



Malaysia Country Report:
**Current Status of Green
Public Procurement (GPP)
Implementation**

Enhancing the implementation of the Green Public
Procurement in Southeast Asian Region

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CONTENTS

LIST OF ACRONYMS	4
Section 1: Current status of GPP	5
Introduction	6
GPP Policy or related Policy to promote GPP/GP	6
Responsible Department(s)	8
Criteria for GPP/GP	11
Target Sectors	14
GPP Implementation	14
Capacity-Building for Procurers on GPP	16
Monitoring / Reporting	21
Results of GPP/GP implementation	22
Challenge issues	25
Section 2: Good practices/checklist	26
Table 1: Checklists of GPP/GP good practices & recommendations: Supply- Producer of Green Products and Services	27
Table 2: Checklists of GPP/GP good practices & recommendations: Supply- Eco-label Certification	28
Table 3: Checklists of GPP/GP good practices & recommendations: Supply- Vendor	30
Table 4: Checklists of GPP/GP good practices & recommendations: Supply: Green Directory	31
Table 5: Checklists of GPP/GP good practices & recommendations: Demand: Procurer and User	32
Table 6: Checklists of GPP/GP good practices & recommendations: GPP/GP Supports	36
Section 3: Conclusion and Recommendations	40





LIST OF ACRONYMS

ENSEARCH	Environmental Management and Research Association of Malaysia
EPU	Economic Planning Unit
CEPA	Communication, Education and Public Awareness
GITA	Green Investment Tax Allowance
GITE	Green Income Tax Exemption
GGP	Government Green Procurement
GLCs	Government Linked Companies
GPP	Government Public Procurement
GP	Green Procurement
GTFS	Green Technology Financing Scheme
KETHA	Ministry of Energy and Natural Resource (before 2018)
KETSA	Ministry of Energy and Natural Resource
KASA	Ministry of Water and Environment
MEW	Ministry of Energy and Water (before 2014)
MGTC	Malaysian Green Technology and Climate Change Corporation
MOF	Ministry of Finance
MOSTI	Ministry of Science, Technology and Innovation
MP	Malaysia Plan
SIRIM	Standard and Industrial Research Institute of Malaysia
SCP	Sustainable Consumption and Production
SDG	Sustainable Development Goals
UNDP	United Nations Development Programme



Section

1

Current status of GPP



Introduction

This status study only provides details on Government Green Procurement (GGP) in Malaysia. At the moment, there are no industry or economy wide schemes or mechanism for Green Procurement within the industry/consumer market. The prevailing eco-labelling scenario in Malaysia is still in infancy stage and there are no related private sector related GP programmes that are available. There are very few studies or research on GGP in Malaysia and most of the data available are from government agencies.

GPP Policy or related Policy to promote GPP/GP

In Malaysia, the term **Government Green Procurement (GGP)** is used instead of **Green Public Procurement (GPP)**. Government Green Procurement is defined as *“the acquisition of products, services and work in the public sector that takes into account environmental criteria and standards to conserve the natural environment and resources, which minimizes and reduces the negative impacts of human activities.”*¹

The precursor (foundation) to the implementation of GGP in Malaysia was the inclusion of green procurement in the strategic agenda of the **National Green Technology Policy 2009** by the then Ministry of Energy, Green Technology, and Water. The Policy has stated that in its Mid-Term Goals (2016-2020) via 11th Malaysia Plan, green technology becomes the preferred choice in procurement of products and services².

Between 2012 and 2016, the Government of Malaysia (GOM) implemented the project **“Sustainable Consumption and Production (SCP) Policy Support”** with the funding by the European Union (EU) under the national policy component of the SWITCH-Asia Programme. As a result of the project, the concept of SCP was prominently integrated in the **11th Malaysia Plan 2016-2020** (11th MP) as the key mechanism to pursue green growth, the game changer towards productivity, resource efficiency and natural protection.

A draft **National SCP Blueprint 2016-2030** was prepared with the international agenda of Sustainable Development Goals (SDGs) and the 10 Year Framework of Programmes (10YFP) on SCP.

The National SCP Blueprint 2016-2030 provides a comprehensive long-term vision and guidance for SCP in Malaysia. It introduces the rationale of SCP for the development of Malaysia and unfolds in 10 distinct pathways: (1) **Leading by example through government green procurement (GGP)**, (2) Transparency of SCP benefits for private households, (3) The business case of SCP in industry, (4) Towards a circular economy waste system, (5) Energy wise buildings, (6) Connecting people through low carbon mobility, (7) Sustainable, safe and nutritious food, (8) Adding value to tourism through SCP, (9) Communication, education and public awareness (CEPA) for SCP, and (10) Coordinating and monitoring SCP implementation.

¹ Ministry of Energy, Technology and Water (KeTTHA), 2012. *Pengenalan Perolehan Hijau Kerajaan Edisi 1. Putrajaya : KeTTHA*

² National Green Technology Policy, 2009. MINISTRY OF ENERGY, GREEN TECHNOLOGY AND WATER, MALAYSIA

The 11th Malaysia Plan (2016-2020) dedicated Chapter 2 on Pursuing green growth for sustainability and resilience under Strategy B1: Creating green markets, provides for...

“Government green procurement (GPP) will be made mandatory for all government ministries and agencies. GPP will create the demand for green products and services, encouraging industries to raise the standard and quality of their products to meet green requirements. GPP will complement the existing eco-labelling scheme in the country for green products certification. By 2020, it is targeted that at least 20% of government procurement will be green. Concurrently, the private sector will also be encouraged to emulate Government efforts in green procurement”.

Subsequently, the GOM implemented the project “Implementing the National Sustainable Consumption and Production Blueprint through Government Green Procurement (SCP-GGP)” from 2018 to 2021. Focusing on the role of the government as a key catalyst to create a green market for products and services, the project supported³:

1. Strengthening the policy environment by providing incremental support to the full adoption and implementation of the National Sustainable Consumption and Production Blueprint, and

2. Achieving, 11th Malaysia Plan target of 20% of selected groups of products and services in government procurement to be green procurement by the year 2020.

In line with the 11th Malaysia Plan, the GPP agenda is promoted not only for environmental preservation, but also to accelerate the growth of the national economy by stimulating the market for innovative green technologies and products.

Presently, there is no legislation for the implementation of GPP in Malaysia. The implementation is done using a federal government administrative order in the form of a Government Circular. In 2014, the Ministry of Finance issued a **Treasury Circular (IPP) No.2** (now known as IPP/PK1/ Paragraph 6(ix)) on the implementation of GPP, officially promulgating a **“Short-Term Action Plan”** 2013-2015 with a first piloting phase covering 5 Ministries. This Circular was intended to give an early alert on the initiatives of the GPP increase awareness among participating agencies of the successful implementation of GPP in Malaysia. This document also confirmed the institutional framework and pilot implementers, which are introduced in the following sections. Following a year and a half-long pilot implementation period of GPP, the Malaysian government planned to increase the pace of implementation. In 2016 and 2017, Ministry of Finance issued Instruction Letters for the implementation of GPP within the federal government. In the Instruction Letter issued in April, 2016, the **GPP Long-Term Action Plan 2016-2030** were issued.

