



Collaborations and synergies for sustaining the implementation of SWITCH-Asia Programme for a more impactful #WeSwitch focused on:

## GREEN/SUSTAINABLE PUBLIC PROCUREMENT IMPLEMENTATION



9 June 2021 • 1500-1700 (Bangkok Time) • WEBEX

### WELCOME REMARKS

**Mr. Arab Hoballah**, Team Leader of SWITCH-Asia SCP Facility, welcomed all participants. The objective of the meeting is to strengthen cooperation and partnerships in delivering activities through the three SWITCH-Asia components, involving the Country EU Delegations (EUDs), the National Focal Points (NFPs) within Ministry of partner countries together with SWITCH-Asia implementing Ministry in case different, the Grant projects, and selected regional/ international partners, to ensure cross-border exchange of experiences and more significant impact on green/ sustainable public procurement (G/SPP).

G/SPP is an important and globally recognised tool to implement sustainability. It is stated as a target of the Sustainable Development Goals targets (SDG 12.7). G/SPP is a complex multi-stakeholder issue where the government needs to consult with the private sector and other actors to effectively re-define the procurement system that we need and implement it.

**Ms. Alessandra Lepore** from European Commission Directorate for International Partnership (DG-INTPA) welcomed the participants to the fifth thematic cluster meeting, recalling that this meeting is part of a series of events SWITCH-Asia hold with representatives of countries include national governments,

regional and international organisations, grant projects and external partners to support SCP implementation in general and G/SPP in particular.

Objectives of this meeting are to learn from each other, create regional knowledge instead of working in silos, and make sure that SWITCH-Asia's knowledge is gathered locally, shared, and advanced in key sectors of SCP.

As sustainable public procurement and eco-labelling are part of the sustainable development goals, the EU has committed to supporting it and it is one of the key priority areas for SWITCH-Asia. Despite the barriers for implementation, there are various opportunities to overcome them in Asia. Through the SWITCH-Asia programme, we support G/SPP implementation for national governments of India, Indonesia, Mongolia, and Thailand, as well as running grant projects in Central Asia, India, and Lao PDR.

It is important for SWITCH-Asia to work closely with line DGs of the European Commission. We all work under the EU framework of the European Green Deal in supporting transition within EU member states and cooperation with Third countries.

## SESSION 1: OPENING

**Ms. Anna Lupi**, Legal and Policy Officer, Public Procurement Unit, DG for Internal Market, Industry, Entrepreneurship and SMEs (DG-GROW), European Commission, presented the priorities of EU in green public procurement, how they work locally and actually how this work can be better adapted to SWITCH-Asia in the future. Public procurement is an important driver of EU economies that can create a large impact. In the EU, 14% of GDP is spent on procurement. Public procurement can be used to support green and social policy objectives. It is not just a financial tool but a tool for policymaking. Sustainable public procurement can ensure that environmental, social and ethical risks are addressed, stimulate sustainable markets, increase trust in the institutions and suppliers in terms of transparency, ensure effective public expenditure that benefits society and the environment, and policy consistency.

Green/Sustainable Public Procurement at the EU often refers to two concepts, Green Public Procurement and Socially Responsible Procurement, which in fact complement each other. Green Public Procurement focuses on buying to pursue environmental benefits, while socially responsible public procurement complements achieving social objectives. The EU harmonised public procurement rules since the 1970s, which is the basis of a common internal market and to disseminate good practices and cooperate on common issues and challenges. Two examples of EU projects were presented. One is an EU-funded Finland-Sweden project to tackle unemployment through public procurement on employment opportunities for specific groups of populations and types of contracts. Big Buyers for Climate and Environment is a European Commission Initiative for promoting collaboration between public entities and sector experts in implementing sustainable public procurement solutions, for example regarding circular construction.

### “ Implementing Green/Sustainable Public Procurement

**Public procurement is a powerful market force and driver of our economies. It accounts for 14% of EU GDP.**

SPP is also a tool for policy making, helping us achieve public policy sustainability objectives.



**ANNA LUPI**

Legal and Policy Officer, Public Procurement Unit, DG for Internal Market, Industry, Entrepreneurship and SMEs (DG-GROW), European Commission

The often-higher price and more limited availability of green products compared to non-green products are significant challenges for their mainstreaming. The demand factor is critical. Demand from the public and private sectors and by individuals will create the strongest signals to the market. In addition, lifecycle-costing can be applied. Important activities are also harmonising purchasing criteria and standards and developing common core criteria of eco-labelling, which is happening in many countries in Asia. Another great challenge is resistance by contracting authorities and procurers, for which political leadership needs to be engaged and capacity building is needed, such as what is being done through SWITCH-Asia.

A push on mandatory G/SPP is on the rise throughout the world. The EU is doing a good example of creating a dialogue with the private sector in prioritising green/sustainable products. By sending this signal to the private sector, businesses can prepare better to supply needed products. Complementary instruments are also needed, such as green taxation to bring down the prices of green products and supplier development policies.

