

## Trade and government procurement in support of greener economies

# GPP and International Trade

# GPP and trade can be mutually supportive ... and in line with UN SDG 12



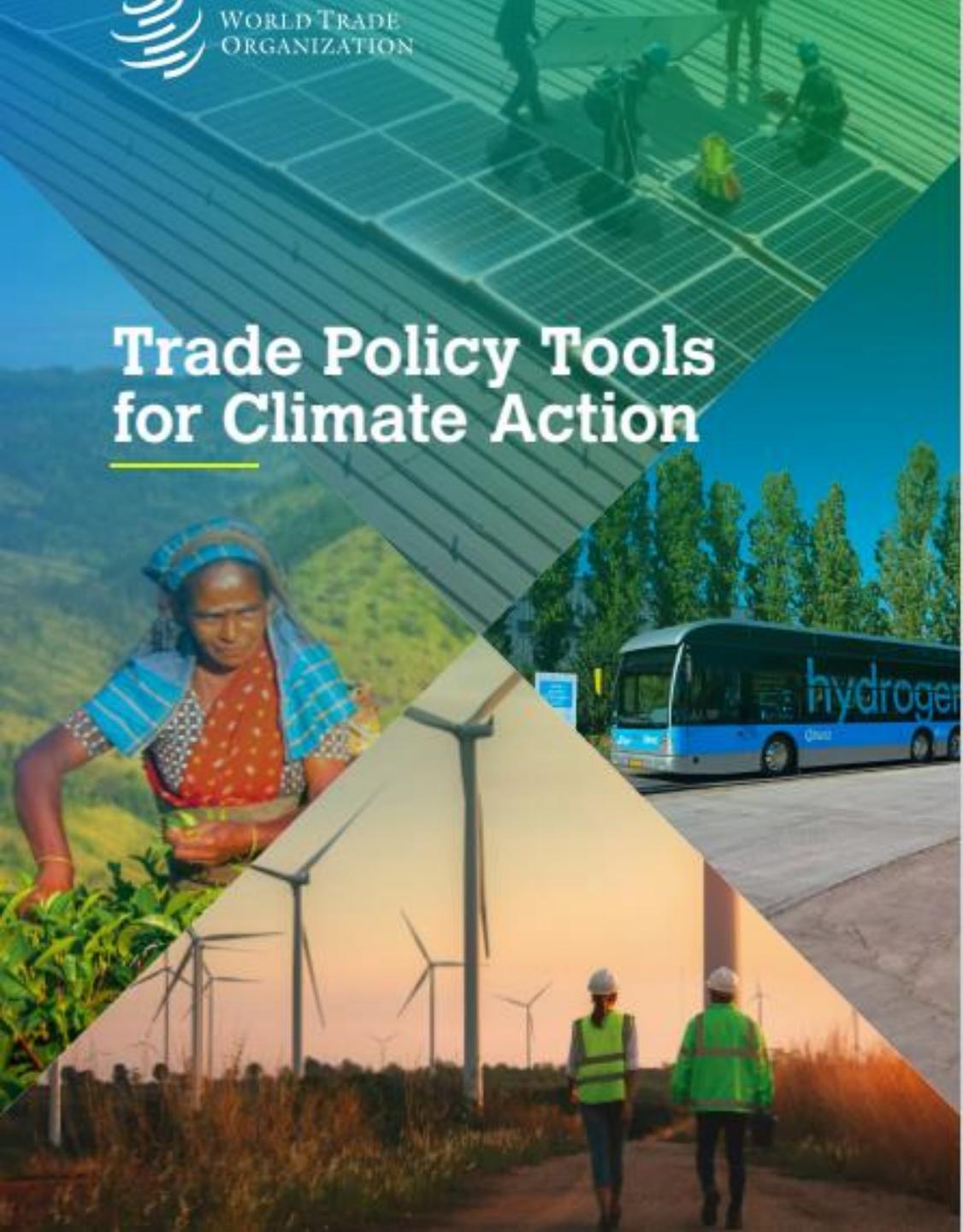
Trade supports shift to **greener** govt procurement (**consumption**) patterns.  
(gives access to green goods / services / technologies)



Trade supports shift to **greener production patterns**.  
(helps to achieve price competitiveness, provides incentive to invest in innovation)

Global climate benefits as more economies shift towards greener cons/prod patterns.