³ <https://www.my.undp.org/content/malaysia/en/home/projects/SCP-GGP.html>



The implementing agencies of GPP were expanded to 12 Ministries and agencies. The coverage was again expanded to all 25 Ministries and their agencies in the letter sent in January, 2017.

As per the government administrative order, the GPP implementation in Malaysia, only covers the federal government agencies. The State and Local level government agencies are not involved. However, all Federal government agencies that operates at both State and Local levels are required to implement the mandate of GPP.

A number of GPP-related initiatives have taken place within the short-term and long-term plans. These activities are now integrated into one overarching program: “**MyHIJAU**”. This initiative supports the development of green technology and was approved by the National Green Technology and Climate Change Council (MTHPI) in October 2012.

MyHIJAU is an initiative of the then Ministry of Energy, Green Technology and Water (KeTTHA). Acting as the implementing

agency, the Malaysian Green Technology Corporation (MGTC) (a division of KeTTHA), is responsible for identifying green products and services in Malaysia and provides technical support to ministries and agencies. Its aim is to encourage the adoption of environmentally friendly practices in the country, and catalyzing the growth of Malaysia’s green economy. The MyHIJAU program comprises four sub-programs:

1. MyHIJAU SME and Entrepreneurship,
2. MyHIJAU Labelling,
3. MyHIJAU Directory and
4. MyHIJAU Procurement.

Among these, **MyHIJAU Procurement** was initiated to develop green procurement in Malaysia, particularly in the implementation of Government Green Procurement and Green Private Purchasing. MyHIJAU also provides an essential guide for government and corporate green purchasing by registering certified products and approved service providers through the “MyHIJAU Mark” and “MyHIJAU Directory”.

Responsible Department(s)

An inter-ministerial coordination mechanism has been established to coordinate implementation of the GPP. The structure for GPP implementation has been set out to include the steering committee, working committee, and the core team comprised of different government departments. One major advantage in the implementation of GPP in Malaysia is that the Ministry with direct and actual authority on public procurement i.e. the Ministry of Finance is taking a major role with other environment related ministries providing technical support. This is more effective in terms of take-ups among the government agencies to implement GPP

Current Institutional framework of GPP



To address growing demands for the systematic and structured implementation of GPP within the government Ministries and agencies, the **Government Green Procurement Steering Committee** was established in 2013 under the authority of the National Green Technology and Climate Change Council to guide and coordinate the implementation of GPP. This committee was co-chaired by the Ministry of Finance and the then KeTTHA.

The GGP Steering Committee is responsible for reviewing, monitoring and evaluating the implementation status report to provide strategic directions. Meeting once per year, the committee also approves proposals submitted by the GGP Working Committee, including decisions on GPP products.

The Government Green Procurement Working Committee

was also set up to formulate GPP related policy and strategies, to draft implementing mechanisms for GPP action plans, as well as to coordinate and evaluate GPP implementation at the various ministries and agencies. It was initially set up to ensure that all plans under the GPP Short-Term Action Plan (July 2013 – December 2014) can be implemented properly. In this regard, pilot projects were implemented in stages in line with the short-term plan, selecting the Ministry of Education, the Ministry of Home Affairs, the Ministry of Health, Economy Planning Unit, and the KeTTHA as the pilot implementers.

The GGP Working Committee's task is to review, monitor and evaluate the implementation of GPP. Meeting twice a year, the committee:

1. Reviews the existing and potential additional product groups to be listed under GPP implementation;
2. Discusses life cycle costing for products and services under GPP;
3. Reviews related rules and regulations pertaining to GPP implementation;
4. Monitors and evaluates of GPP implementation;
5. Communicates and creates capacity building programs to increase the efficiency of GPP implementation; and
6. Tables proposals for the approval of the GGP Steering Committee.



The Government Green Procurement Core Team was set up to discuss and develop action plans that will be presented to the higher committee. The Government Green Procurement Core Team is comprised of agencies related to GPP such as Ministry of Environment and Water (KASA, Economic Planning Unit, Ministry of Finance and others.

The GPP Core Team meets regularly and as needed. It discusses and develops action plans that will be proposed at the GPP Working Committee for approval. The ministries and agencies involved in the GPP Core Team and their respective roles are as follows:

- **Ministry of Finance (MOF):** assists on policy implementation by incorporating requirements to conduct GPP into the Treasury Circular accompanied by specific instructions to all federal government agencies. The Ministry of Finance is also instrumental in developing and finalizing the Long-Term Action Plan for GPP.
- **Ministry of Environment and Water (KASA):** implements GPP Policy;
- **Economic Planning Unit of the Prime Minister's Department:** develops the Malaysia Plans;
- **Malaysia Green Technology Corporation:** conducts GPP and life cycle costing trainings; raises GPP awareness; facilitates the development of GPP planning and action plans, including the setting of GPP targets and guides on green specifications; develops GPP guidelines as well as monitoring and evaluation (verifies green products and services and quantifies of CO2 emissions and economic impacts);
- **SIRIM QAS International:** the national eco-labeling body in Malaysia, offers the eco-labelling scheme on a voluntary basis. In line with the normal practice as per described in ISO 14024, SIRIM is also responsible for the development of the Eco-labelling criteria it uses for the certification. In support of the GPP program, the development of Eco-labelling criteria takes into account the identified Common Core Criteria at the national level.

Criteria for GPP/GP

Criteria for the prioritization of product groups for the GPP were as follows:

1. Economic relevance: The products and services are frequently used in the government sector and the significance of the spending. This criterion is important for the achievement of major market and environmental impacts through GPP.
2. Expected impact: New green products or services can significantly reduce their carbon footprint, water, and energy consumption or the emission of toxic substances.
3. The existence of eco-labels and standards for those categories: Criteria or standards are available under the MyHIJAU mark, which can be used in tendering processes. Apart from the MyHIJAU mark, equivalent green or sustainable labels that are easily recognized by government procurers can also be used.
4. The market readiness and response capacity: GPP for relevant product groups or service category will help manufacturers. Small and Medium Enterprises in particular add value to their products and become more competitive in international markets.

The selection of products and services are prioritized accordingly and approved by the GPP Steering Committee, in accordance with the following procedures:

- Step 1** - Selection of product groups based on the four main criteria described above; labels or verification schemes are recognized by the Department of Standard Malaysia;
- Step 2** - Review of various criteria document, including: international, national and regional eco-labels; voluntary sustainable standards; international and national regulatory standards; other reference criteria including guidelines, performance standards, standard operating procedures, policy documents or regulations by public authorities or government agencies. References made to eco-
- Step 3** - Stakeholder engagement review and draft GPP criteria, with stakeholders including certification bodies, policymakers, industry members, and research institutions.;
- Step 4** - GPP criteria are approved by the GPP Steering Committee, which usually meets at the end of each year.

