

Analysing the implementation of sustainable public procurement policies

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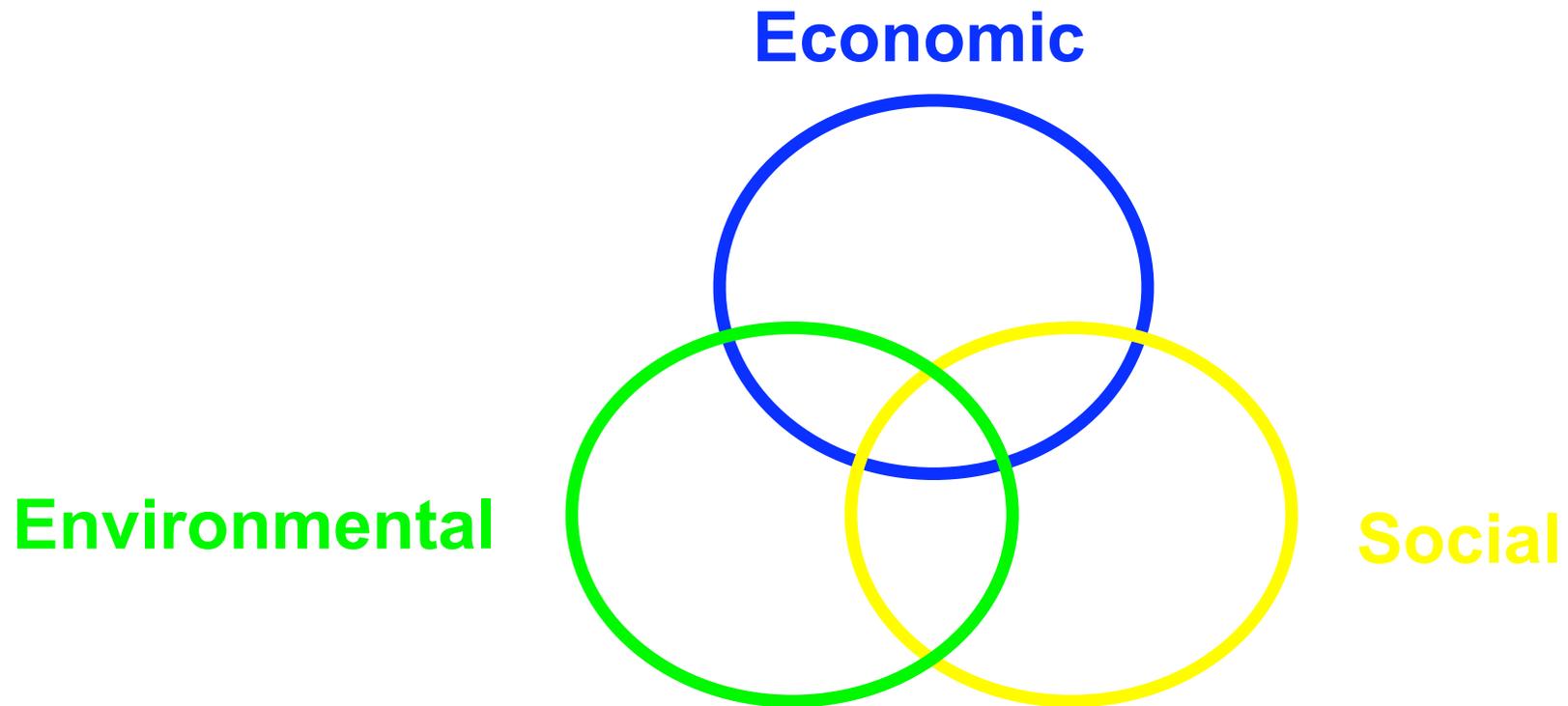
Outline

- Introduction
- Sustainable procurement policies
- UK experience
- International activity
- Marrakech Task Force on Sustainable Public Procurement

Introduction

- Technical advisor on sustainable procurement
- Department of Environment, Food and Rural Affairs, UK
 - Procurement and Contracts Division
- Sustainable Procurement Ltd
- Work with public and private sector organisations

What is Sustainable Procurement?



Policy through procurement

- Cleaner production
- Value for money and efficiency
- Poverty eradication
- Good governance
- Economic development
- Climate change adaptation and mitigation
- Sustainable consumption and production
- Innovation
- Equality and diversity in supply chains
- Involvement of Third Sector

UK experience

- UK Sustainable Procurement Task Force
- UK Sustainable Procurement Action Plan
 - Targets
 - Building blocks
 - New structures
 - Progress to date

UK Framework and Government Sustainable Development Strategy



- Sustainable Development Strategy 2005 'Securing the Future'
- Shared vision, principles, priorities
- Long term interest in sustainable development
- UK to be recognised as amongst the leaders across EU Member States by 2009