# Trade Policy Tools for Climate Action



Policy tool



## #2 Government procurement

Policy tool

Drive lower carbon emissions by using government procurement as a tool.

# An illustration of the benefits of GPP combined with open trade



Increased reliance on solar energy to accelerate green transition and green energy production

E.g. construction of a publicly funded photovoltaic park.

Internationally open government procurement procedures can foster competition and thereby bring down the cost and/or provide access to internationally tried and tested technology.



# An internationally open approach to GPP is not automatically less environmentally friendly



WORLD TRADE  
ORGANIZATION

## Should we buy local?

Several studies have shown that the life cycle of imported goods (even if imported by air) can have an environmental impact – or footprint – much lower than goods produced locally.

That is because other factors such as production, packaging or disposal can represent most of a product's environmental impact. If the only factor used to decide which product is less harmful to the environment is its transportation, even a well-intentioned consumer might choose a worse option.

Correct information is crucial for a conscious, effective choice!



© MWD Imaging/SF/Stock



The GPA 2012 supports green transition

# The World Trade Organization – basic facts



- The World Trade Organization (WTO) deals with the global rules of trade between nations. Its main objective is to ensure that trade flows as smoothly, predictably and freely as possible.
- Functions:
  - Administering WTO trade agreements
  - Forum for trade negotiations
  - Handling trade disputes
  - Monitoring national trade policies
- Location: Geneva, Switzerland
- Established: 1 January 1995
- Membership: 164 members representing 98 per cent of world trade

# The GPA 2012 as a key global instrument



Binding international trade agreement



Accession is voluntary



Currently covers 49 WTO Members, incl. several developing country Members



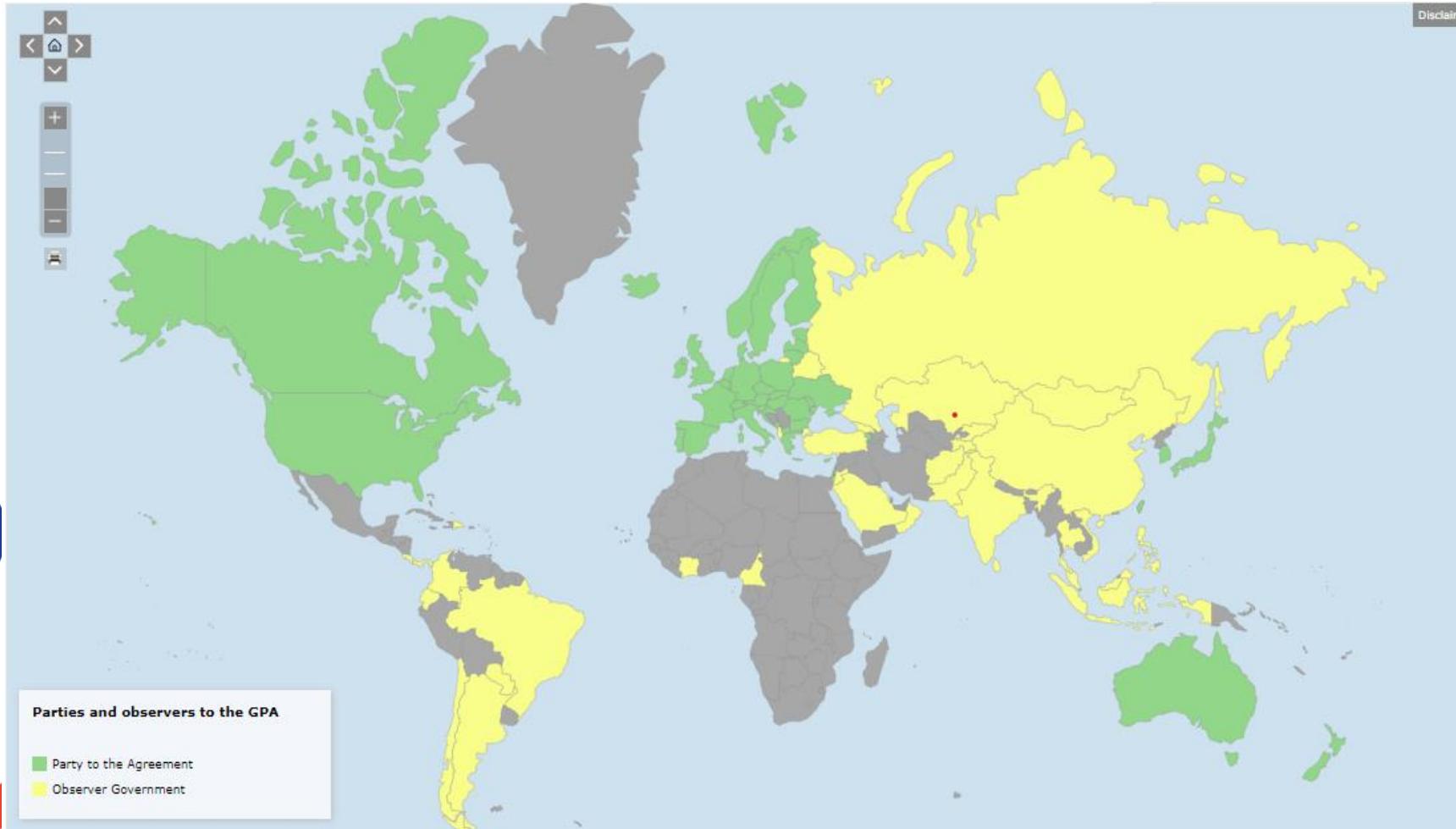
Reciprocal but partial opening of covered Members' government procurement markets