GPP Criteria are well aligned with various Type 1 Eco-Labeling Schemes both nationally and internationally. However, the stringency might be adapted to ensure that there are sufficient numbers of manufacturers capable of producing green products at the scale needed. In addition, products recognized by MyHIJAU mark or certified under the SIRIM Eco-labelling scheme are given additional scores in the technical evaluation of tenders. For the products holding eco-labelling marks from another country, third party laboratory test reports are required for verification to ensure that product criteria are at least equivalent to or more stringent than the Malaysian GPP criteria.

Relevant ministries and agencies also conduct market research to assess the readiness of suppliers nationwide to supply green products and services for government procurement.

Various government ministries and agencies have expressed interest in the development of the new criteria. For example, the Ministry of Works is interested in construction materials, which can link GPP with Green Building initiatives. The Ministry of Agriculture and Agro-based Industry has expressed their interests in green technologies that can reduce the usage of water and energy resources for irrigation. The Ministry of Transport is interested in similar improvements for the public transportation system. To expand the basis for GPP, the Core Team will continuously develop and propose new product and service criteria.

In 2020, 10 product groups were endorsed such that the GPP Guidelines now covers a total of 40 product groups.



Figure 1: The 10 product groups in GPP

KUMPULAN PRODUK GPP

- PG-01 PERALATAN TEKNOLOGI MAKLUMAT DAN KOMUNIKASI (ICT)
- PG-02 CAT
- PG-03 SIMEN GENTIAN
- PG-04 LAMPU DALAMAN
- PG-05 KERTAS
- PG-06 TEKSTIL
- PG-07 PERABOT BERASASKAN KAYU
- PG-08 PENCETAK SERBAGUNA
- PG-09 PENYAMAN UDARA
- PG-10 PRODUK PEMBUNGKUSAN
- PG-11 PERALATAN CEKAP AIR
- PG-12 SISTEM PENUAIAN AIR HUJAN
- PG-13 ALAT TULIS BERASASKAN KERTAS
- PG-14 PRODUK BERASASKAN GETAH
- PG-15 PERKHIDMATAN PEMBERSIHAN
- PG-16 PUSAT DATA HIJAU
- PG-17 PENGURUSAN FASILITI BANGUNAN
- PG-18 PERKHIDMATAN BENGKEL AUTOMOTIF
- PG-19 ERCETAKAN BERASASKAN KERTAS
- PG-20 PERKHIDMATAN HOTEL PENGINAPAN DAN PUSAT LATIHAN
- PG-21 PERKHIDMATAN PENYELENGGARAAN SISTEM PENYAMAN UDARA
- PG-22 SISTEM VENTILASI MEKANIKAL DAN PENYAMAN UDARA TERMASUK CHILLER
- PG-23 PAM AIR ,ERKUASA ELEKTRIK
- PG-24 ENJIN MESRA ALAM UNTUK KENDERAAN BERAT
- PG-25 BAJA ORGANIK
- PG-26 KELULI RATA BERSALUT (COATED FLAT STEEL)
- PG-27 TONER KARTRIJ (CATRIDGE TONER)
- PG-28 PERKHIDMATAN PENGURUSAN ACARA
- PG-29 PERABOT BERASASKAN KELULI, BESI DAN PLASTIK
- PG-30 BATU BATA (MASONRY UNIT)
- PG-31 PERALATAN ELEKTRIK (Televisyen, Kipas Angin, Penyejuk Beku dan Mesin Pencuci)
- PG-32 LAMPU JALAN
- PG-33 ALAT PEMADAM KEBAKARAN MUDAH ALIH
- PG-34 PERKHIDMATAN PENYELENGGARAAN LANDSKAP
- PG-35 PERKHIDMATAN POS DAN PENGHANTARAN (POSTAL & COURIER SERVICES)
- PG-36 PERKHIDMATAN DOBI ATAU PENCUCIAN PAKAIAN
- PG-37 PERKHIDMATAN PENYEDIAAN MAKANAN, PENYAJIAN ATAU KATERING
- PG-38 PEMBELIAN ATAU SEWAAN KENDERAAN RINGAN
- PG-39 PERKHIDMATAN KAWALAN SERANGGA
- PG-40 TENAGA SOLAR



Figure 2: The 40 products in GPP.

Target Sectors

Based on the information from Malaysian Green Technology And Climate Change Corporation (MGTC), there is no specific target sector for GPP implementation in Malaysia. The 40 products categories available were selected based on the need, availability, demand and frequency of usage of all the agencies involved so far. In the 12th Malaysia Plan, there is also no stated target sectors for the GPP implementation in the next 5 years from 2021-2025.

GPP Implementation

Procurement Process

Malaysia adopts a decentralized approach to procurement, in line with the concept of “let the managers’ manage”. Therefore, allocation of the funds is disbursed to respective Controlling Officer, and each Ministry is empowered to practice their own procurement based on the approved allocation. The purpose of this decentralization, among others, is to stimulate economic growth, accelerate the implementation of the project, and facilitate faster payment. However, even though procurement responsibilities have been delegated to the respective agencies, the Ministry of Finance still formulates rules and procedures on government procurement at the central level, which must be adhered by all agencies.

It should be noted that there are some items which are procured by ‘central contracts’, purchased only through the Ministry of Finance. These are express post services, envelopes, High Density Polyethylene (HDPE) Fittings, fire extinguishers, Microsoft software, A4 paper, small weapons, and pyrotechnics devices. Since A4

paper is a green purchasing priority product for government agencies, a central contract has made it easier to procure green products in this category.

The decentralized nature of procurement is the reason why a GPP committee has been established at each Ministry and agency level and a GPP coordinator appointed.

The first step in a full cycle of the procurement process is planning, and the Green Procurement plan is a sub-task of the annual procurement plan. Agencies are required to submit an annual procurement plan encompassing green procurement to Ministry of Finance before 15 January every year. The Green Procurement Plan provides information on specific green contracts to undertake over the next year. Information submitted in the GPP plan includes: the title of green procurement, type of procurement (supply, service, work or consultancy), GPP product groups, estimated value of procurement by product group, and estimated value of GPP by product groups.

In the Guidelines for Government Procurers (published in July 2014 to assist the pilot implementers on GPP), steps to integrate GPP into existing policies were introduced.

The Guidelines provide useful information, such as: the importance of managing the demand for the procurement of products and services, the ways to integrate environmental criteria into each stage of the procurement process, the identification of needs, the preparation of technical specifications, the evaluation of the offers, the supplier selection, and contract management. In addition, a tool has been developed to assist procurers in calculating the life cycle costs, so that the life cycle cost results can be used for procurement decision-making.