European Union

- 27 Member States
- All public procurement must comply with EU Treaty
- Key policies from public procurement point of view:
 - Free movement of goods
 - Freedom of establishment
 - Freedom to provide services

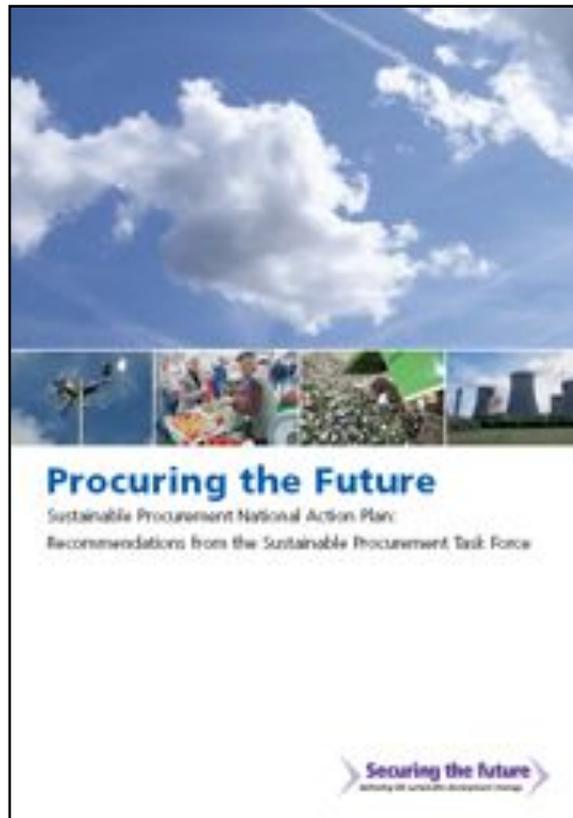
European Union

- Principles:
 - Equal treatment and non-discrimination on grounds of nationality
 - Transparency
 - Proportionality
 - Mutual recognition
 - Openness to competition
- European Directives into UK law (and law of other member states)

UK: Sustainable Procurement Task Force

- Government appointed May 2005
 - Defra and Her Majesty's Treasury
- Business-led
 - Chaired by Sir Neville Simms (International Power plc)
 - 33 members from diverse sectors
 - BAA, BT, HP, Royal Mail, Skanska, Tarmac, Vodafone
 - Major spend departments, local government, NGOs
 - Devolved administrations as observers (Scotland, Wales and Northern Ireland)

The challenge - to purchasers



Launched 12 June 2006

Covers whole of public sector:
Central, local government,
health and social care

£150 billion per annum

(US \$300 billion approximately)

Definition of Sustainable Procurement

- **“Sustainable Procurement is 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, whilst minimising damage to the environment”.**

Footnote:

Sustainable Procurement should consider the environmental, social and economic consequences of:

Design; non-renewable material use; manufacture and production methods; logistics; service delivery; use; operation; maintenance; reuse; recycling options; disposal; and suppliers' capabilities to address these consequences throughout the supply chain.”

Procuring the Future, June 2006

UK Sustainable Procurement Task Force

- UK Task Force analysed 'barriers' to sustainable procurement
 - Perceived or real
- Produced 6 recommendations
 - Challenges for government
 - Her Majesty's Treasury
 - Finance, budgets and resource allocation

6 recommendations

1. Lead by example
 2. Set clear priorities
 3. Raise the bar
 4. Build capacity
 5. Remove barriers
 6. Capture opportunities
- Budgeting and accounting
 - Sustainable procurement is good procurement

UK Sustainable Procurement Action Plan

- Launched March 2007
- Clear priorities:
 - Climate change mitigation
 - Carbon neutral by 2012
 - Natural resource protection
 - Biodiversity
 - Illegal logging and sustainable timber
 - Consult on need for 'centre of sustainable procurement excellence'
 - Health sector and local government strategies too
 - Scotland, Wales and Northern Ireland also active

Sustainable Operations Targets

Carbon

- Government office estate **carbon neutral** by 2012.
- **Carbon emissions down** 12.5% by 2010 (30% by 2020).
- **Carbon emissions** from vehicles **down** 15% by 2010/11

Waste

- **Waste** arisings **down** 5% by 2010 (25% by 2020).
- Waste **recycled up** 40% by 2010 (75% by 2020).

