

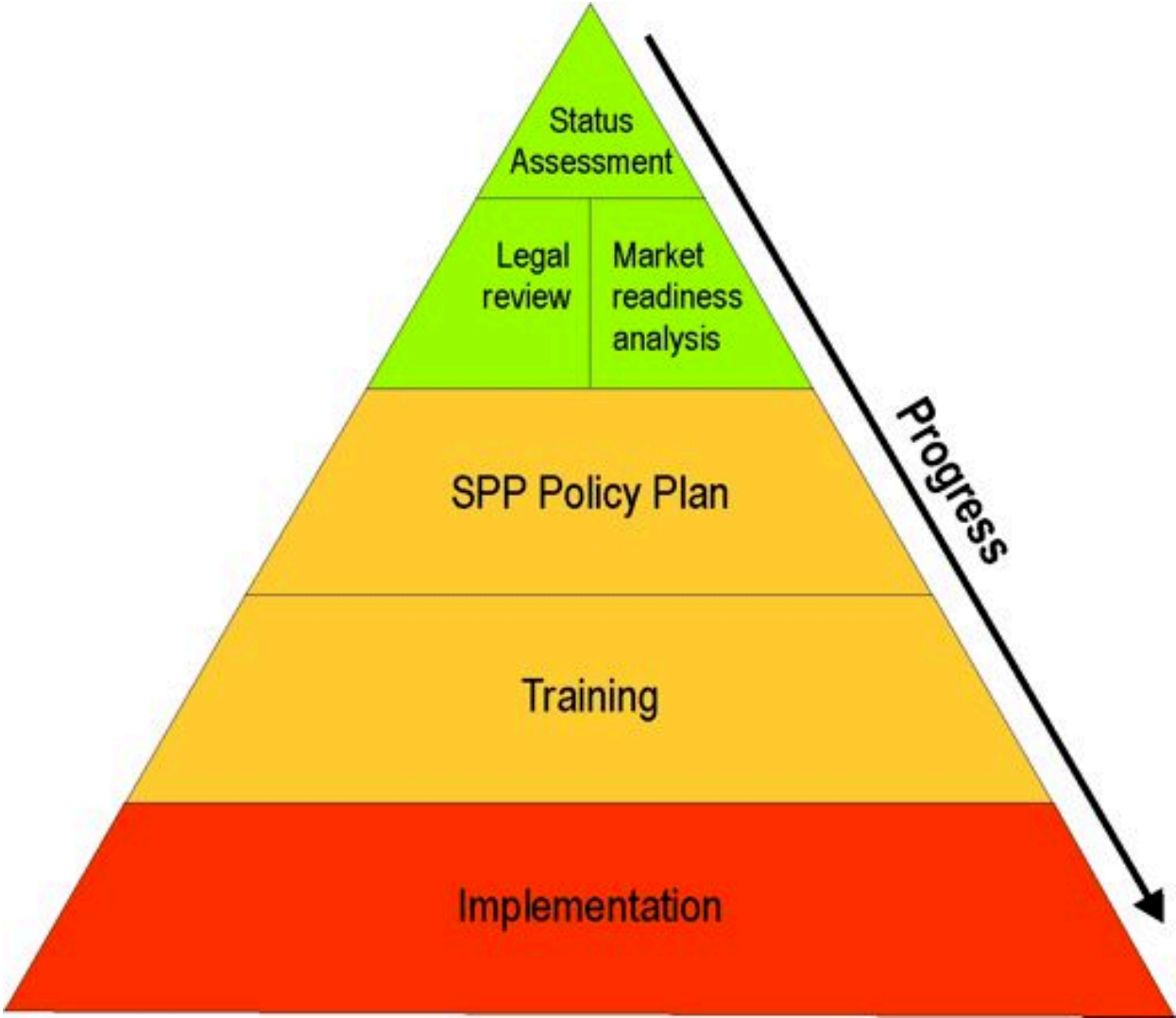
How to implement sustainable public procurement in practice

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Outline

- MTF on SPP Implementation Plan
- How to implement in practice
- Examples of techniques to assist in implementation
- Costs and benefits
 - Examples of benefits

Country Implementation



The MTF's methodology to introduce and develop SPP

- SPP Principles
- Status Assessment
- Legal Review
- Market Readiness Analysis
- Training
- Implementation Plan
- Implementation

Status Assessment (1)



- Web-based Status Assessment tool
- Available online at <http://www.iclei-europe.org/index.php?id=4526>
- Complemented with guidelines
- Objectives : to enable new starters and experienced practitioners to:
 - Identify what's happening nationally on SPP
 - Understand the steps needed to improve SPP
 - Access sources of help and guidance to improve SPP
 - Compare their SPP approach with others
- Who is the Status Assessment useful for?
 - National procurement policy makers
 - Procurement managers and procurers
 - Others who wish to improve existing procurement processes

Status Assessment (2)



- How does it work?
 - Based on a self-assessment questionnaire (online or downloadable).
 - Better achieved by a group of key representatives from the procurement, policy, sustainable development, environment, legal, human resources and finance departments, possibly suppliers also
- What is the outcome?
 - Once finished, the outcome of your assessment is recorded and given to you.
 - Can be used to identify areas of success in SP and areas where further work is required.
 - At a later stage, completing the Status Assessment again will allow you to check your progress

Legal Review (1)



- Implementation Plan calls for a ‘Legal Review’
- Research to determine the legal framework for procurement in the country and the legal possibilities to integrate SPP principles
- Should involve country/regional partners

Legal Review (2)



- Should also take into account institutional framework for SPP
 - Cannot assume that framework exists
 - Public procurement governance, for example
 - Where public procurement reform is underway, need to consider opportunities and timing for introduction of sustainable procurement

Market Readiness Analysis



- Implementation Plan calls for a 'Market Readiness Analysis'
- Research into which sectors are offering more sustainable products/solutions in the pilot country and in which sectors there are opportunities to improve (links to visit 1)

Training (1)



- Based on need for:
 - Promotion of implementation in many countries throughout the world
 - Consistency of message
- Training materials: providing different stakeholders in the procurement process an easy start to implement the concept of SPP.