The Ministry of Finance also plans to upgrade the e-procurement system as the future platform to capture information on GPP. This upgrade, as part of the Government Transformation Program, is scheduled to be implemented soon. However, because 'NextGen e-procurement' will integrate various elements including GPP into one unified procurement system, the definitive timeline for the development is unknown.

Awareness Raising

Some studies show that the awareness of GPP among managers in Malaysian public enterprise was at a good level. The initiatives developed by the Malaysian government have created a foundation of awareness that will trigger the need for action by every industry player. For instance, the government of Malaysia has established a long-term and a short-term action plan that encourage the practice of GPP. The MyHijau Program under the Ministry of Science, Technology & Innovation (MOSTI) and the Malaysia Green Technology and Climate Change Centre (MGTC), for example, are effective platforms to encourage GPP.

MGTC conducts training programmes for all government agencies from time to time to build capacity in understanding GPP guidelines on process, and reporting. It also conducts clinics on GPP for private sector to understand the requirements of GPP. This is done to increase the understanding of the private sector to be involved in the GPP process.

Within the industry, so far only ENSERACH has conducted training programme for private sector to educate and create awareness about GPP to the private sector.

Capacity-Building for Procurers on GGP

Initial steps towards capacity-building were initiated by the MGTC under the MyHIJAU Procurement Program prior to 2013. The activities included workshops on GGP for government procurers, programs to develop “technopreneurs” and the publication of a booklet on GGP to create awareness on its implementation in the public sector.

In 2014, Guidelines for Government Procurers were developed to assist with the implementation of pilot projects. These guidelines were developed based on the Ministry of Finance’s procedures for procurement (described in the sections above) and discuss relevant national standards and eco-labels.

Capacity building and learning opportunities are provided every year to all ministries, particularly procurement officers and end-users. It is estimated that more than 200 people are trained each year. GGP and Life Cycle Costing

(LCC) training sessions, as well as Training of Trainers programs, have been conducted since 2016; these training have benefited 25 government Ministries and their agencies.

The Star Rating mechanism was introduced by the Malaysian Administrative Modernization and Management Planning Unit to evaluate and rate the performance of public sector agencies. Beginning in 2015, one of the aspects being evaluated was GGP initiatives. This provides reputational incentives for government agencies to implement GGP.

Incentives

Malaysian Government has introduced two incentives, the Green Technology Incentive and Green Technology Financing Scheme, to strengthen the development of green technology and promote green investment. This has spillover effects on GGP due to the increase of green product suppliers and services in the market. These incentives are further described below.

Green Technology Incentive

1. Green Investment Tax Allowance (GITA) on Green Assets or Green Projects provides a 100% tax allowance (credit for eligible equipment and system buyers). This allowance is offset against statutory income for a maximum 5 years.
2. Green Income Tax Exemption (GITE) on Services provides a 100% tax exemption for up to 5 years between 2013 and 2020 for eligible companies providing services.

Green Technology Financing Scheme (GTFS)

GTFS total financing approval is 3.5 billion RM with the scheme period lasting until 31 December 2017. This financial incentive offers a 60% Government Guarantee on financing provided by financial institutions and 2% rebate on interest/profit rate charged by financial institutions.

GTFS total financing approval is 3.5 billion RM with the scheme period lasting until 31 December 2017. This financial incentive offers a 60% Government Guarantee on financing provided by financial institutions and 2% rebate on interest/profit rate charged by financial institutions.

In 2018, the MOF had approved an extension of the GTFS known as GTFS 2.0 with a financing amount earmarked up to RM 5.0 billion. The following year, MOF had approved to reinstate GTFS 2.0 with the allocation of RM 2.0 billion for the

period of January 2019 until the end of 2020. The Scheme was for two years and offered a 2% p.a. interest/profit rate subsidy for the first seven years and 60% government guarantee of green component cost.

GTFS 2.0 ended in December 2020. Currently, the GTFS 3.0 has commenced with the implementing agency now under DanaJamin. Following the announcement by the Government during the Budget 2021 speech on 6 Nov 2020, the Green Technology Financing Scheme 3.0 (GTFS 3.0) has been launched as part of the Government's agenda to support Sustainable and Responsible Investment (SRI) as well as drive green and sustainable standards in Malaysia. The RM2 billion scheme now includes supporting the issuance of SRI Sukuk and green bonds and is open for application until 31 December 2022.

Promotion activities

GREEN ADVISORY

MyRelamp is a pilot project carried out from October 2019 until December 2020 under the Government Green Procurement, implemented at Local Authorities level through retrofitting lighting in support of the Low Carbon Cities initiative. MGTC's Green Advisory programme serves to help organisations pursue effective green strategies and adopt green technologies and culture.

The programme oversees the MyRelamp project. Funding was provided by the Federal Ministry

for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), Germany through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, a German international development agency and supported by the Economic Planning Unit of the Prime Minister's Department, Malaysia. The primary aim of the project is to enhance the adoption of GPP via local authorities through the installation of environment friendly and energy efficient lighting.

Its overall objective is defined by the benchmark of GPP to which eco-labelling scheme product criteria/ group are introduced and enhanced at four selected local authorities, namely:

1. Majlis Bandaraya Ipoh (MBI)
2. Majlis Bandaraya Pasir Gudang (MBPG)
3. Majlis Perbandaran Langkawi Bandaraya Pelancongan (MPLBP), and
4. Majlis Daerah Hulu Selangor (MDHS)

Others – other supporting policy

The Green Technology Master Plan (GTMP) 2017-2030 has earmarked green growth as one of six priorities altering the trajectory of the nation's growth. The GTMP creates a framework which facilitates the mainstreaming of green technology into the planned developments of Malaysia while encompassing the four pillars set in the National Green Technology Policy (NGTP) i.e. energy, environment, economy and social. The implementation of GPP can be supported through various programmes under GTMP.

Monitoring / Reporting

The monitoring and reporting of the GPP focus on the 40 product and service groups that are mentioned on the guidelines. Nevertheless, any products and services outside the groups will also be monitored based on the suitability to each agency. All agencies need to report to MGTC twice a year in June and December. The reporting uses the stipulated format that Ministry of Finance has prepared. MGTC will analyse the data from this reporting and presents the results to the GPP Steering Committee.

Monitoring on GPP is carried out annually and has been in place from the pilot phase for the five agencies participating in 2013. The aspects of GPP monitored are:

1. Procurement activities (tenders, procurement orders and/or contracts) conducted with sustainability criteria and
2. Sustainable products, services or works purchased.

The indicators measured are:

- GPP procurement value in absolute figures, and
- GPP procurement as a percentage of total expenditure for selected product groups.

Data is gathered through a standard questionnaire filled in by each ministry and agency administered yearly. The national government does not publish the results of the monitoring exercise. However, the procurement data of individual product groups has been published through a report under the GIZ (German development agency) project. There were 6 main components of the GGP reporting template that agencies complete.