Energy

- **Energy efficiency/m² up** 15% by 2010 (30% by 2020).
- 10% of electricity from **renewables** by 31 March 2008
- 15% of electricity from **CHP** by 2010

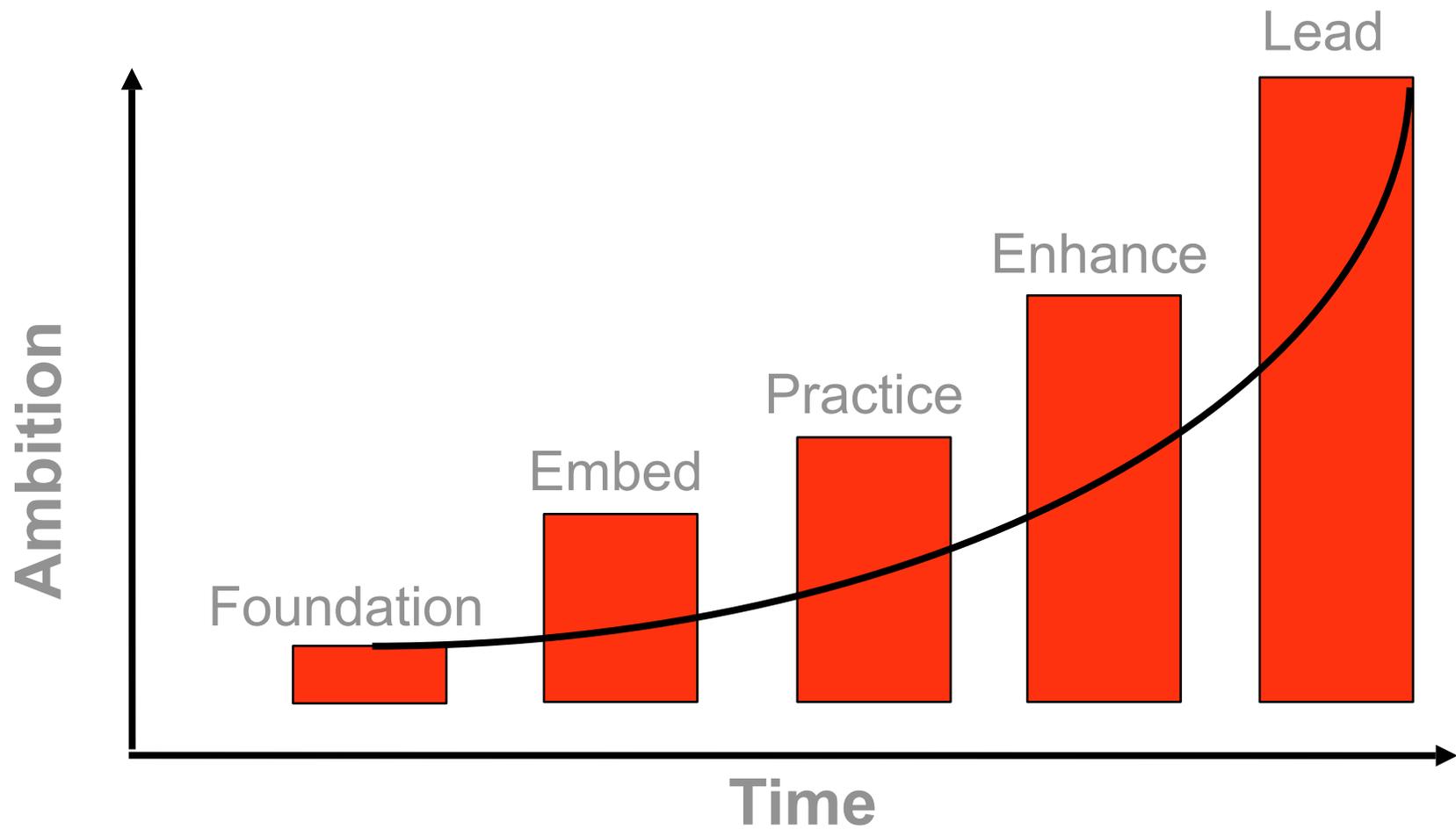
Water

- **Water consumption down** 25% by 2020.

Delivering sustainability through procurement

- 2 Building Blocks of SPTF
- Flexible Framework
- Prioritisation Methodology
 - Risk-based
 - Helps focus resources
- Integrating sustainability throughout the procurement process

