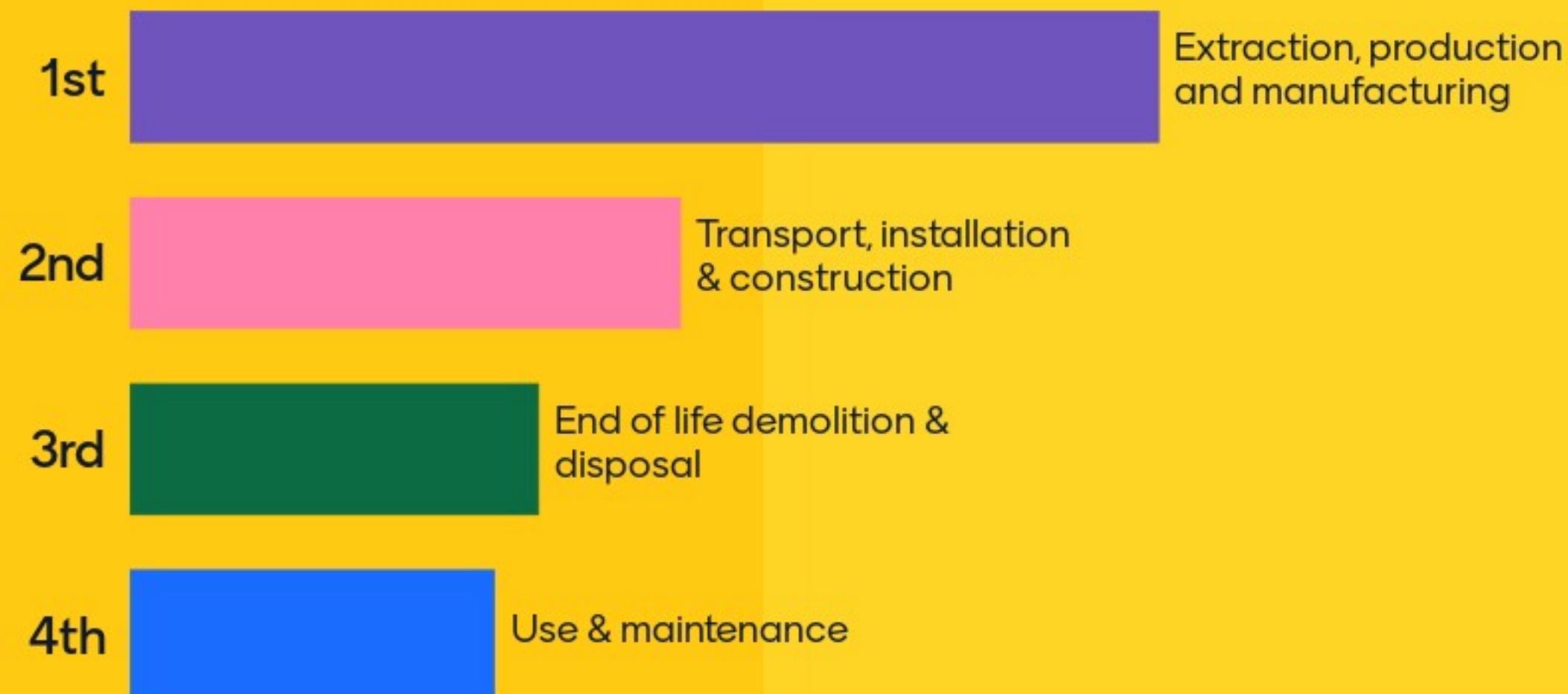
Scenario analysis: Emission implications of adopting GPP on Indian infrastructure projects (tonnes CO₂)





TEST YOUR KNOWLEDGE:

What stage of the life-cycle of building materials has the most embodied carbon emissions?