An evaluation of GGP implementation took place at the end of the implementation period of the Short-Term Action Plan (in 2014). The GGP Working Committee and pilot implementers were responsible for the evaluation of GGP impacts from six prioritized product groups.

Currently, almost 25 Ministries and agencies reported their GGP implementation activities. The specific indicators reported to the GGP Steering Committee are displayed below. The data gathered at this phase is yet to be disclosed.

1. Total value of procurement for selected product groups
2. Total value of GGP for selected product groups
3. Percentage of GGP by selected product groups
4. Percentage of GGP out of the total procurement
5. Potential CO₂ emissions reductions from procuring of green products (mainly energy based products)

Currently, MGTC is developing a comprehensive data collection template and will utilize the results to analyze the environmental and economic outcomes of GGP implementation. This template would assist the KASA and MGTC with data collection and analysis, as the number of participating Ministries and agencies continues to grow. When the NextGen e-procurement system integrates GGP within the system, it will be significantly easier to monitor and evaluate GGP activities.





Results of GPP/GP implementation

At the moment, the government has not reported in a systematic manner the implementation of GPP in Malaysia. Data from the Annual report of MGTC shows some of the achievements of the GPP implementation.

Table 1: Results of GPP implementation in Malaysia.

Year	No. of Ministries	GPP Value (RM million)	Percentage (%) on Selected Products and Services	CO Emission Reduction (tCOeq/yr)
2013-2015	5	352.10	Pilot Project	
2016	12	137.70	17.4%	1,634
2017	25	286.30	24.6%	6,545
2018	25	128.30	22.0%	1,031
2019	25	290.10	20.4%	1,509
2020 (Unofficial Data)	27	559.80	29.5%	5,801
Total	-	1,754.30	23.9%	16,519

Source: Annual Report 2020, MGTC

In the 12th Malaysia Plan, it is reported that achievements of GPP as of 2020 is 20.7% of overall procurement, showing more than the target at the end of 11th Malaysian Plan of 20%. The 12th MP also indicated that the target for year 2025, is 25%.

Another activity that has reported the achievements of GPP in Malaysia is the UNDP/EPU project on **“Implementing the National Sustainable Consumption and Production Blueprint through Government Green Procurement (SCP-GGP)”**. The UNDP/EPU project achieved the following⁵:

- 1.1 National SCP Blueprint has been finalised and endorsed by the NSC
 - 1.2 10 Number of product groups with green product criteria published in the revised GGP Guidelines 3.0
 - 1.3 GGP Guidelines 3.0 completed and endorsed by the NSC
 - 1.4 GGP Works Short Term Action Plan & Guidelines completed and accepted by BEASSA EPU
 - 2.1 SCP Blueprint Training module developed and accepted by BEASSA EPU
 - 2.2 GGP Guidelines 3.0 Training Module developed, with 3 training sessions conducted with relevant stakeholders
 - 2.3 In total, the project has engaged approximately 580 stakeholders on SCP & GGP
 - 2.4 GGP Works training module developed, with 1 training session conducted with relevant stakeholders
 - 3.1 Monitoring, evaluation and reporting system for GGP has been postponed (due to COVID-19 impacts) and is expected to be conducted under Phase 2 of the project
 - 3.2 MyHijau programme review completed and submitted to EPU
- The Long-term Action Plan for GGP in Malaysia is reported in the GGP Guidelines 3.0, 2020.

Table 2: Long-term Action Plan for GGP

Initiatives	Timeline
GGP Guideline adopted on work procurement	2021-2025
Sustainability specification mandated for all public projects	2021-2030
Implementation of GGP projects for works registered with green rating tools	2021-2030
Development of work tender documents with green specifications	2025
workshop to enhance existing professional accreditation which incorporate sustainability elements	2021-2025
Implement pilot projects on new local innovative green technology	2021-2030

⁵ <https://www.my.undp.org/content/malaysia/en/home/projects/SCP-GGP.html>

In terms of distribution of the GGP based on the category of products and services, the following are reported for 2016-2018.

Table 3: Distribution of GPP by priority category (2016-2018)

<i>Solar & Mini Hydro Energy</i>	24.9%
<i>ICT Equipment</i>	22.5%
<i>Paint / Coating</i>	12.2%
<i>Building Facilities Management Services</i>	11.8%
<i>Rubber Based Products</i>	7.4%
<i>Paper</i>	6.7%
<i>Multi-purpose Printer</i>	5.2%
<i>Street Lighting</i>	3.5%
<i>Fire Protection System & Equipment</i>	1.1%
<i>Cleaning Services</i>	1.0%
<i>Air Conditioning System</i>	0.8%
<i>Green Fuel</i>	0.6%
<i>Green Data Services</i>	0.6%
<i>Toner</i>	0.4%
<i>Hotel, Logistic & Training Services</i>	0.3%
<i>Indoor Lighting</i>	0.2%
<i>Heavy Machine Vehicles</i>	0.2%
<i>Paper Based Printing Services</i>	0.1%
<i>Waste Management Services</i>	0.1%
<i>Fan & Television</i>	0.1%
<i>Automotive Workshop Services</i>	0.1%
<i>Stationery</i>	0.0%
<i>Furniture</i>	0.0%
<i>Coated Flat Steel Product</i>	0.0%

Source: Annual Report 2020, MGTC

Challenge issues

Although, the GGP implementation target is achieved in 2020 since its inception in 2013, there are a number of challenges Malaysia is experiencing in its implementation as follows:

- a. There is no legal framework to make GPP implementation mandatory. Currently the implementation is based on administrative directive from the Ministry of Finance.
- b. The GGP administrative guidelines and circular only applies to Federal agencies; State level and Local level agencies are not mandated at the moment based on the administrative directive.
- c. There is lack of sufficient expertise to develop the programme for measuring the environmental impact of some of the products like the non-energy products.
- d. Private sector involvement in the GGP process is very low. More awareness activities need
- e. There are efforts to suggest that specialised skills as certified (GGP) procurer being proposed but has not caught the attention and support.
- f. GGP implementation (Business to Government) has not brought about the traction for GP in the private sector yet. There is a huge potential of GGP to support some sort of voluntary schemes in GP for private sector (Business to Business and Consumer to Business).

in this area. Results revealed that green procurement implementation in Malaysia is still not prioritized yet and the adoption has not reached the desired level⁶.