Flexible Framework



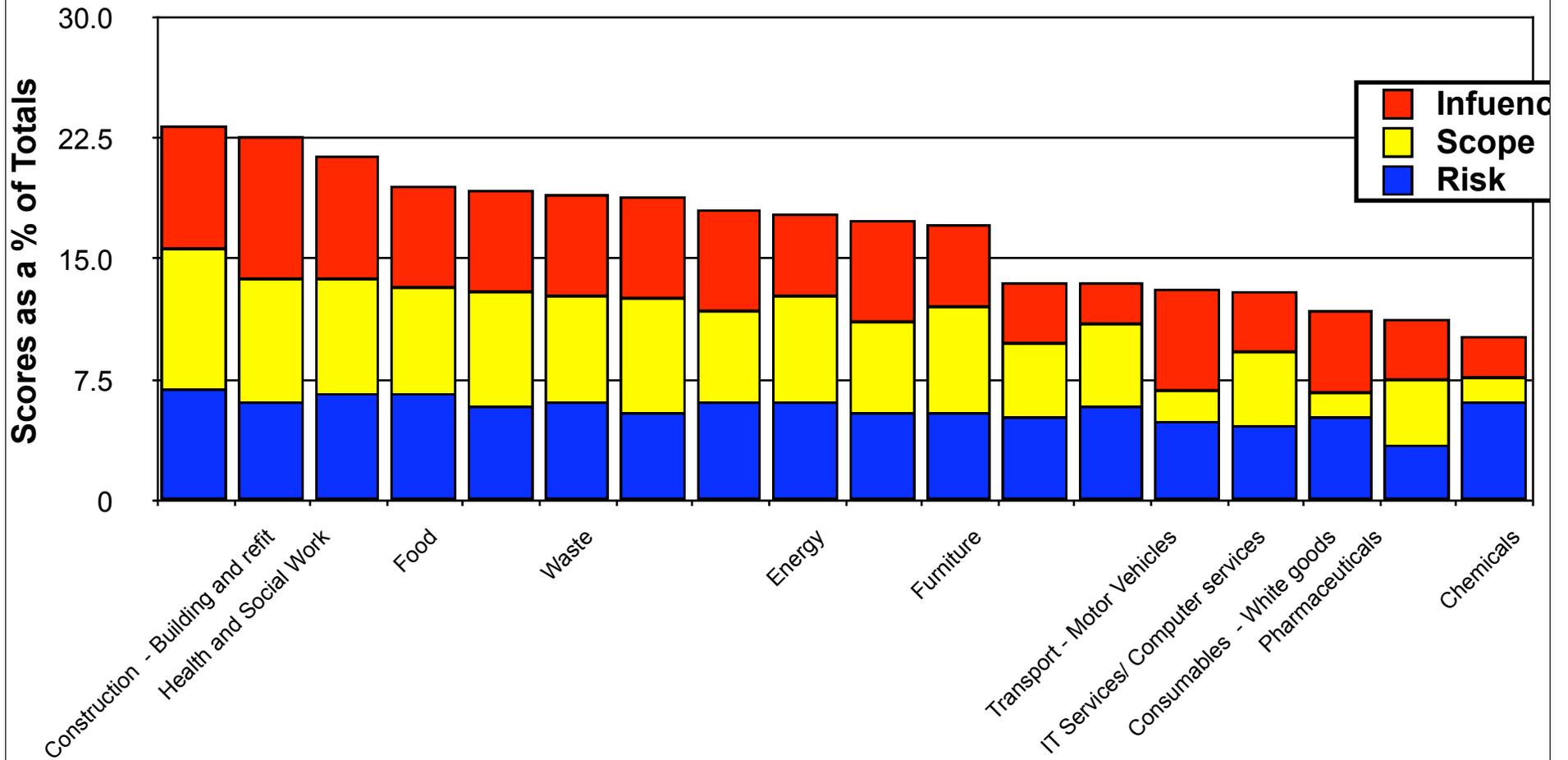
Flexible Framework

- People
- Policy, strategy and communications
- Procurement process
- Engaging suppliers
- Measurement and results
- Defra – to be operating at Level 5 by Autumn 2008

