

2019 Southeast and Northeast Asia Policy Dialogue and Training on “Harmonizing SPP practices and Measuring SPP benefits”



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Suzhou, China

Full Report



Disclaimer

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List of Acronyms

ASEAN	Association of Southeast Asian Nations
CCICED	China Council for International Cooperation on Environment and Development
CEC	China Environmental United Certification Center
CSR	Corporate Social Responsibility
	Environment and Development Center, Ministry of Ecology and Environment of
EDC	China
EUD	European Union Delegation
IGPN	International Green Purchasing Network
JEA	Japan Environment Association
KEITI	Korea Environmental Industry & Technology Institute
LCA	Life Cycle Assessment
MOE	Ministry of Environment
SCP	Sustainable Consumption and Production
SDG	Sustainable Development Goal
SPP	Sustainable Public Procurement
SWITCH-Asia RPAC	SWITCH-Asia Regional Policy Advocacy Component
UN Environment	United Nations Environment Programme
VNR	Voluntary National Review

Key Messages



Mr. Mushtaq Memon

Project Manager of the EU-Funded SWITCH-Asia RPAC and Regional Coordinator for Resource Efficiency, UN Environment Programme, Asia Pacific Regional Office

“SPP is a challenge topic in an era where solutions are needed. Thinking about harmonization of SPP practices in the sub-region, such as the adoption of common ecolabels, could be very relevant noting that a big portion of the countries’ procurement is done abroad.”



Mr. Charles Arden-Clarke

Head of One Planet Network

“There is a growing understanding of the importance of SPP. An increasing number of governments are showing an active interest in developing new policies for it as they have realized that SPP can be a very useful tool to push their efforts towards an achievement of SCP patterns.”



Ms. Luz Fernandez

SWITCH-Asia RPAC Programme Officer

“Reporting on the steps taken and progress made towards SPP/GPP is important as it helps accelerate the process of implementation, share your knowledge with others and learn from them, and gain international recognition. SWITCH-Asia is committed at supporting countries both to take further steps towards SPP implementation and report on those steps.”



Ms. Aure Adell

Project Coordinator, Ecoinstitut SCCL

“The approaches used by different governments varies, as each policy and context is different. However, this shows that there are options for any situation and we can all define a monitoring approach that is relevant for us, for our policy objectives and to report at the international level.”



Mr. Farid Yaker

Programme management officer, UN Environment - 10-YFP

“Governments have the duty to lead by example on procuring sustainably. SPP policies require and effective collaboration between key governmental stakeholders and can only succeed if they are backed by high level political ambition and are embedded in larger green or sustainable Consumption and Production policies.”

Background

Governments spend on average between 12 and 30 per cent of their GDP for procuring goods, services and infrastructure. This enormous purchasing power needs to be reformed to ensure that the state is buying the most sustainable solutions to today's challenges. This is also highlighted in SDG Target 12.7. Procurement is a powerful tool for encouraging innovation, developing new markets and transitioning from the ownership of goods and assets to a service economy, featuring distributed models of use and ownership.

Sustainable Public Procurement (SPP) has been one of SWITCH Asia's priority topics since the beginning of the programme. Regional, sub-regional and national activities have been carried out by the SWITCH-Asia Regional Policy Advocacy Component (RPAC) at both political and technical levels. These activities, combined with an ecosystem of other activities and programmes in SPP (supported by the EU the UN and other international organizations in the region), have led several countries to developed sustainable public procurement policies with a focus on environmental issues and national governments to increasingly recognize public procurement as a tool to incentivize the development of markets for green products and services in a 'greener' economy.

However, not all the countries in region are at the same level in relation with SPP and while some countries such as Thailand are well advanced other countries such as Cambodia are still trying to understand how to implement SPP practices.

According to the Global Review of Sustainable Public Procurement 2017, to "measure and communicate the social, environmental and financial benefits achieved through SPP" has been identified as key topic among survey respondents' recommendations for international organizations supporting SPP implementation.

Additionally, countries in the region lack information on how to report their procurement improvements as part of their SDG reporting processes.