⁶ Key Success Factors of Implementing Green Procurement in Public Construction Projects in Malaysia, Ahmed Tawfik Alqadami, et al., IOP Conference Series: Earth and Environmental Science 498 (2020)



Section

2

Good Practices/
Checklist

**Table 1: Checklists of GPP/GP good practices & recommendations:
 Supply- Producer of Green Products and Services**

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
Manufacturers/ Producers <ul style="list-style-type: none"> o Small and Medium Enterprises (SMEs) o Large Enterprises 	Several large enterprises/manufactures support the SMEs (especially in their supply chain) by consulting, coaching, and/or mentoring to enhance the capacity to produce green products and/or services more effectively. In addition, the capable SMEs can register as the approved supplier list or green network members of those large enterprises. <i>Note: This cooperation between large enterprises and SMEs on above mentioned practices (green supply chain/ green network) has been promoted by the government (such as Ministry of Industry through Green Industry Mark certification scheme) and Private Associations (such as the Thai Federation of Industries through Eco Factory certification scheme)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	There are no green networks as such. There are many manufacturers who are using their internal green supply chain requirements to promote or require certain green products/suppliers.
	Several enterprises (with the support of the top executives), especially the listed companies in the stock market, set their visions toward green/sustainable development targets, including the production and consumption of green products/ services. They usually join the green projects initiated by the government or the Stock Exchange of Thailand, such as “Green Industry Mark” (by the Ministry of Industry), “G-Mark Certification” (by the Department of Environmental Promotion), and “Care the Bear/ Care the Whale/ Care the Wild projects” (by the Stock Exchange of Thailand).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Bursa Malaysia do not have this type of project or initiative but do require sustainable reporting/disclosure of companies listed in main index.
	The manufacturers use the results of green products/ services production and consumption to communicate (to the stakeholders) and reflect their social and environmental responsibility performances to the public via the annual and/ or SD (Sustainable Development) Report.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Many manufacturers that are listed companies do sustainable reporting and some do indicate the social and environmental responsibility.

**Table 2: Checklists of GPP/GP good practices & recommendations:
 Supply- Eco-label Certification**

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
Developers of green products and services criteria	Several types of eco-label (type 1, 2, 3, and others) are available in the market. However, there are only a limited number of GPP products/ services (mostly Type 1 and limited approval list) for government procurers and private organization procurers who follow the GPP list. So, it is recommended to cluster all green products/services certified and add them into the national Green Directory to stimulate the supply and demand of GPP/GP.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Set up and/or modify the green products and services criteria using life cycle and circular economy considerations	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Set up and/or modify the green products and services criteria to meet the needs and capabilities of the small, medium, and large enterprises, both as the GPP/GP suppliers and the consumers	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Perform the market study on the top 10 groups of products and services required by the users (central government, local government, private organizations, and general consumers) and set up the green products and services criteria to meet their demands	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Set up the green criteria for new types of products and services, popularly use and high environmental impact, in the market such as Data Center/ Building Renovation/ Air Conditioning Repair Service/ Security Service/ Food Catering/ Food Delivery/ Logistics Services/ Major Rental services (buildings, automobiles, etc.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
	Key GPP sectors of the EU include 1) Buildings, 2) Food and catering services, 3) Vehicles, and 4) Energy-using products. These sectors have been selected according to their environmental impact, budgetary importance, the potential to influence the market as well as the availability of green alternatives.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Green Building Index is a private initiative – for both government and private sector. But building perse is no a targeted sector under GGP in Malaysia
Testing Laboratories	Testing equipment and facilities, with ISO 17025 certified, should be adequately available to support the customers demand for certification of green products and services.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	The testing fee should be reasonable and acceptable by the customers	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Eco-label Certifiers	Have the proper certification system and comply with international standards	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Green building Index and SIRIM - The SIRIM Eco- Labelling certification is awarded by SIRIM QAS International, Malaysia's leading testing, inspection and certification body. SIRIM QAS is a member of the Global Ecolabelling Network (GEN), a non-profit network comprising 27 eco-label organisations worldwide that aims to improve, promote and develop the eco-labelling of products and services worldwide
	Have the proper training curriculum and manual for criteria developers, auditors, and certifiers in order to have the mutual understanding	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	The certification fee should be reasonable and acceptable by the customers	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Table 3: Checklists of GPP/GP good practices & recommendations: Supply- Vendor

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
Vendor (Seller)	Register the green products/services in the Green Directory with the complete information so that the procurers or users can easily access <i>Note: Currently in Thailand, there are only information of producers in the existing Directories such as Eco-Product Directory (on FTI platform) and Green Basket (on PCD platform). So, the procurers have difficulty in finding the vendors who usually sell the green products/services directly to the procurers</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Coordinate with the producers and procurers/ users to understand their needs and adjust themselves to be the vendors of green products/services to support the growing green market according to the national GPP/ GP policy	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Coordinate with the Green Directory Manager and always keep the vendor’s information up to date.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Table 4: Checklists of GPP/GP good practices & recommendations: Supply: Green Directory

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
Green Directory Manager	<p>Set up the Green Directory to be the collection source of green products and services, including the list of vendors located all over the country to facilitate the procures and the general buyers. This GPP/GP marketplace should have at least the following data:</p> <ul style="list-style-type: none"> • General Information; Name of manufacturer or service provider, Address, Telephone number, Email, Website • Eco-Label information; Certified Eco-Label, Certification no., Issue date, Expiry date, Environmental claims • Contact information of green vendor; Name of company, Address, Location map, Telephone, Email, Contact person 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>There is a Green Directory for the purpose of GPP. Called MyHijau Directory. Although this directory is actually for the use of the government agencies' procurement, the private sector are also encouraged to use this as guide for their procurement.</p>
	<p>Promote the Green Directory to be the main GPP/GP platform with the close cooperation with GPP policy maker/regulator, Eco-label Certifiers, Producers and Vendors</p> <p>Note: <i>In the project, the National Green Directory is being established with the collaboration of FTI and PCD</i></p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>MyHijau is the only green directory available.</p>
	<p>Encourage all the vendors (manufacturer, service provider and seller) of green products and services to register in the Green Directory</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>MGTC promotes MyHijau to the industry as well.</p>
	<p>Collaborate with the Eco-label Certifiers (such as TEI, TGO, DEQP, etc.) to update the list of certified green products/services regularly or automatically</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>MyHijau labelling schemes is done together by MGTC and SIRIM</p>
	<p>Build capacity of the Green Directory Platform to be the GPP/GP data management unit and capable of monitoring and reporting the GPP/GP progress and success (including economic, social and environmental benefits).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>MHTC does monitoring and reporting.</p>
	<p>Build the IT system of the Green Directory for easily and friendly accessibility. May upgrade to be an online GPP/GP marketplace.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Yes, MyHijau is available on-line</p>