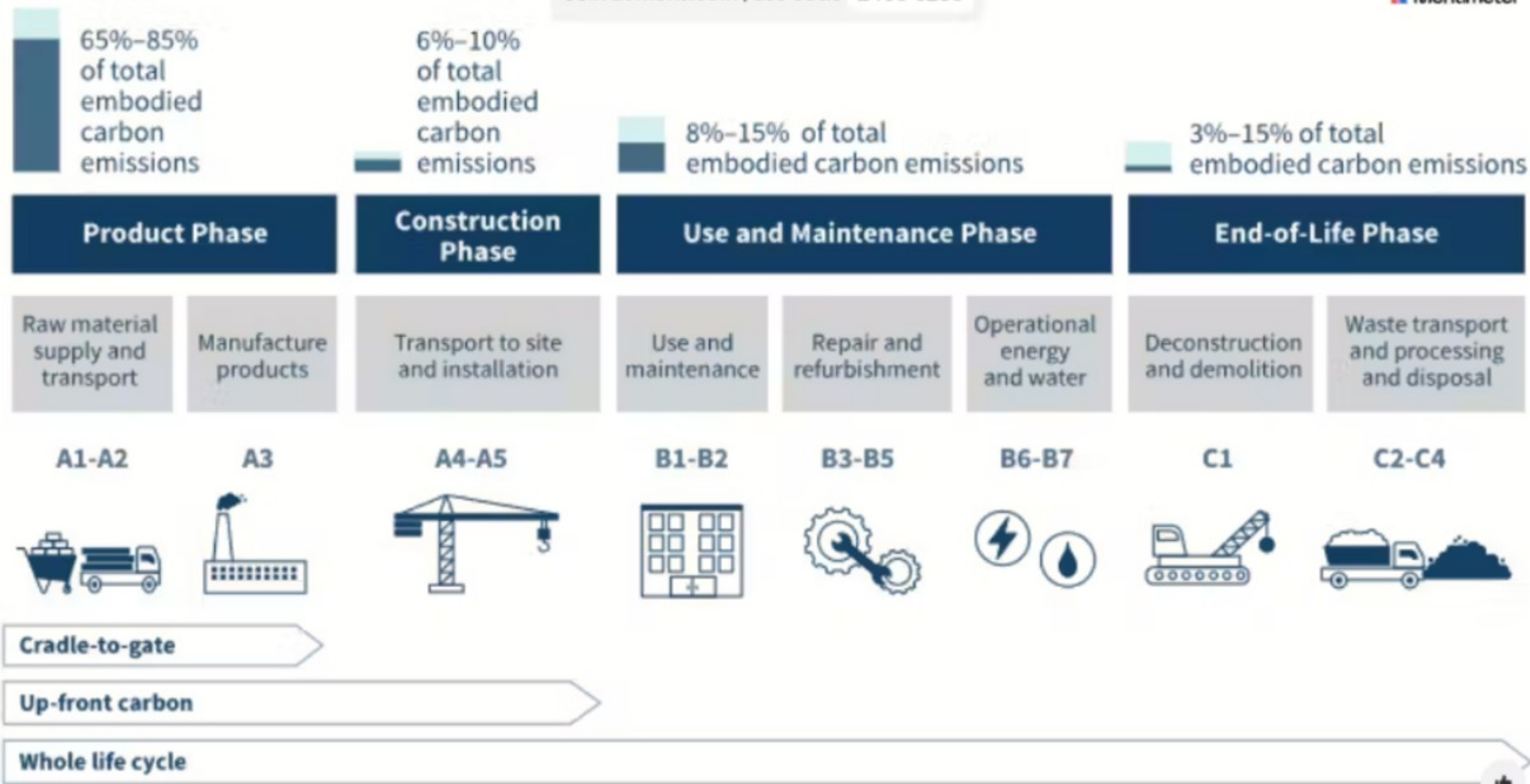




Life-Cycle Assessment Phases

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PEER KNOWLEDGE SHARING

What is the "business case" for green public procurement in your country?

23 responses





Rethinking from environmentia criteria to supplier performance/impact





The next frontier: Measuring the impact of sustainable procurement

The common question raised is "how can we ensure that suppliers meet the environmental criteria in tender documents?" This has been a significant challenge but solutions are emerging.

At a basic level, procurers are asking for declarations, ecolabels and test reports. However, more tools for verification of environmental performance are emerging - some led by industry and civil society. EPDs are key in construction & infrastructure projects. Suppliers can provide GHG inventories (CO2 Ladder).

Verifying environmental performance

Basic level

- Supplier declaration
- Test reports, technical specifications
- CSR / Sustainability reporting
- GHG Calculation Tools

Environmental

- Ecolabels (consumer goods)
- Tests, standards, certifications

Multistakeholder/Industry

- Environmental Product Declarations (materials)
- ISO Standards
- GHG Protocol

NGO-led

- CO2 ladder
- Electronics Watch
- Good on You





Thank you!

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