Event Summary

On 23 – 25 October 2019, the SWITCH-Asia Regional Policy Advocacy Component (RPAC) organized the 2019 Southeast and Northeast Asia Policy Dialogue and Training on "Harmonizing SPP practices and Measuring SPP benefits," which took place in Suzhou, China, back-to-back with a workshop on ecolabeling and green procurement organized by the China Environmental United Certification Center (CEC). Aimed at promoting public procurement as an important market-based incentive for a shift to more resource efficient and sustainable production practices, this event brought together participants from the ministries of finance and ministries of environment of 10 northeast and southeast Asian countries in a very fruitful policy dialogue and training. During the 3-day event, participants engaged in discussions and shared lessons learned on the importance of

measuring Sustainable Public Procurement (SPP) and/or Green Public Procurement (GPP) practices and benefits. One of the issues discussed in the policy dialogue was the degree of importance of aligning some of the aspects of the procurement processes in the region, such as certain criteria or labels, and the main conclusion was that, despite it was very relevant, the priority should rather lay on ensuring that when it comes to GPP/SPP, “no one will be left behind” in the region. That is, the idea of harmonization should have a strong focus on helping countries which are least advanced in implementing SPP to reach the same level of development as countries which are more advanced. As it comes to the training, all participants understood the importance of measuring institutionalization, level and benefits of GPP/ SPP, in order to push the process forward. To have the “buy in” from the people working with public procurement was the reason highlighted for most of the participants to justify the importance of measuring the benefits of GPP or SPP in their respective countries. During the event, countries like the Philippines, China, Korea, Japan, and some European cases shared their knowledge with the rest of the countries by presenting their experiences, challenges and achievements in what regards to SPP and GPP.

Detailed Event Information

a. Location and Date

Name: 2019 Southeast and Northeast Policy Dialogue and Training on “Harmonizing SPP practices and Measuring SPP benefits”

Date: 23-25 October 2019

Venue: Four Points, By Sheraton Suzhou. Suzhou, China.

b. Objectives

The main objective of this policy dialogue and training was to ensure that “no one will be left behind” in the region in relation to SPP. The 3-day event focused on exchanging technical knowledge on SPP policy development and on measuring the benefits on SPP.

To achieve this main objective, the specific objectives are:

- Discuss the possibility of harmonizing the process of developing SPP policies including SPP criteria, monitoring, etc.
- Build capacity on: i) measuring of benefits achieved through SPP; ii) Indicator SDG 12.7.1 monitoring and reporting.
- Showcase good practices of countries measuring the benefits of SPP.

c. Description of the event

With over 20 participants, the dialogue and training involved officials from Cambodia, China, Indonesia, Laos Malaysia, Mongolia, Myanmar, the Philippines, Thailand and Vietnam, who are working on designing and implementing SPP/GPP policies as well as on selecting environmental criteria for the bidding processes. It focused on exchanging experiences/practices and discussions among policy makers and stakeholders.

Three different set of activities were implemented:

- Assessment of the current situation of SPP in each country: An assessment was done through the results obtained by the SWITCH-Asia SPP/GPP Survey, which served as a basis for the policy dialogue and the training.
- Policy dialogue based on the results of the assessment: A policy dialogue was structured to discuss and try to harmonize the process of developing SPP policies including SPP criteria, monitoring, etc.
- Training: A training was developed to support countries to measure the benefits of SPP. Case studies from Europe and Asia will be presented. It will also include a session on how to report on Indicator 12.7.1 of SDG 12 (number of countries implementing sustainable public procurement policies and action plans).

d. Presentations

Session I: Policy Dialogue on Harmonizing SPP at the sub-regional level (SWITCH-Asia RPAC)

Welcoming and Opening Remarks - Mr. Charles Arden-Clarke, Head of One Planet Network

Sustainable public procurement can be both an important market catalyst and methodological guide for governments as they seek to implement the 2030 Agenda. There is a growing understanding that using government buying to increase demand for sustainable goods and services serves as an important market-based incentive for a shift to more resource efficient and sustainable production practices. The inclusion of a target on SPP in SDG 12 seems to be one reason why governments, including Ministries of Finance, are now more interested in sustainable procurement as a tool for sustainable development. Our observation, from the One Planet network and in the SPP programme, is that an increasing number of governments are showing an active interest in designing and apply such policies. The presence of ten countries from this region alone in this workshop also underlines this point. This emphasis on SPP is also useful in that helps to inject more of a demand-side element into government efforts to achieve SCP patterns. To date many more policies have been developed and applied to promote sustainable production and the policies such as SPP, which influence consumption have not had the same attention.