**Table 5: Table 5 Checklists of GPP/GP good practices & recommendations:
 Demand: Procurer and User**

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
Executive of organizations/ agencies	The strong commitment of the management level of the organization (including private sectors and central & local government agencies) is the key motivation of participating in the GPP/GP.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Very strong commitment by the government – high ranking agencies are involved, MOF and Economic Planning Unit.
	Set the policy and system to support the sustainable reporting and GPP/GP (SDG 12.6 and 12.7) according to the global and national policies	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Very high commitment from Bursa Malaysia and Securities Commission on sustainable reporting. Both Malaysia Plan and Green Technology Master Plan support GPP.
	Set the GPP/GP target and monitor the progress/success closely and regularly	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Targets are set in the policy and plan and MGTC monitors them
	Give full support to the procurers and the related units to move the GPP/GP of the organization Note: <i>The support could be (1) training on GPP/GP methodology and regulations (2) GPP/GP manual/guidebook and (3) source of green products and services (such as Green Directory)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Guidelines updated and training are provided regularly.
Procurers	Follow the GPP/GP policy and regulation to make sure that the organizations/ agencies can implement GPP/GP correctly and efficiently	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	All federal government agencies are required to use GPP.
	Acquire or produce the appropriate “Green by Spec” criteria or guideline for the green products/services which have no green certification yet Note: <i>“Green by Spec” is the development of environmental related criteria of products and services that have no green certification available in the market. The criteria can be the most concerned environmental impact of that products/services and be practical for verification.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Not yet. Currently all products need to have green certification

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
	Acquire or set up the IT system to support GPP/GP data entry and reporting (with economic, social, and environmental benefits) in order to (1) avoid the work duplication of monthly or annual reporting and (2) inform procurers and colleagues to be proud of their important roles on supporting the organization and national policies	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	E-procurement is available for government agencies.
	The GPP/GP policy of the organization is communicated to all related stakeholders within the organization and in the supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Each government agency is required to do so.
	The GPP/GP manual, with the clear guidelines, is available so that all procurers can follow smoothly and not conflict with the procurement regulation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	However, sometimes clarification are done with MGTC whenever in doubts.
	From the snapshot survey under the project (in February and March 2021), it was found that <ul style="list-style-type: none"> • 75% of listed companies have the GP policy in their organizations, and 50% have set goals for GP. The knowledge and understanding of how to incorporate sustainability considerations into GP remain an important challenge for the private sector. • Local government agencies have GP policy in place. Still, the implementation is limited due to a lack of understanding about the regulation and availability of green products and services in the GPP list. GPP reporting and monitoring systems are the main challenges for the local government agencies. • The development of the Green Integration Policy and the creation of a database of green products and services (national green directory) were recognized as very valuable support. 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Currently local governments are not mandated under the GPP scheme in Malaysia. Similarly, there are study to show the rate of GP policy used by listed companies in Malaysia. (very good research proposal!)
	Procurer should collect and review previous procurement data (purchased volume), then focus on GPP/GP for the top-ranking products and services	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not sure

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
	<p>For the products and services which are not available in any green certifications, the environmentally friendly criteria or “Green by Spec” should be used to increase the volume of GP</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Currently, only products and services with MyHijau certification can be used</p>
	<p>“Green Titles” have been increasingly used in tenders to send a signal that environmental impacts are considered within the contract. For examples:</p> <ul style="list-style-type: none"> • “Provision of energy-efficient public lighting in Co. Kerry” (Kerry County Council, Ireland) • “International finishing works, using environmentally friendly construction material and products” (University of Malta) • “Service contract for energy savings in 12 schools” (Catalan Ministry of Education, Spain) • “Supply of ecological and recycled paper” (SCR Piemonte, Italy) 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>One example is University Malaya. It has green procurement requirements.</p>
	<p>Many countries in EU use “Joint procurement” by combining the procurement activities of a group of public authorities to achieve savings through bulk buying, reduced administrative cost, and pooling environmental, technical and market knowledge.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	<p>Application of GPP criteria for Office Building Design, Construction and Management – Examples of good practices</p> <ol style="list-style-type: none"> 1. GPP for works/service “GPP award criteria in the Netherlands” <p>The Rijkswaterstaat tendered for the reconstruction and maintenance of a section of motorway in the Netherlands. The winning tender was selected based on bidding price and quality. One of the Most Economically Advantageous (MEAT) quality criteria was sustainability, including a CO2 ‘performance ladder’ of working processes and life cycle assessment of products used. These savings were monetized and deducted from the bidding prices. The winning bidder provided an overall design optimisation that will save 8,944 t CO2e over 50 years. In doing this, bidders have freedom to make their own choice for sustainable design within a technical framework.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Although Green Building Index in Malaysia is of high standard and promoted by the government, it is not part of the 40 products categorises under the GGP.</p>

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
	2. A Sustainable New Hospital in Vienna Construction on the new Vienna North Hospital will be carried out according to a Sustainability Charter to be applied at every stage of the procurement and construction process, as well as to monitor performance once complete. The charter sets out ambitious conditions including those relating to overall energy demand, protection of the environment on site, indoor air quality, accessibility, flexibility of use, use of renewable energy sources, and waste and noise during construction.		
User in organizations/ Agencies	Actively participate in the GPP/GP policy of the organizations	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not sure
	Support the procurer and request the procurer to provide as many green products and services as possible		Not sure
General users	Act as a responsible consumer, towards sustainable lifestyle, and buy the green products and services (instead of normal products and services) as many occasions as possible.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not sure
	Influencers such as the young generation, actors/actresses, social and environmental activists can be role models on responsible consumption/ sustainable lifestyles and help promote GPP/GP via social media. Currently, social media is the best available channel to disseminate the GPP/GP to the public.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not sure

**Table 6: Checklists of GPP/GP good practices & recommendations:
 GPP/GP Supports**

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
Policy Maker/ Regulator	Integrate GPP/GP in the national policy (highlight the SDG12.7, upstream circular economy policy, and other benefits) and involve related key ministries and other important stakeholders	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	The highest authorities are involved – Ministry of Finance, Economic Planning Unit. GPP targets are reported in the 5-year Malaysia Plan and results reported in VNR 2019 under SDG 12.
	Develop the Green Procurement Promotion Plan with clear action plan, targets, and indicators <ul style="list-style-type: none"> • The action plan should target on GPP/GP for central government, local government, private organizations, and individual consumers. • The national promotion committee should involve important stakeholders. For Thailand, the national promotion committee is co-chaired by the top executives of Ministry of Natural Resources and Environment and Ministry of Industry. 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Both long-term and short-term plans are available. Dedicated agency to do the follow up – MGTC.
	Legislation on Public Procurement that mandates or allows the government agencies to procure green products and services is a very critical factor to promote GPP/GP. Note: <i>Green products and services list which approved by PCD will be automatically applied in the green products and services list of Comptroller General's Department.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	No legislation yet
	Together with the concerned stakeholders, the government should focus on collecting the list and the vendors of available green products and services in the market into the national green directory	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	There is no national green directory yet. MyHijau directory is mandated from government agencies but just a guide to the industry. The sectors listed are limited.