Training (2)



- Training materials: providing different stakeholders in the procurement process an easy start to implement the concept of SPP.
- Regional “training of trainers”: to develop expert capacity on SPP implementation
- National SPP implementation workshops
- First pilot carried out in Argentina in November 2007
- Potential for others to follow in the 2008-2010 period : Costa Rica, Ghana, Tunisia, Mexico, Brazil, Lebanon, Philippines, China, India



MTF on SPP in action

5th MTF on
SPP meeting
and training in
first pilot
country
Argentina
November 2007



Pilot "Training of Trainers"
Event ToT
Midrand, South Africa
2 – 3 June 2008

Pool of 14 MTF trained
experts capable to implement
the SPP approach

Expert Workshop on Green Procurement, 11 June 2006, Beijing

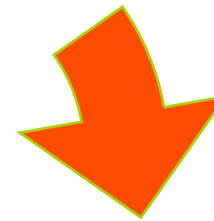
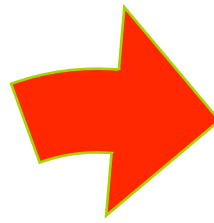
Eveline Veranzoni, Federal Office for the Environment, Switzerland

Procurement Cycle

**Identify need
and Assess
Risk**

1. Evaluate
and
select
suppliers

5. Manage the
contract and
disposal

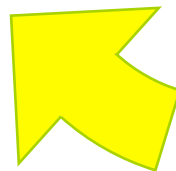


**Procurement
Process**

**Good procurement is
sustainable
procurement**

2. Define the
Specification
and invite Bids

4. Audit and
improve
supplier



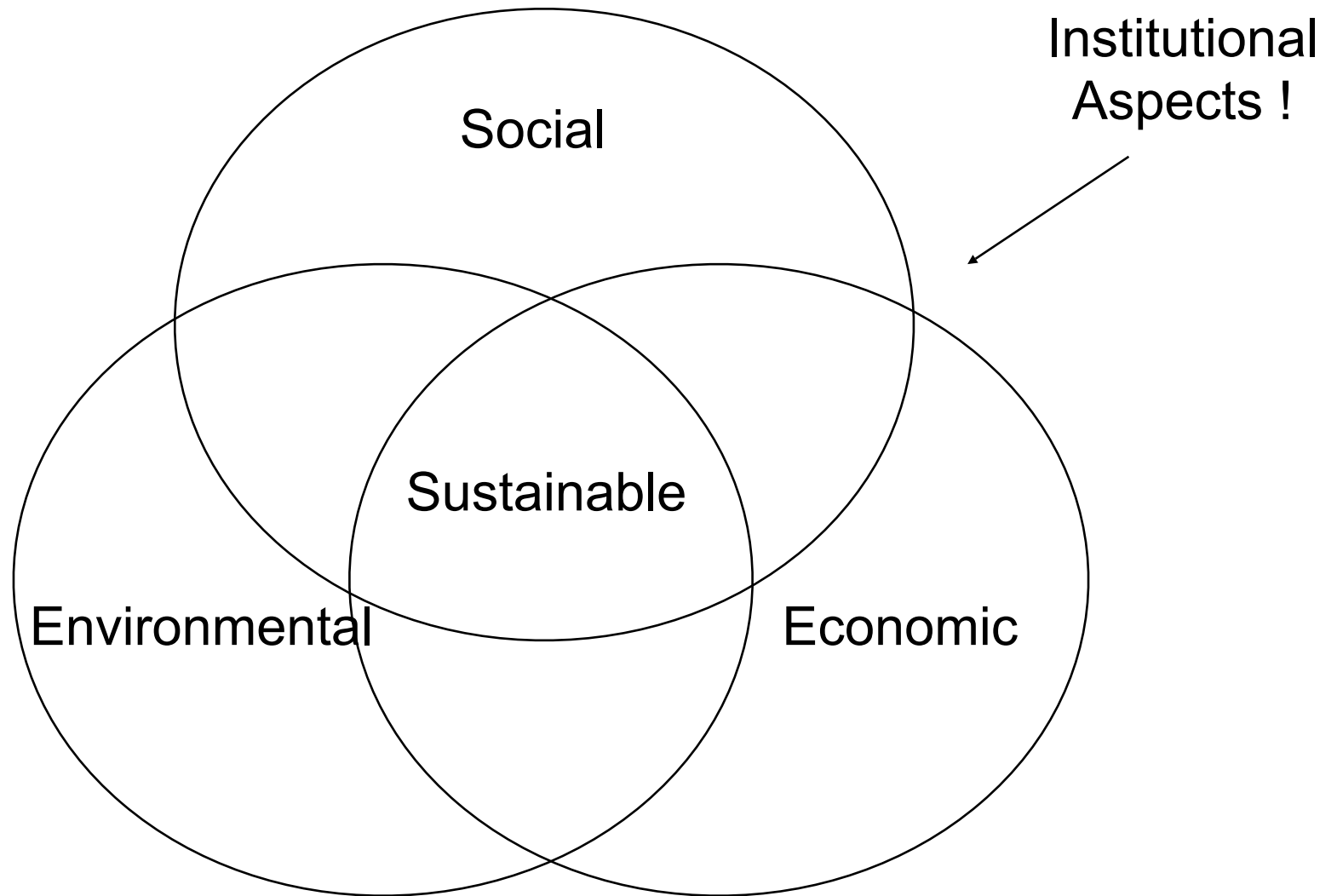
3. Evaluate
Bids from
suppliers
and Award