Special and differential treatment for developing countries if this meets a development need



# GPA Parties and observers to the WTO Committee on Government Procurement



# Relevant GPA 2012 rules

A decorative graphic in the bottom left corner features a series of overlapping, curved lines in red, blue, and green. A green arrow points upwards and to the right, originating from the bottom left and pointing towards the text in the circle.

The GPA  
2012 explicitly  
confirms:

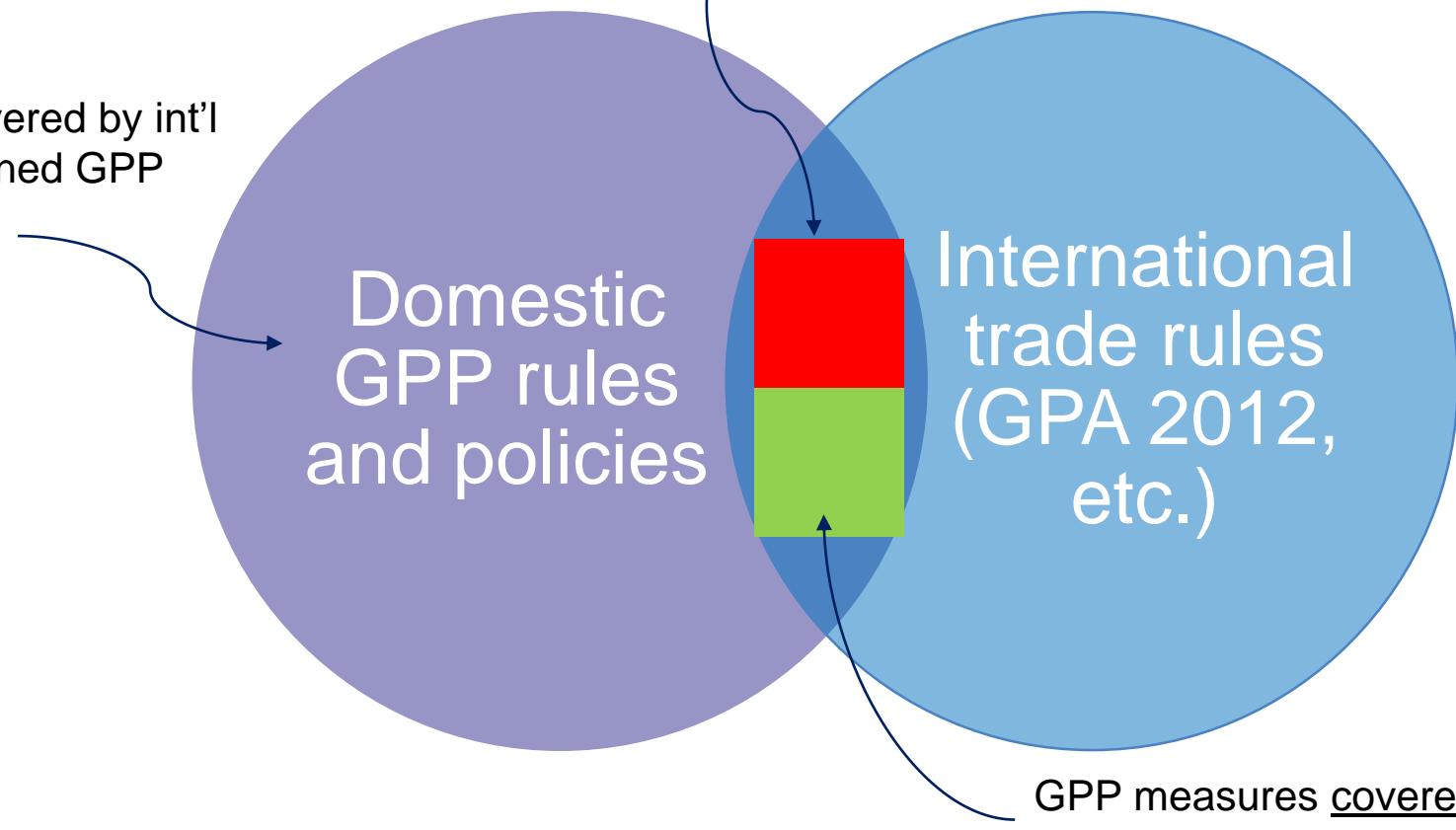
- that GPA Parties may apply technical specifications to promote the conservation of natural resources or protect the environment; and
- that evaluation criteria set out in the notice of intended procurement or tender documentation may include, among others, price and other cost factors, quality, technical merit, environmental characteristics and terms of delivery.