Another systemic way in which SPP can promote sustainable development is that requires governments and their private sector suppliers to think in a structured manner about the environmental and social impacts of their products. For SPP to be implemented one requires a set of objective criteria and indicators to identify products which are sustainable, and thus are favoured for purchase. Establishing those criteria and indicators requires the involvement of the Ministry responsible for procurement – which is usually the Ministry of Finance. In addition to their use in an SPP context those criteria and indicators will give that Ministry new insights into the taxes it levies and the funds it disburses in support of the country's sustainable development. Which means that the establishment of SPP could be an important first step in Ministries of Finance aligning its own analysis, investments and policies with 2030 Agenda. This may sound like a large claim for SPP, but one has to start somewhere on this task. For this Ministries of Finance who have decided that SPP is a good idea, and which have the support of their Ministries of Environment on this task, it could prove to be a really good starting point.

One other consideration that underlines the importance and value of SPP and the development of environmental and social criteria for products and economic sectors is that of international trade. Demand for sustainable goods and services is growing in many markets around the world. Originally this was mainly in developed countries, but that demand for sustainable products is now growing in emerging economies and many middle-income developing countries. This means that applying SPP in your domestic market can help prepare you national enterprises to meet this demand in overseas markets – in this way SPP policies can help even SMEs become part of international sustainable value chains. Agencies like UNEP and also the International Trade Centre in Geneva are lending tailored support to governments and the private sector to meet this specific objective. All of which makes what you do for the rest of the day very important. I hope you all have a revealing and fruitful workshop.

Results of the SWITCH-Asia RPAC assessment of SPP - Ms. Luz Fernandez, SWITCH-Asia RPAC

SWITCH-Asia is a EU-funded programme with the aim of promoting sustainable development; contributing to economic prosperity and poverty reduction; and contributing to a transition towards a low-carbon, resource-efficient and circular economy in Asia.

Sustainable Public Procurement (SPP) has been one of SWITCH Asia's priority topics since the beginning of the programme given its importance as one of the SDG 12 targets (12.7).

Regional, sub-regional and national activities have been carried out by the SWITCH-Asia Regional Policy Advocacy Component (RPAC) at both political and technical levels to promote SPP and “leave no one behind” in the region in relation to SPP.

SWITCH-Asia RPAC has developed a Survey to assess the current situation of SPP/GPP implementation in the region. The survey, completed by 9 countries, showed that the percentage of Public Procurement currently being sustainable / green is still low (0-15%). Some of the barriers that most hamper implementation of SPP/GPP in the region are the lack of awareness, the high prices of sustainable / green products, and the lack of training, followed by the lack of mandatory SPP rules/legislation. However, 8 of those countries have already included SPP/GPP in their national documents/guidelines or policies; 6 have a dedicated SPP/GPP policy, regulation, law and/or mandate to promote it; and 5 have set goals/targets for Public Procurement as part of their policy(s). Moreover, 7 countries have some type of eco-label or certification system linked to SPP/GPP; and 5 are measuring or monitoring some aspects related to it.

This all shows that despite the results are not being materialized yet, efforts are being made to implement SPP and the region is doing much more than it is reporting.

How SPP practices can be supported across ASEAN to get all the countries at the same level

– **Mr. Harimurti Harimurti**, ASEAN Secretariat

GPP implementation in Indonesia has shown significant progress. While it used to be voluntary, now it has a structured and systematic implementation with a list of products and schemes based on MoEF Regulation No 5/2019 on Procedures Environmental Friendly Labelling for Environmental Friendly Procurement.

The country has developed a series of Environmental Friendly Labelling schemes such as the Ecolabel Scheme (MoEF), Energy Efficiency Scheme (MoEMR), Legal Wood Scheme (MoEF) and the ETV Scheme (MoEF).

The criteria required are divided into four aspects: Environmental Friendly, Production Continuity, Natural Resources Sustainability, and Legality.

When trying to implement GPP, some challenges may occur. For example, the lack of availability of sustainable products in all areas. To solve challenges, an action suggestion would be to strengthen dialogue between ministries/government institutions and industries in order to face challenges in a better structured manner.