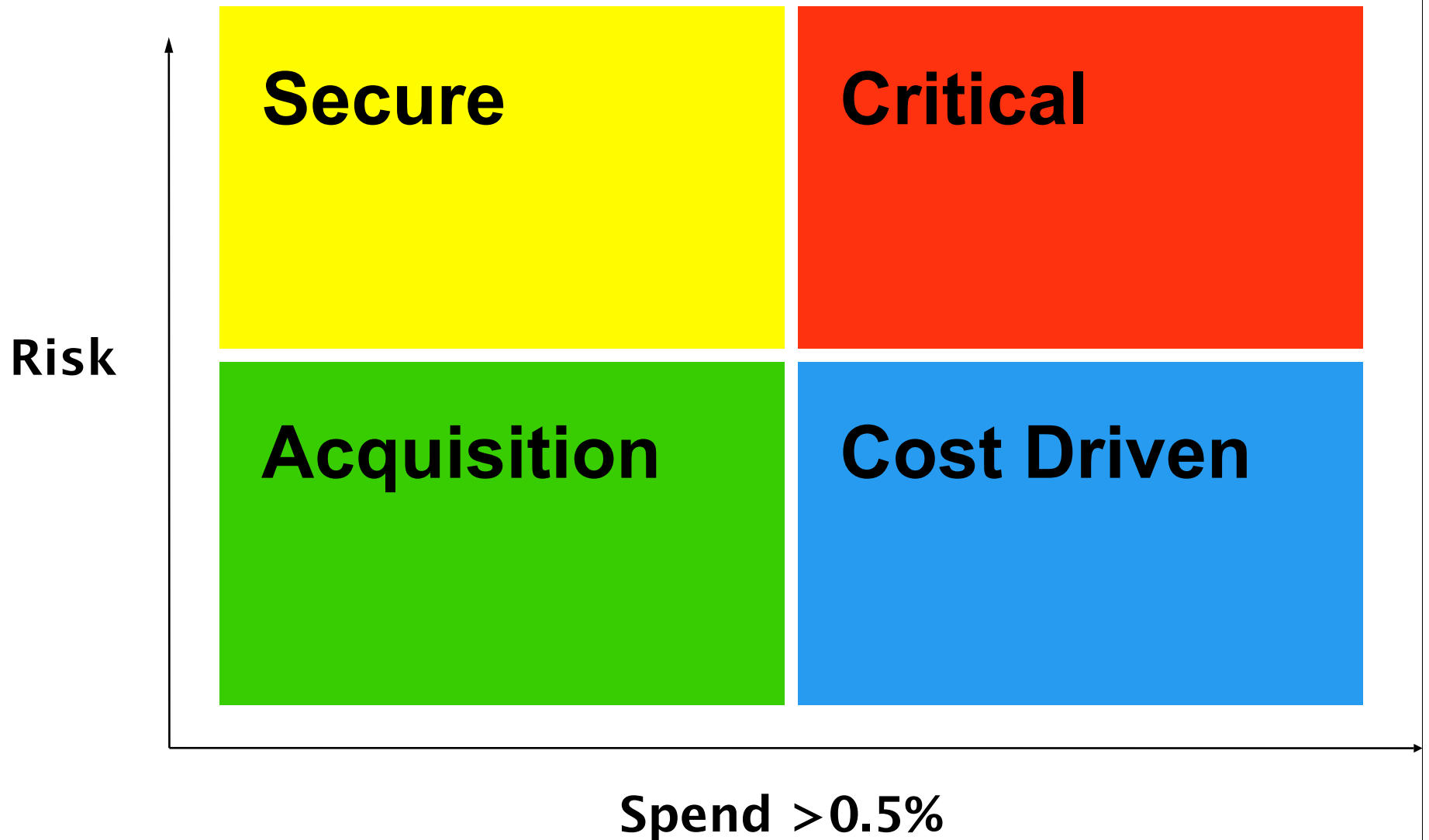
Risk based approach

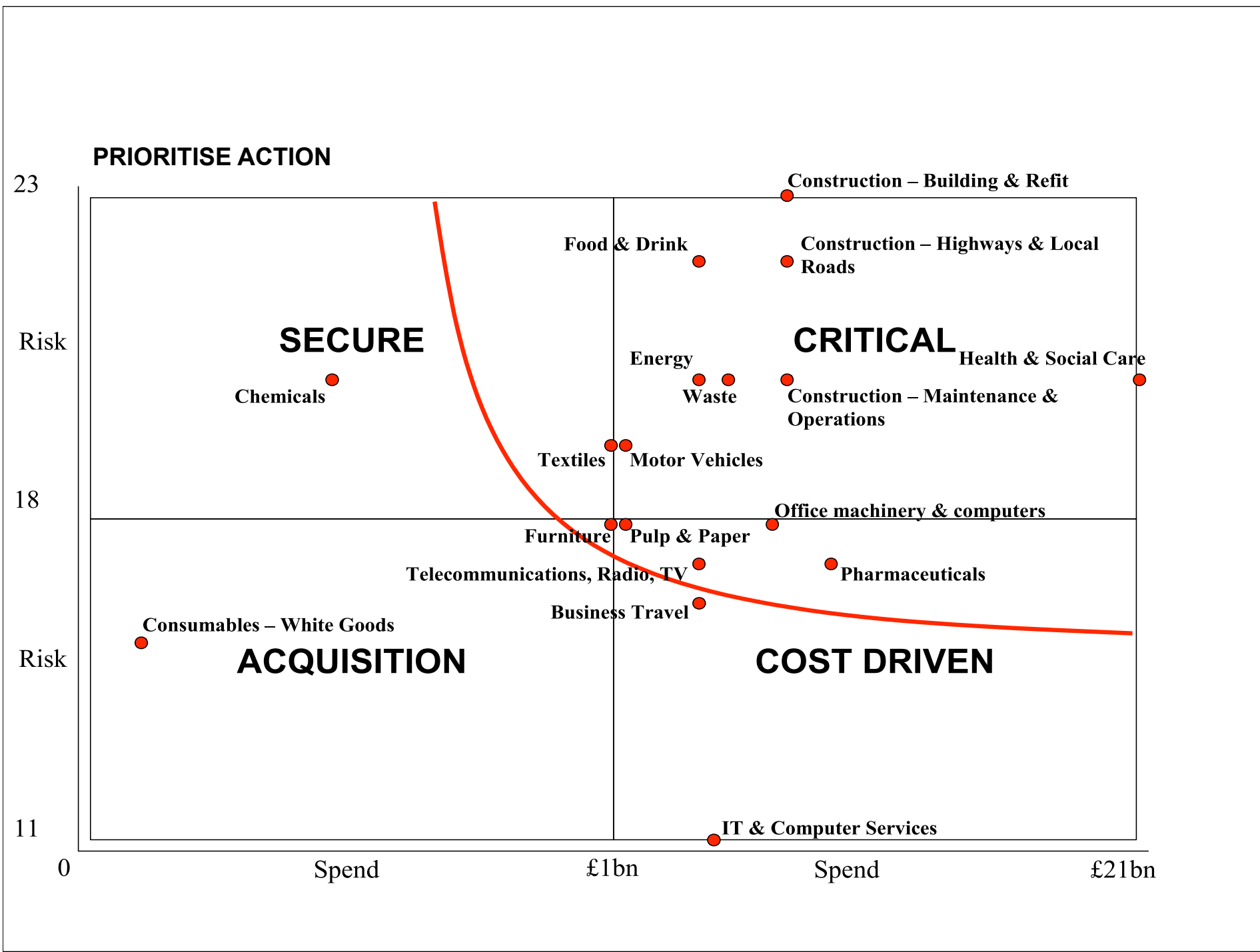
- Expenditure
- Environmental impact
- Socio-economic impact
- Existing activity
- Scope to do more
- Influence on the market
- Reputational risk

Issues could include:

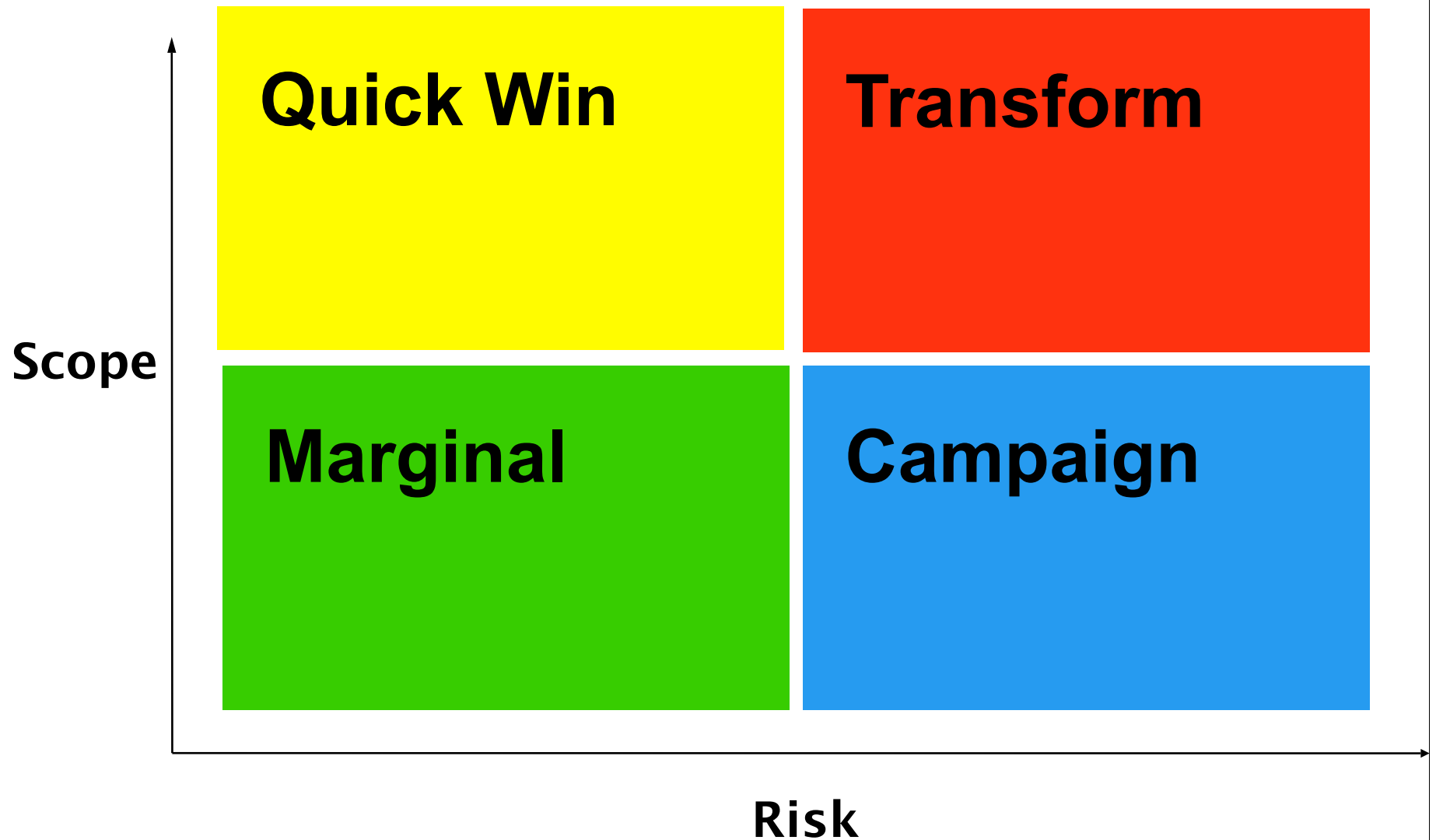


Prioritise Action - Risk and Spend

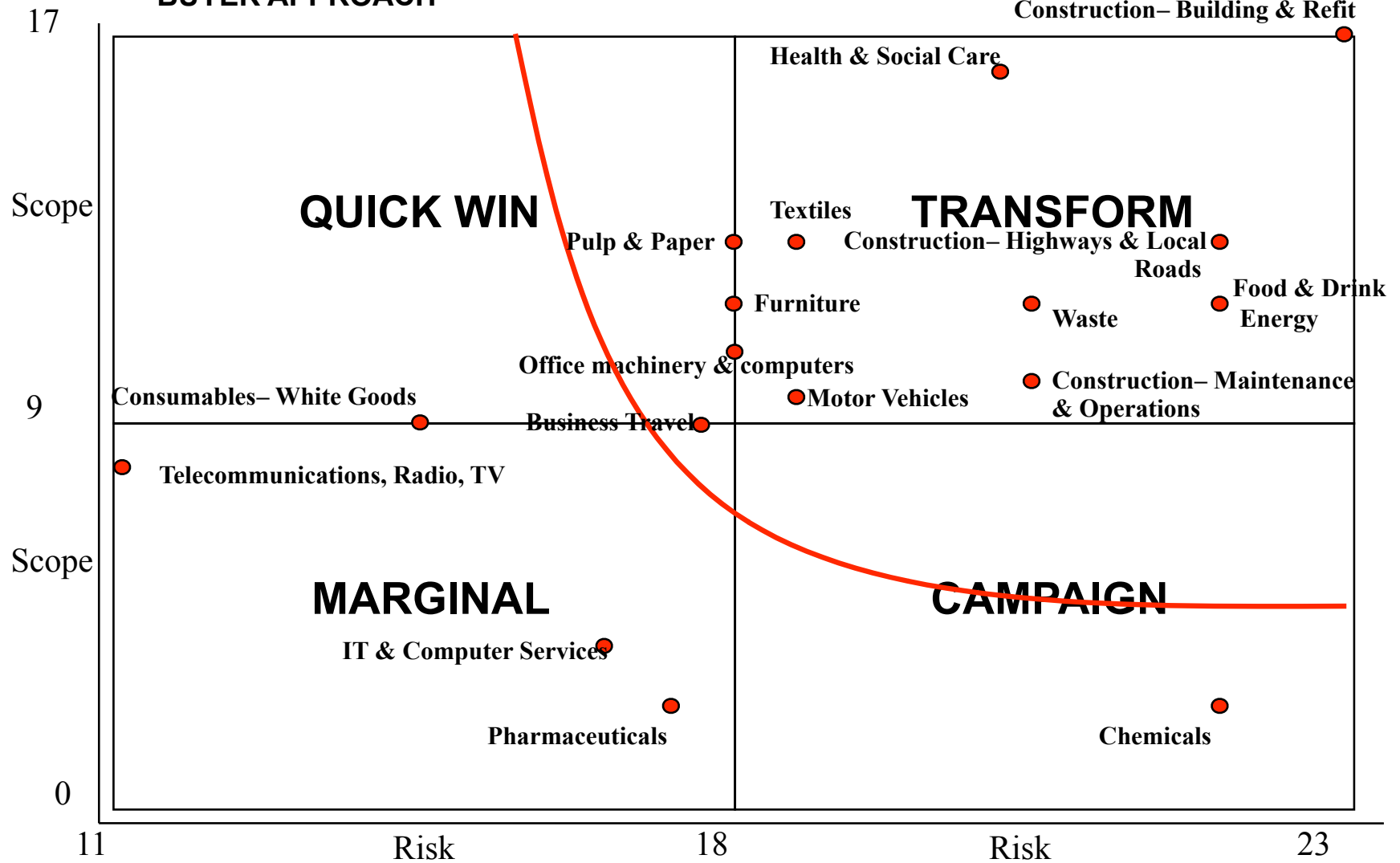




Buyer Approach - Scope and Risk



BUYER APPROACH



Construction- Building & Refit

Health & Social Care

QUICK WIN

TRANSFORM

Textiles

Pulp & Paper