Prioritisation Methodology

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

National Priority Spend Areas



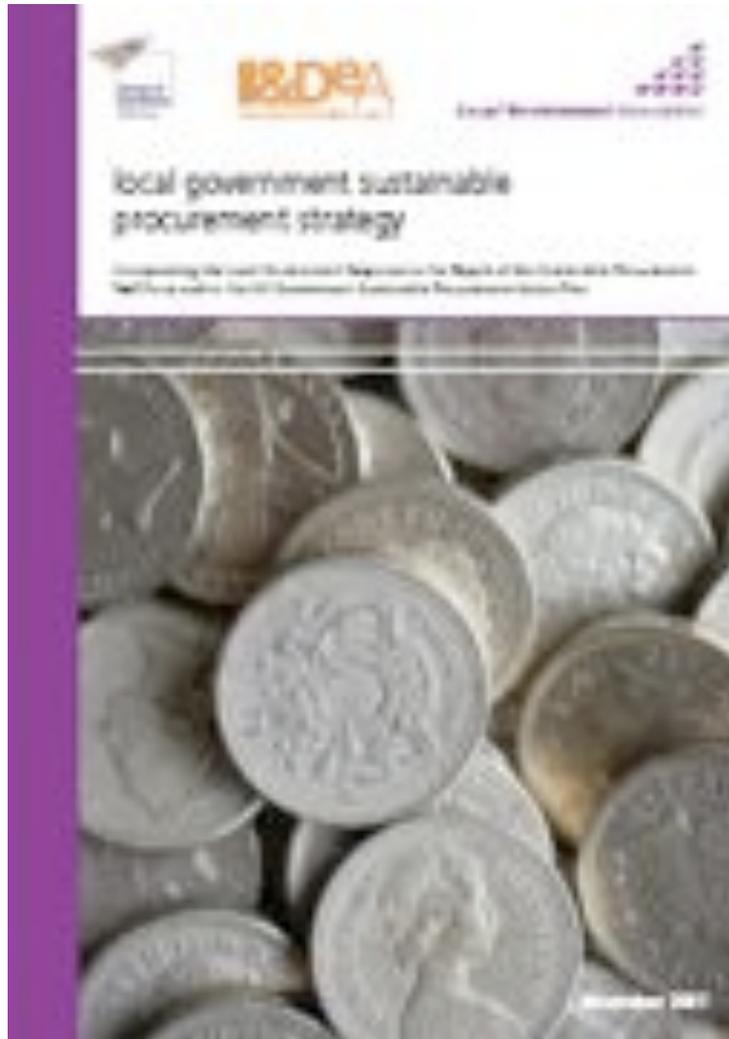
Priorities

- Construction
- Health and Social Work
- Food
- Uniforms, clothing and other textiles
- Waste
- Pulp, paper and printing
- Energy
- Consumables – office machinery and computers
- Furniture
- Transport

Responses from UK public sector

- Local government
- Health and social care sector
- Policy priorities, including:
 - Sustainable community strategies
 - Promoting health and well-being
 - Local economic regeneration
 - Promoting environmental technologies

UK Local Government Sustainable Procurement Strategy



Covers local government,
municipalities

Covers spending of
over £40 billion per year

Launched November 2007

Centre of Expertise in Sustainable Procurement

- Office of Government Commerce
 - Leads on procurement policy across central government
- Focus on Sustainable Operations on the Government Estate targets
 - Climate change, water, waste dominate
- Staff being recruited, including to work on international engagement

Other EU level activity

- Public procurement accounts for 16% of Gross Domestic Product in EU
- Green Public Procurement
 - Product criteria being developed
- Target on sustainable procurement is for all countries to achieve level of best performing Member States (2006 base) by 2010
- New Sustainable Consumption and Production Action Plan