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
	<p>It is recommended to have more green products and services available in the green basket of GPP/GP for procurers to select. This would help push the demand side in the green market for stimulating the supply side.</p> <p>Note: <i>In the project, all types of certified green products and services available in the market were reviewed and clustered into 4 groups, ranging from their greenness levels. The procurers are advised to buy the product/ service from the greenest group first. However, if it isn't available, they can buy from the less green group, in order.</i></p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Yes, MyHijau encourages more private sector to register their products in it.</p>
	<p>Life cycle costing (LCC) is being applied by an increasing number of public authorities across the EU and in a range of sectors. LCC considers all the cost that will be incurred during the lifetime of the product, work or service include:</p> <ul style="list-style-type: none"> • Purchase price and all associated costs (delivery, installation, insurance, etc.) • Operating costs, including energy, fuel and water use, spare parts, and maintenance • End-of-life costs (such as decommissioning or disposal) or residual value (e.g., revenue from sale of product) <p>Note: <i>1. The current Directive 2014/24/EU requires that where LCC is used, the calculation method and the data to be provided by tenderers are set out in the procurement documents.</i></p> <p><i>2. The European Commission has developed a series of sector specific LCC calculation tools which aim to facilitate the use of LCC amongst public procurers include Vending Machines, Imaging Equipment, Computers and Monitors, Indoor Lighting, and Outdoor Lighting</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>LCC is not used yet.</p>

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
Supporter/ Promoter	There are several existing schemes to certify green organizations/ green offices which greatly support the GPP/GP, such as <ul style="list-style-type: none"> • Green Office Certification scheme (by Department of Environmental Quality Promotion) • Green Industry Mark (by Ministry of Industry) • Eco-Factory Certification scheme (by Federations of Thai Industries) <p>Note: Production and/or consumption of the green products and services (GPP/GP) are usually listed as one of the criteria in the above green certification schemes</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Malaysia has got the Green Building Index organisation. Green Building Index, is an organisation incorporated in 2009, a wholly-owned subsidiary of PAM (Architect Association of Malaysia) and the Association of Consulting Engineers Malaysia (ACEM), to administrate GBI accreditation and training of GBI Facilitators and Certifiers
	Promotion of green and sustainable procurement in the private sector, especially with the Stock Exchange of Thailand (SET) which has more than 700 listed company-members, contributes to significant impact and in achieving SDG 12.7	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Not yet
	Production of media (especially social media) materials to promote the GPP/GP and the national green directory	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Done by MGTC
	The GPP/GP training curriculum for procurers are available, both onsite and online, by the Pollution Control Department	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Done as internal for government agencies by MGTC for procurers. Clinics on GGP and MyHijau labelling scheme is done for the industry by MGTC.
	A handbook on green public procurement has been published by EU to help public authorities successfully plan and implement GPP. It has been produced for public authorities, but many of the ideas and approaches are equally relevant for corporate purchasers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	GGP guide is available. The latest GGP Guideline 3.0 issued in January 2021
	GPP Criteria for several products and services (such as data centers, road lighting and traffic signals, vending machines, food catering services) have been published by EU to help the individual authority or the public authorities to integrate into the tender documents with minimum editing.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Sectoral guidelines not available

Players/ Stakeholders	Good Practices/ Recommendations	Agree	Similar/ Additional practices/ recommendations
	EU has a Help Desk System available to support the procurers. The clear timetable and topics to be advised are posted in advance via the GPP website.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Done by MGTC
	EU has the website to provide GPP/GP supporting information for all procurers and other stakeholders	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	MiHijau website is updated regularly.
Monitor/ Evaluator/ Reporter	Monitoring and evaluation are very important step for measuring the progress and success (including the economic, social, and environmental benefits) of the GPP/GP implementation, both at organization, provincial and national levels. Online monitoring and evaluation are recommended due to the large amount and complexity of data. Note: After the implementation of Green Public Procurement Promotion Plan Phase 1 (2008-2011), PCD and National Metal and Materials Technology Center (MTEC) had applied the external cost using Life Cycle Costing to evaluate the benefit of GPP in term of economic value. In addition, the reduction of GHG emission from GPP implementation was also evaluated.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Done by MGTC. However, so far reporting for the public use only done (in aggregate form only without details) through MGTC annual report, Malaysia Plan reports and VNR reports.
	There are national Life Cycle Inventory Database and Carbon Emission Factors available to support the (1) setting up of green products and services labeling criteria and (2) quantitative impact, environment/ social/environmental, evaluation of GPP/GP progress and success	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Not available.
	The national green directory (mentioned in Table 4) can be used as the platform for online monitoring and evaluation.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	The progress and success (including the economic, social, and environmental benefits) of the GPP/GP implementation should be reported to the top executives and important stakeholders regularly (at least every 6-12 months) to get the support and cooperation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	But only for top executives perusal. Not to the public yet.



Section

3

Conclusion and Recommendations

Based on the targets set in the 11th Malaysia Plan 2016-2020 and the current 12th Malaysia Plan 2021-2025, the implementation of GPP in Malaysia has been successful in achieving the targets set in terms of green procurement percentage of total procurement of the government. In the Voluntary National Report 2021, Malaysia has highlighted the GPP's achievement under the SDG 12 Responsible Consumption and Production. Some of the major reasons for this success are:

- Ministry of Finance leads the Steering Committee for the implementation of GPP – providing the mandate in terms of administrative order,
- Economic Planning Unit – providing the policy and coordination support,
- MGTC - providing the technology, knowledge, and guidelines support

In addition, the coordinated government-wide approach to optimize information-sharing, consistency and performance measurement and the consultations on the policy design and implementation were undertaken through an inter-departmental task group on green procurement and bilateral meetings with other organizations.

However, there are some challenges as noted above in Section 1. The GPP process seems to be a very closed loop involving only government agencies. The private sector only participates as individual companies promoting their products and not included in the implementation committees. Another possible issue is that the many Government-Linked Companies (GLCs) under some of the federal government agencies are not included in this GPP. The GLCs are major players in many sectors in Malaysia and can be major influencers for green procurement.





Moving the GPP forward, some the recommendations are:

1. GLCs to be included with some form of parallel schemes using some form of mandated regulation. The impacts on GHGs reduction through this initiative can be substantial given the huge presence of GLCs in the local economy, accounting for 42% of the total market capitalisation of Bursa Malaysia.
Trainers modules to train sufficient expertise to develop the programme for measuring the environmental impact of some of the products in the 40 categories of the GPP.
2. There should be a committee on private sector participants from major industry association. This committee should deliver consultation and input from the private sector on the GPP and this can pave the way to start thinking of a national schemes for GP for the private sector in selected sector.
3. MGTC, SIRIM and National Productivity Centre (NPC) should create Train the
4. Certified GPP procurer course should be developed to train government staff to be certified green procurers. This could lead to developing similar Certified Green Procurer for the private sector.
5. More research and study needed to understand the application of green procurement by the listed companies. This can provide vital information to use GPP as a steppingstone to develop private sector GP scheme managed by government or by industry itself.



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