Construction- Highways & Local Roads

Furniture

Waste

Food & Drink
Energy

Office machinery & computers

Construction- Maintenance & Operations

9

Consumables- White Goods

Business Travel

Motor Vehicles

Scope

MARGINAL

CAMPAIGN

IT & Computer Services

Pharmaceuticals

Chemicals

0

11

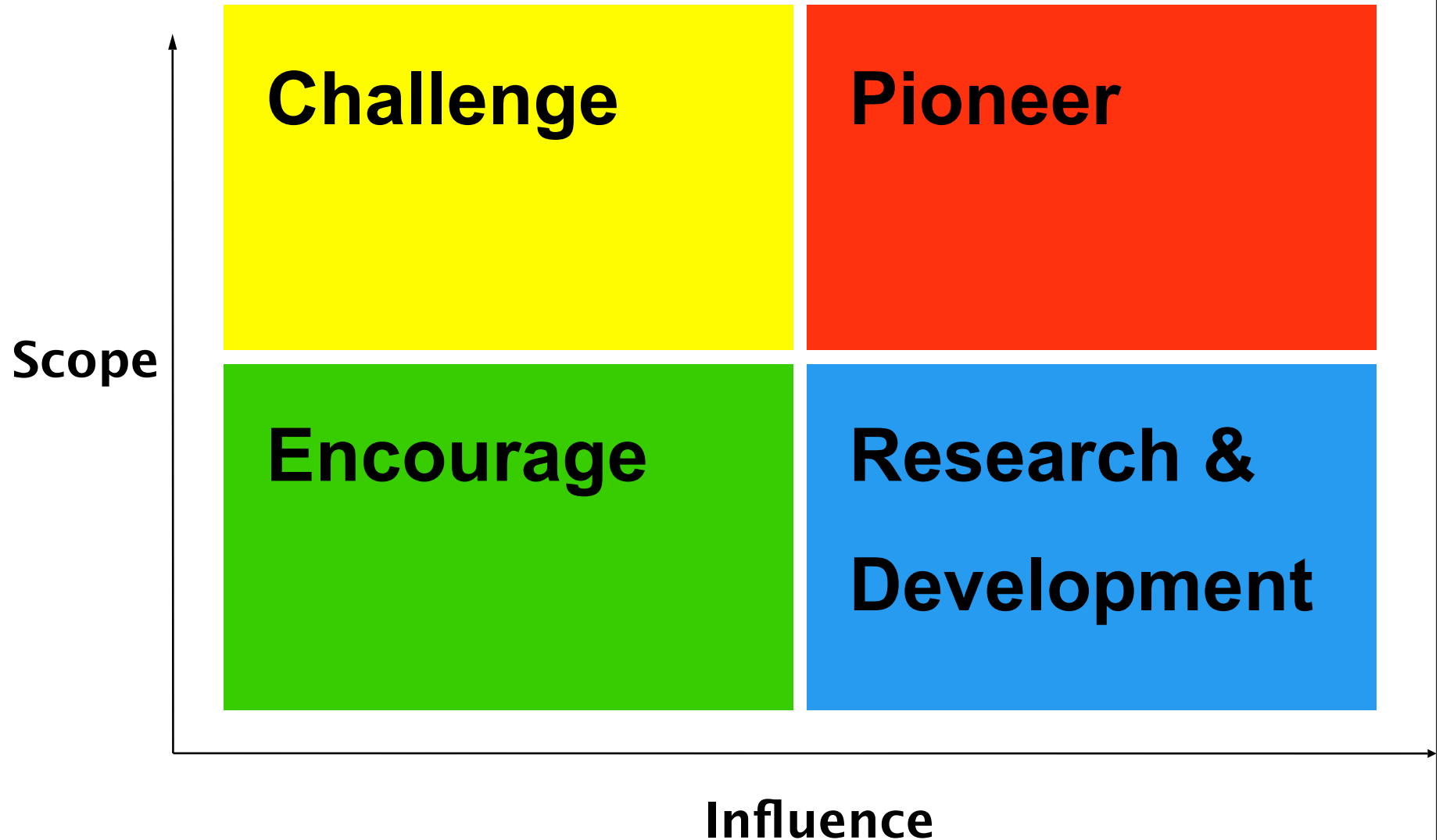
Risk

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Risk

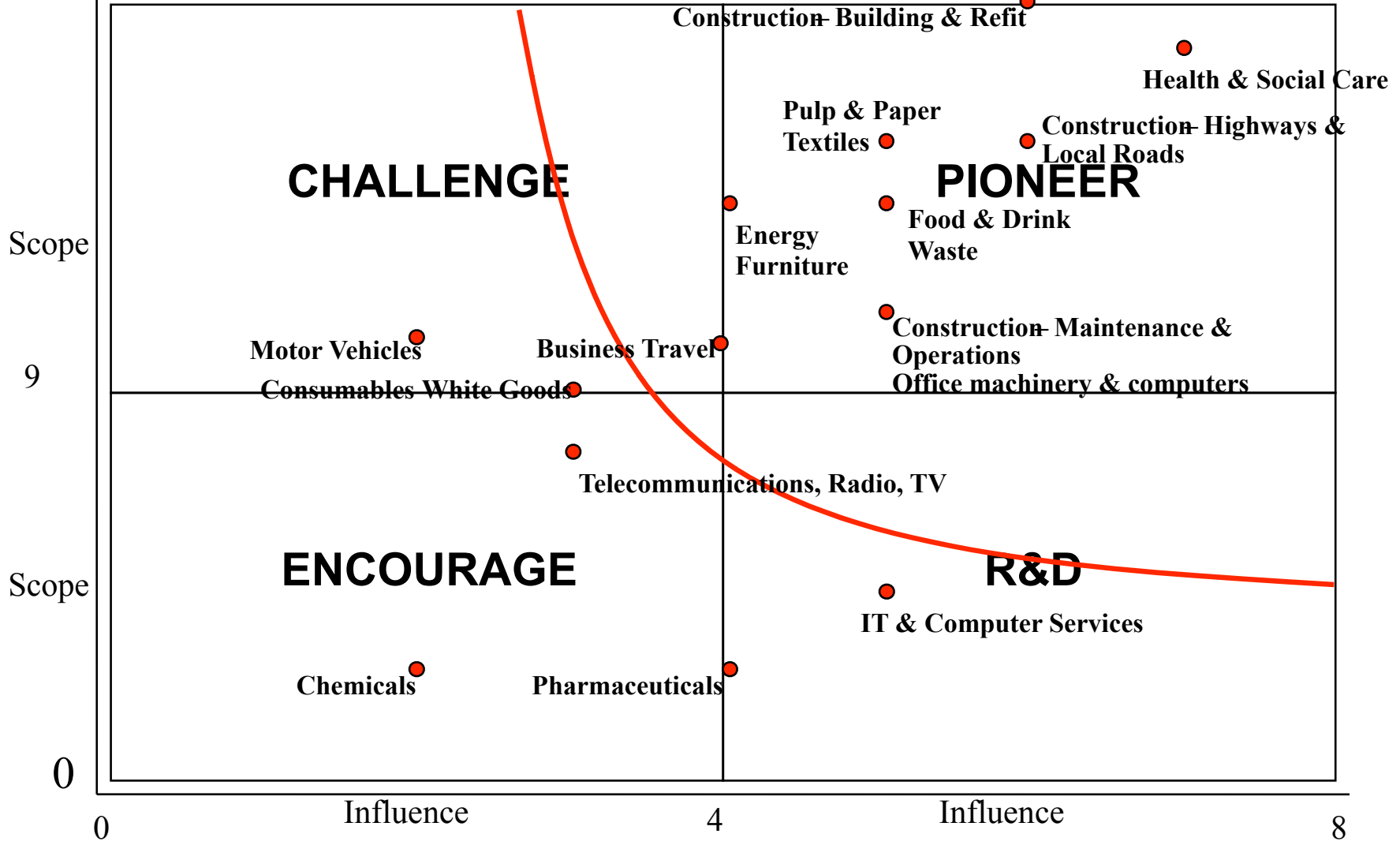
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Market Engagement Strategy – Scope and influence