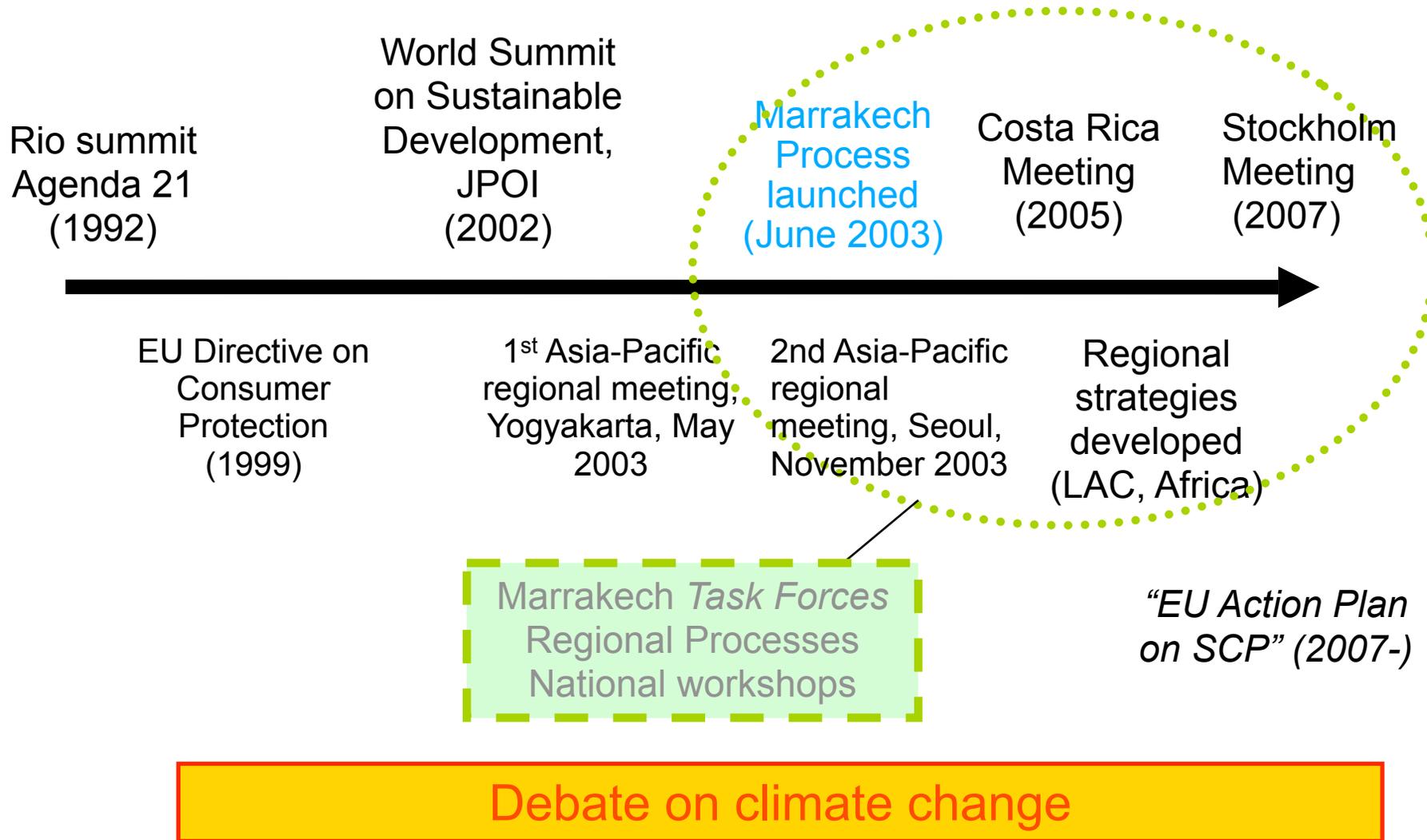
EU Member States

- Countries strong in particular aspects
- Germany:
 - Website information for nine product groups
 - www.beschaffungs-info.de
- France:
 - Public Procurement Contracts Code – 2006 sustainable development objectives included
- Sweden:
 - ECU platform for GPP
- East Europe: growing awareness of issue

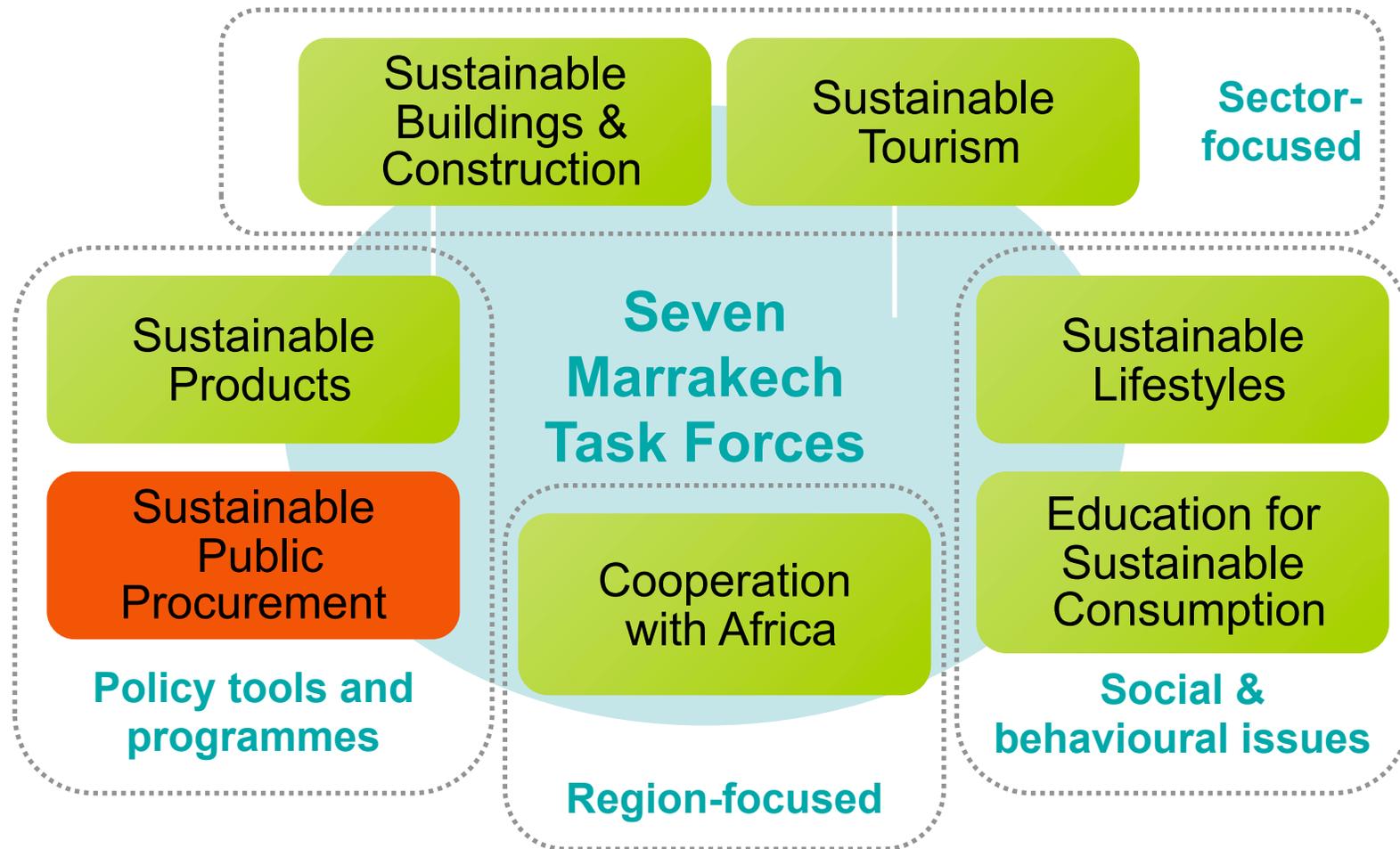
International activity

- United Nations
- National Governments
- Federal and State level governments
- Marrakech Task Force on SPP
 - Swiss leading
 - Federal Office of the Environment