Countries in the region should collaborate by agreeing a time to start the process of harmonizing criteria of certain product categories, developing an inventory of GPP criteria from different countries, developing an inventory of products which is in accordance with those criteria, and exploring to adopt other countries criteria or accept other countries verified products.

Challenges and opportunities for SPP harmonization at the sub-regional level – Open Dialogue (Moderated by Mushtaq Memon)

Asia Pacific is home to 16 of 28 megacities and around 4.2 billion people. In 2015, Asia and the Pacific represented 63% of all global material use. There is an increase of climate pollutants, plastic waste and air pollution. The most important objectives are to ensure that natural resources remain available and affordable, while keeping emissions to the environment within safe limits. SPP/GPP is a good tool to ensure that.

The concept of regional and global harmonization is important within and between countries as unified or commonly understood SPP is needed to generate competition for efficiency and innovation; and potentiate regional trade, among other objectives.

What to measure based on SPP existing policies - Open Dialogue (Moderated by Aure Adell)

Participants discussed the following questions:

1. Do you have an SPP policy/plan/strategy?
2. Do you monitor SPP implementation?
3. Have you estimated the benefits of SPP?

Session II: Sub-regional Training on measuring SPP (SWITCH-Asia RPAC)

Welcome and objectives of the session - Ms. Luz Fernandez, SWITCH-Asia RPAC

Countries have different mechanisms to report at their disposal, such as the Global Indicator Framework, the Voluntary National Reviews, or others such as the One Planet Network Indicators of Success.

Reporting at the international level is important. According to the Asia and the Pacific SDG Progress report 2019 developed by ESCAP, for more than half of the SDGs, progress is either heading in the wrong direction or has stagnated. SDG 12 is considered to be “deteriorating.” Evidence has shown that the region is actually taken steps towards the implementation of SCP. However, those steps are not being properly reported, which could be giving a wrong image of the region’s efforts and achievements.

VNRs are part of the follow-up and review of the 2030 Agenda for Sustainable Development and they are important as they make possible the sharing of experiences, including successes, challenges and lessons learned, with a view to accelerating the implementation of the 2030 Agenda.

So far, 17 out of the 19 countries that are part of the SWITCH-Asia Programme have submitted at least one Voluntary National Review.

Only 5 countries have reported on 12.7: Bhutan, Malaysia, Sri Lanka, Thailand and Vietnam. If we contrast this to the results of the SPP /GPP Survey, we see that many countries are not reporting enough. It is important to highlight that if countries don't report, they won't get international recognition and visibility.

In order to support countries to report, SWITCH-Asia RPAC has been organizing policy dialogues, specific trainings, webinars, knowledge products and national activities.

Introduction to measuring and communicating SPP - Ms. Aure Adell, Ecoinstitut

SPP policies have 4 main objectives classified as “ultimate” goals and “applied” goals. The first group includes reducing environmental/social impacts and a market transformation. The second group includes embedding SPP in operations and increasing procurement of sustainable solutions.

When talking about measuring SPP, we are referring to the institutionalization, that is, the process and actions undertaken by an organization to integrate and embed SPP in that organization's culture and daily operations; the outputs, which are the direct results of the procurement activities and the level of SPP being done; and the outcomes, which are the benefits to, or impact on, the environment and society generated by the SPP practices.

Currently, 66% of countries are monitoring SPP. Out of that 66%, 85% have dedicated SPP policies, and 74% have specific SPP targets. The SPP aspect which is mostly monitored by national governments are tenders and contracts with sustainability criteria.

Why do you want to monitor and calculate benefits of SPP? - Open Dialogue (Moderated by Aure Adell)

There are many reasons why we should monitor the government's GPP or SPP policies (from tracking progress and results of our policies to raising compliance, targeting support or demonstrating commitment and legitimizing actions); and the number of national governments that do so is increasing.

Monitoring SPP is important in order to (1) track policy progress by visualizing policy results and impact, (2) raise compliance by keeping each agency accountable, (3) target support by identifying areas for improvement, and (4) legitimize actions by demonstrating political commitment and encouraging others.

Measuring the institutionalisation of SPP - Ms. Aure Adell, Ecoinstitut

Only SPP outputs (level of SPP) is not enough to identify challenges/reasons.

The cases of measuring SPP embedment in Sweden and France and the monitoring of SPP implementation in Canada were some of the cases presented and discussed.