17

MARKET ENGAGEMENT STRATEGY



Scope

9

Scope

0

0

Influence

4

Influence

8

CHALLENGE

PIONEER

ENCOURAGE

R&D

Motor Vehicles

Consumables White Goods

Business Travel

Telecommunications, Radio, TV

Chemicals

Pharmaceuticals

Energy Furniture

Pulp & Paper
Textiles

Food & Drink
Waste

Construction - Maintenance &
Operations
Office machinery & computers

Construction - Building & Refit

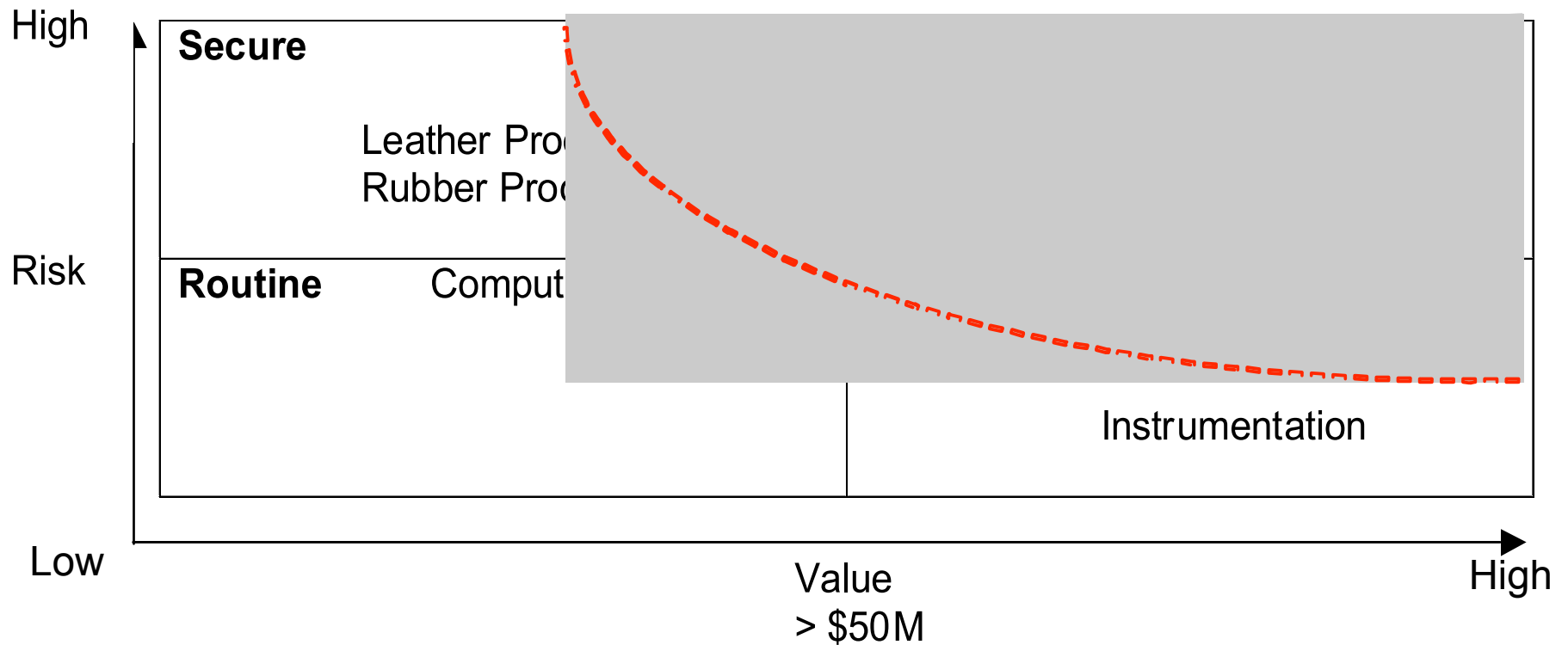
Health & Social Care

Construction - Highways &
Local Roads

IT & Computer Services

Sustainable Procurement Matrix

Argentine example

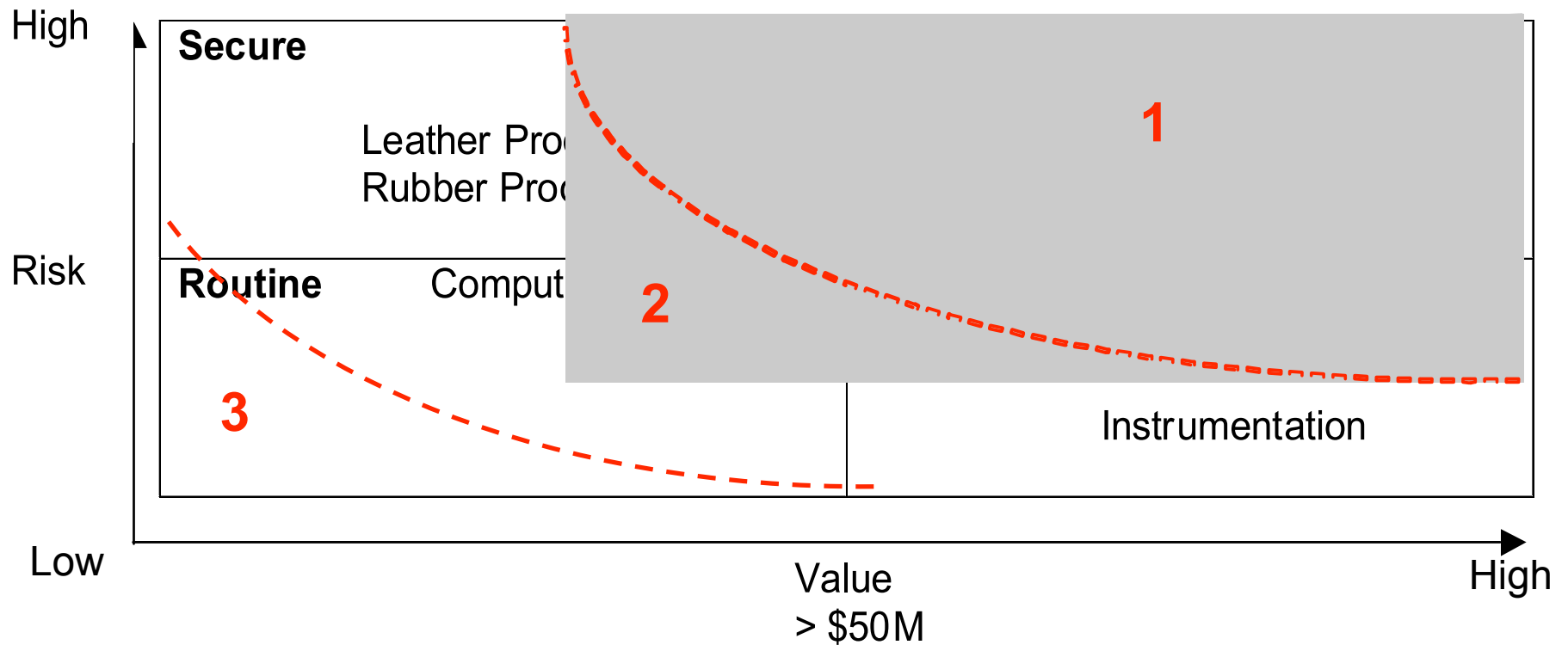


Use of matrix

- Boxes categorise expenditure
- Prioritise from top right to bottom left
- Requires judgement call
- Informs procurement strategy
- Demonstrates structured approach
- Ensures effort has best chance of success