# Relevant international trade rules do not constrain GPP measures

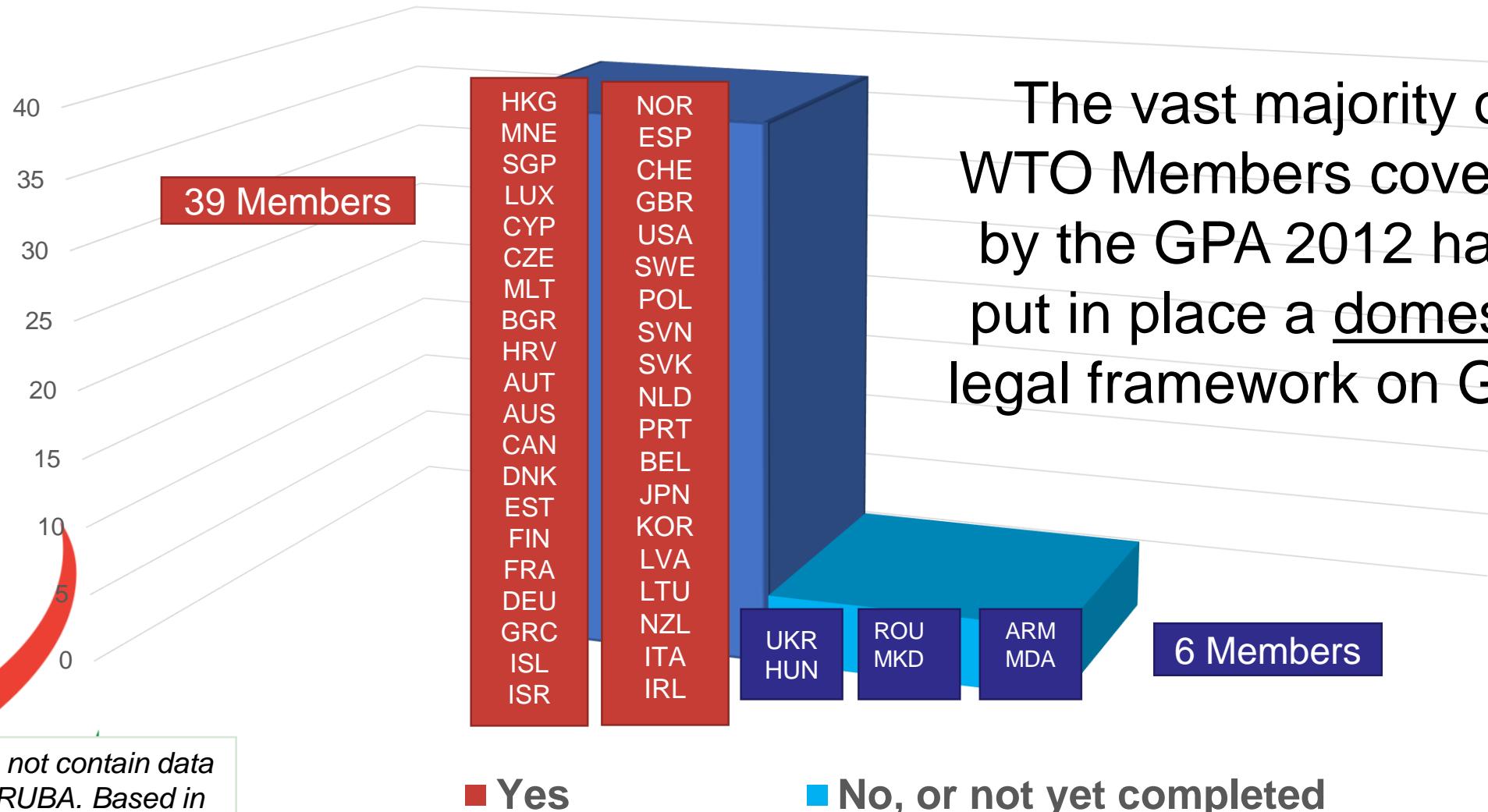


GPP measures covered by int'l trade rules that are **prohibited** e.g. if they are used as a means to protect domestic suppliers, goods or services («green protectionism»)

GPP measures not covered by int'l trade rules: Unconstrained GPP policy space.



# GPP-related measures adopted by the GPA Parties



## In the words of the WTO Director-General



«Bringing climate sensitive criteria such as low-carbon requirements into public tenders, combined with open competition in line with the WTO Government Procurement Agreement, would help ensure value for taxpayers' money»



This Photo by Unknown Author is licensed under [CC BY-NC](#)

# Ongoing work on GPP by GPA Parties



## GPA Parties working together as a group at the WTO

GPA-mandated Work Programme on Sustainable Procurement that should:

examine “the ways in which [GPP] can be practiced in a manner consistent with Parties’ international trade obligations”,

identify measures that are consistent and list “best practices”.

## GPA Parties working together bilaterally outside the WTO

Joint Statement by the EU-US Trade and Technology Council (2023)

- Publication of a joint catalogue of best practices on GPP to promote a shared understanding on sustainability considerations in public procurement
- Launch of a joint EU-US initiative on green public procurement policies, based on the joint catalogue of best practices, to deepen the commonalities of the respective countries’ approaches with the aim of contributing to achieving climate ambitions. This could also inform discussions within the GPA 2012.

# WTO Secretariat work on GPP: Forthcoming ITC/WTO publication (2024)



**INTEGRATING GREEN PUBLIC PROCUREMENT AND  
INTERNATIONAL TRADE POLICIES – ADVANCING  
ENVIRONMENTAL SUSTAINABILITY GOALS AND CREATING  
OPPORTUNITIES FOR DEVELOPING COUNTRY MSMES**  
A TOOLKIT FOR POLICY MAKERS



# Conclusion



**First**, international trade is a strategic economic policy tool that can be used in support of SDG 12.

**Second**, international trade agreements like the GPA 2012 are not intended to suppress GPP initiatives. To the contrary.

**Third**, to once again quote WTO DG Ngozi Okonjo-Iweala, «**We cannot get to net-zero without trade because it is indispensable for spreading low-carbon technology to everywhere it is needed**».





THANK YOU!