Marrakech Process: Some milestones



Task Forces Implementing SCP



**Marrakech Task Force
on**

**Sustainable
Public
Procurement**

MTF on SPP

The objective of the Marrakech Task Force on SPP is that **14 countries** distributed in all regions will have tested the SPP approach **by 2010/11**

Task Force led by Switzerland

Chaired by: Eveline Venanzoni, Alexander Kopp
Swiss Federal Office for the Environment
eveline.venanzoni@bafu.admin.ch
alexander.kopp@bafu.admin.ch

Co-Chaired by: Sheila Encabo, Philippines

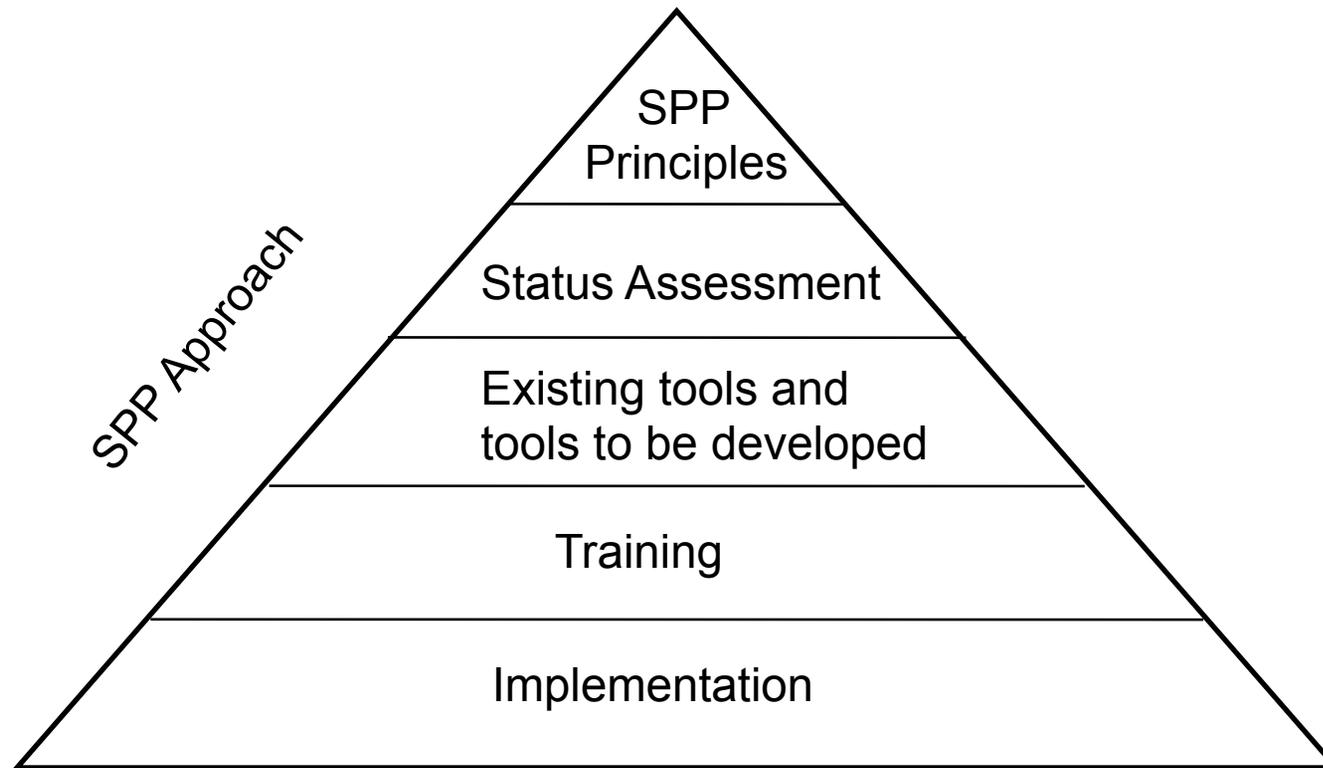
Members: China, Argentina, Mexico, Ghana, Philippines, UK, Norway, Czech Republic, USA, State of São Paulo, Switzerland, UNEP, UNDESA, ILO, European Commission Services, ICLEI, IISD