Prioritisation

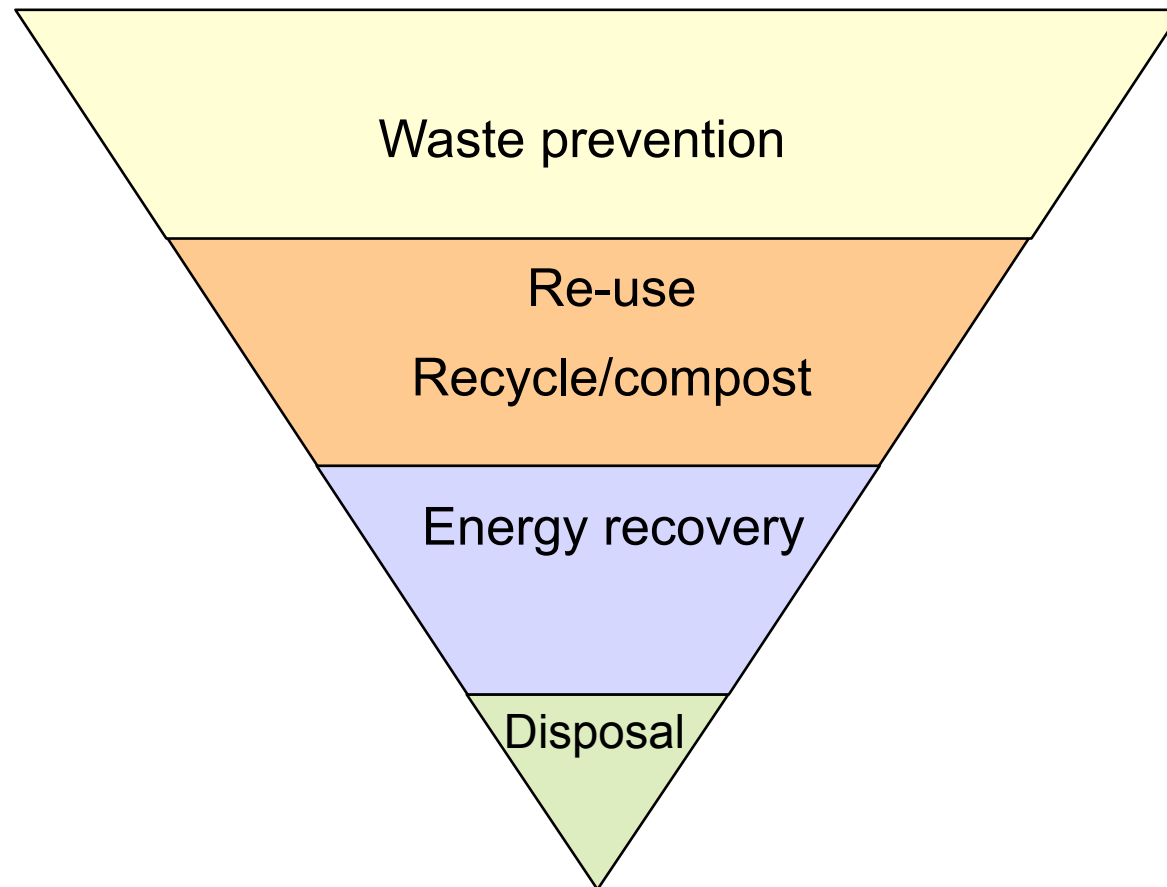
Argentine example



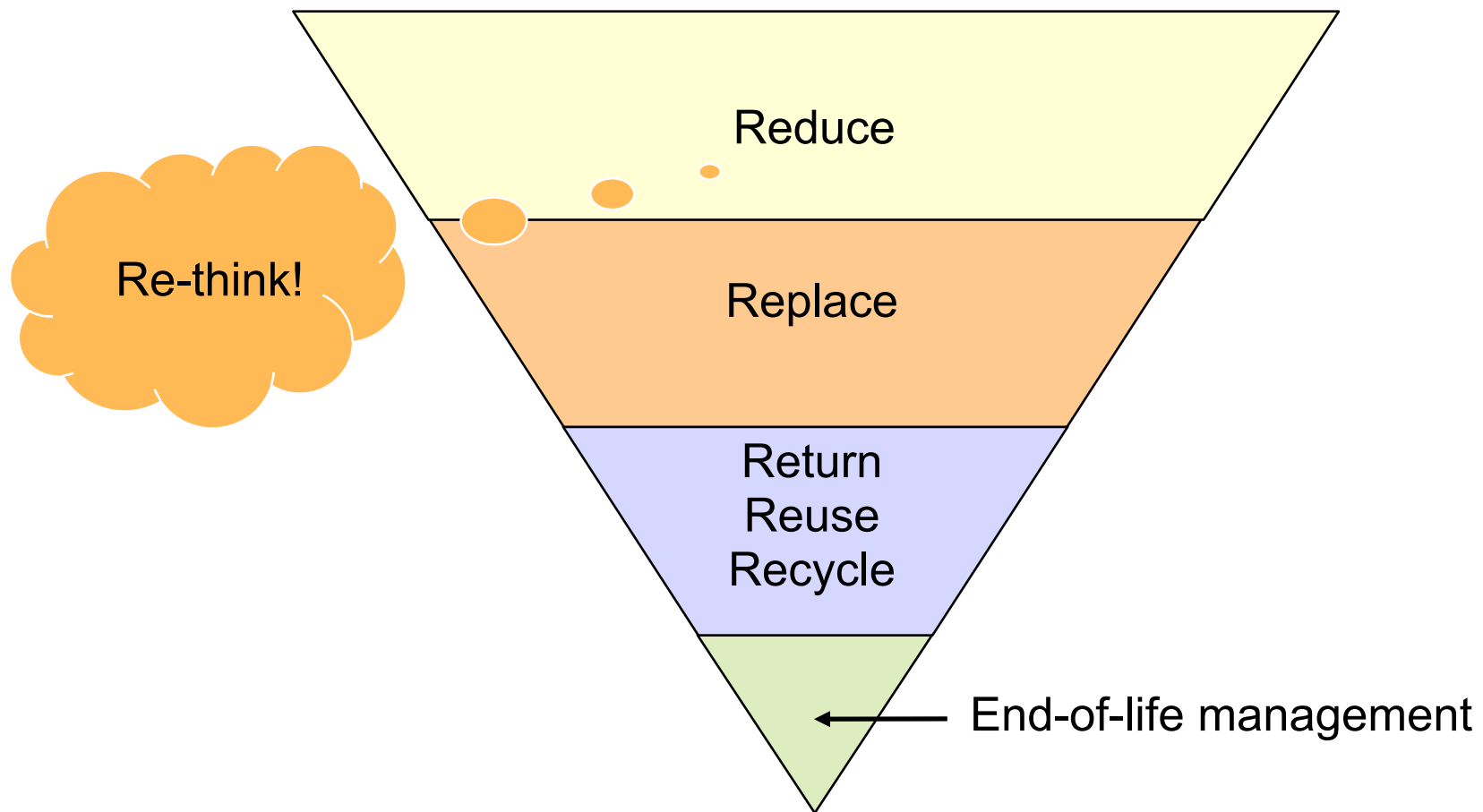
Costs and benefits of SPP

- Invest to save!
- Focus on whole life benefits
- Investment in capacity building
- Direct savings
 - CO2 reduction through energy efficiency
- Indirect benefits
 - Health, well-being
- Demand management

The waste hierarchy



The procurement hierarchy



Direct benefits

- Use of recycled content materials
 - Road building project in UK
 - Recycled aggregate used
 - Savings of approximately £219,000 per kilometre of road constructed
 - Health benefits from reduced emissions of particulates
 - Landfill tax charges avoided

Examples of direct benefits

- Total electricity bought by EU public sector per year approximately 150,000 GWh
- ICLEI identified potential savings if green electricity purchased:
 - 60 million tonnes of CO2 emissions
 - 18% of EU Kyoto commitments
 - Equivalent to emissions from a city the size of London

Examples of direct benefits

- City of Kolding, Denmark
- New school building designed to help community save 50% in electricity and maintenance costs
- Simply by installing passive ventilation system

Examples of direct benefits

- Voralberg, Austria
- Eco-Procurement Service – from 2001
- Aims to access benefits of joint purchasing for municipalities in the region
- Reports from 2005 show:
- Savings on prices paid for products (5% to 10%) and administrative costs (20%-60%)
- Total savings of 286,507 Euros.

Examples of benefits: RESPIRO PROJECT

- City of Lille, France:
 - Tenders for supply of workwear for municipal services – city strives to significantly influence human rights, preserve natural environment & take account of products life-cycle.
- City of Nantes, France:
 - For purchase of sportswear, workwear and uniforms – Fair Trade standards and other certified labels for materials and production processes

Examples of benefits: RESPIRO PROJECT

- City of Barcelona, Spain:
 - Protection of basic workers rights as specific goal for procurement of workwear.
- City of Feldkirch, Austria:
 - For new buildings and essential renovation work child-friendly, senior-friendly and accessible design for people with disabilities.



Key messages

- Social, environmental as well as economic benefits can be delivered
- Sustainable procurement is good procurement!

How to implement sustainable public procurement in practice

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