Measuring both GPP/SPP institutionalisation and the actual level of GPP/SPP is important, as often measuring only the level of GPP/SPP is not enough to identify challenges and ways to improve implementation.

Measuring the level of SPP- Ms. Aure Adell, Ecoinstitut

There are many different approaches and methodologies to measure the level of SPP depending on the policy objective, the sustainability aspect monitored, the scope and the data gathering options. The measurement of the level of SPP has been recently improved thanks to the expansion of e-procurement.

Some of the case studies presented were: monitoring green tenders in the Basque Country (Spain) and in Malta, monitoring GPP in Estonia, Flanders (Belgium) and the Netherlands, and monitoring preferred companies in India.

Estimating the benefits of SPP - Ms. Aure Adell, Ecoinstitut

There are also different methodologies to estimate the benefits of SPP depending on the potential benefits of implementing SPP and the benefits of actual SPP implementation. Depending on policy priorities and possibilities there are different indicators, which can be classified in economic, social and environmental.

The environmental and economic benefits measured by the government of ST-Berlin (Germany) was one of the cases presented, among several others.

Finally, estimating the benefits of GPP/SPP can help increase buy in to GPP/SPP by showing how the procurement function -as the expression of the public sector as a consumer- can have a strategic role and can contribute to achieving the government's sustainable development goals.

SDG 12.7.1 (SPP) monitoring and reporting – Mr. Farid Yaker, 10YFP

Monitoring the institutionalization, as well as the outputs and outcomes of SPP, is essential to ensure buy in and continuous political support for SPP policies.

Group exercise

Groups discussed the following questions:

1. What are the most important environmental priorities in your country?
2. What government procurements can help reduce that environmental priority?

3. What do I need to know to estimate the benefits of those procurements?

Summary and next steps – Ms. Luz Fernandez, SWITCH-Asia RPAC

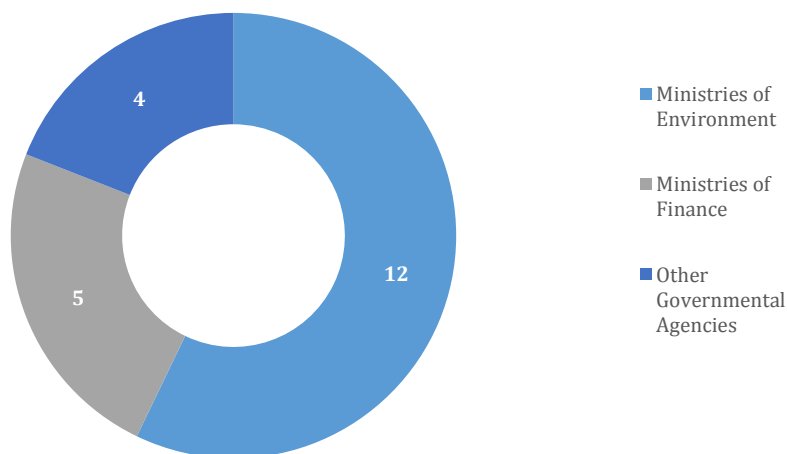
In the deployment of GPP/SPP, efforts have focused on developing resources for implementation rather than on defining monitoring systems to track progress and evaluate results. The former is necessary to support practitioners to actually procure more sustainable solutions; however, monitoring and evaluating is also important and provides many benefits.

As a follow up, SWITCH-Asia RPAC will present a manual to systematize all the cases that were presented in the training. In addition, SWITCH-Asia will continue to assess governments in the implementation of SPP. In that context, the event “Supporting decision making on SCP through training on Sustainable Procurement” will take place in December, in Bangkok, as a continuation of the series of SPP/GPP capacity building activities in the region, which will be the third training implemented by SWITCH-Asia RPAC on SPP in 2019.

Targeted Participating Organizations

20 participants from governmental agencies of Cambodia, China, Indonesia, Laos Malaysia, Mongolia, Myanmar, the Philippines, Thailand and Vietnam joined the event.

Figure 1: Participants by Category



For more information

SWITCH-Asia event page:

<https://www.switch-asia.eu/events/2019-southeast-and-northeast-asia-policy-dialogue-and-training-on-harmonizing-spp-practices-and-mea/>

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