Key outputs of MTF on SPP



1. SPP Approach
2. SPP Principles
3. Implementation Plan
4. Status Assessment
5. Legal Review
6. Market Readiness Analysis
7. Training – including pilot training course - **Argentina**
8. Train the Trainers (**Midrand, South Africa June 2008**)
9. Roll out and implementation
10. Plan for 2010-11 and beyond

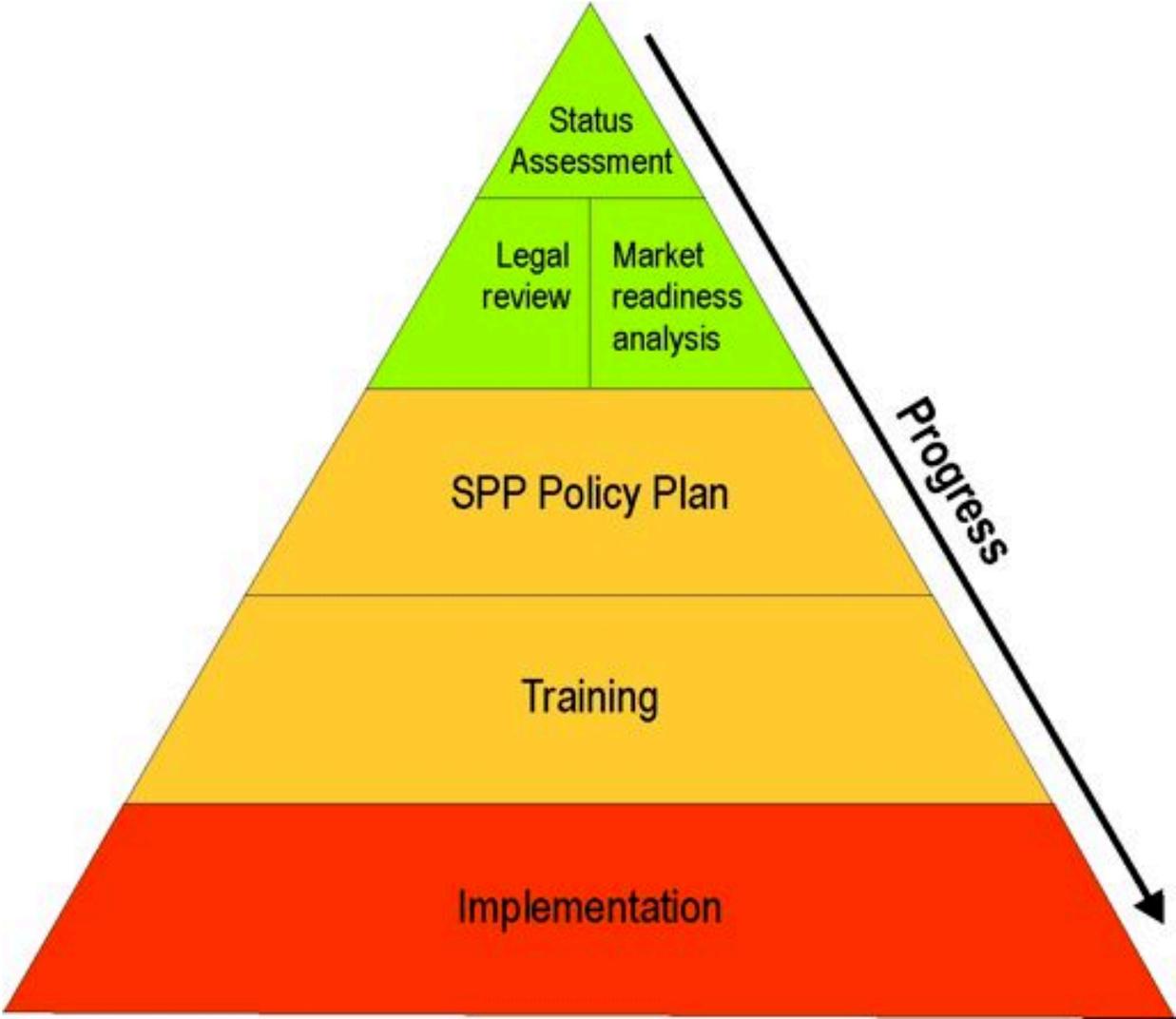
1. SPP Approach



SPP principles

- Good procurement is sustainable procurement
- On leadership
- On policy through procurement
- On enabling delivery
- On implementing
- Monitoring results and outcomes

Country Implementation



Examples: Delivering policies through sustainable public procurement

- Cleaner production
 - Argentina
- Value for money as well as climate change
 - United Kingdom
- Poverty eradication
 - China
- Good governance
 - Ghana

Examples: Delivering policies through sustainable public procurement (2)

- Economic development
- Climate change adaptation and mitigation
- Sustainable consumption and production
- Innovation
- Equality and diversity in supply chains
- Involvement of Third Sector

Thank you for your attention

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