Monitoring progress on G/SPP is another key challenge as it is currently not comprehensively done. International cooperation is necessary to share experiences, learn from and support each other to ensure coordinated and stronger global demand on green products and harmonise eco-labelling criteria. International cooperation is playing an essential role in funding networks that support SPP implementation. The EU financial and technical support which is provided through SWITCH-Asia, and the financial support provided by the Republic of Korea for the Asia Pacific GPP Network led by UNEP are two good examples for this cooperation.

G/SPP cannot be achieved by a single institution. The key to success is coordination and division of tasks between ministries. Good complementary and synergies between SPP policies and circular/green economies, energy efficiency, is also critical.

Green recovery is a significant opportunity to push forward the SPP agenda. The three highest priority sectors for green recovery are construction and building, public transportation, and energy-efficient products. Yet only a few developing countries have been able to establish green recovery plans because of lack of resources. An analysis with the Oxford Economic Recovery Project found that only eighteen per cent of announced recovery spending in developing countries can be considered green.

### “ Implementing Green/Sustainable Public Procurement

**SPP is on the rise everywhere. Even if it is stronger in developed and industrialized countries, it is globally recognised as a tool to address sustainable development challenges.**

Availability of affordable greener products is still a challenge that must be addressed.

**FARID YAKER**

Programme Officer, Economic and Trade Policy Unit, Economy Division UNEP/One Planet Network



**Mr. Farid Yaker**, Programme Officer, Economic and Trade Policy Unit, Economy Division UNEP/One Planet Network, spoke about the Global Trends and lessons learned to implement G/SPP effectively. He mentioned that G/SPP globally is increasingly on the rise in terms of implementation, potentially mobilizing a trillion dollars for SCP. SPP is now a recognised tool to address sustainable development and challenges. The SPP target stated by SDG 12.7 is measured by the indicator 12.7.1. UNEP has developed a methodology to assess the number of countries implementing SPP policies accordingly. It has so far received 40 submissions from national governments. This shows the strength of Europe on G/SPP by the larger number of submissions.

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**Mr. Sanjay Kumar**, GPP Expert, General Manager, Ministry of Railways-India and President of the Asia Pacific Roundtable for Sustainable Consumption and Production Board of Trustees, presented the G/SPP trends in Asia, highlighting that Asian countries are at different levels of GPP implementation. Portraying the development of GPP on a timeline might not be accurate because sectoral legislation to support local industries, SMEs etc., through preferential procurement, were already in place in many countries before GPP was more widely recognized.

Sanjay highlighted key observations on GPP implementation in Asian countries. GPP programmes are mainly based on national energy and ecolabels, which has limitations as it only applies to certain product categories. Many Asian countries have used GPP only in the tender specification stage of procurement, so they cannot make use of available opportunities at other stages in the procurement cycle. Large impact categories such as construction are missing out from the GPP priority of most Asian countries. Measurement of GPP is done mainly by process indicators, and not its outcome, such as GHG emission reduction, or waste minimised. Finally, social issues are not so much mentioned in GPP.

EU SWITCH-Asia has played a substantial role in supporting countries in Asia. A key recommendation is that one strategy does not work in all countries. It is essential to understand that policy can be transposed from one country to another, but practices cannot be transferred. They must be contextualised. Minimisation of cost to society should be better integrated into procurement decisions.

**Recommendations:**

- Monitoring and reporting systems, both regarding process and impact, are necessary in order to know the progress of SPP implementation.
- SPP for green recovery should focus on construction and buildings, public transportation, and energy-efficient products. These sectors are of particular importance for creating environmental, social, and economic impact.
- Sharing of experiences and learning from each other are of high relevance, as is to adapt SPP implementation to national contexts.

**SESSION 2: SHARING EXPERIENCES FROM NATIONAL SUPPORT AND GRANT PROJECTS**

**Ms. Loraine Gatlabayan**, Senior Advisor on SCP, SWITCH-Asia SCP Facility, presented about the technical assistance on G/SPP implementation and preparation of a long-term action plan for G/SPP in Indonesia, which has been jointly supported by SWITCH-Asia SCP Facility and GIZ Advance SCP project in partnership with the Center for Environmental and Forestry Standards (KLHK), Ministry of Environment and Forestry (MoEF), Republic of Indonesia.

As part of the technical assistance provided by the SWITCH-Asia SCP Facility, a Market Readiness Analysis for Green/Sustainable Photocopy Paper and Wooden Furniture was prepared. The study focused on current demand and supply across Indonesia, mapping the two pilot industries’ supply chains, and derived recommendations for other sub-products. The data collection was based on online consultations with key stakeholders. The analysis provides inputs for the refinement of the G/SPP technical specifications and inputs on the joint G/SPP Long-term Action Plan (LTAP).

Major challenges for the operation of G/SPP were presented for the demand and supply sides. In order to supply green/sustainable products, the industry needs clear product criteria and standards through practical guidelines for compliance.

Regarding governance and scaling up of GPP implementation, top political management at the stage of policy and strategy needs to be engaged. Then, procurement leadership will be the one that steers the procurement process to integrate GPP policy, thereby giving more attention to sustainability in buying decisions. GPP should be changed from a project-based to a programme-based approach, which has a longer view. This approach requires supporting programmes to vendors in countries or regions, investment into institution-building to develop local capacity, and collaboration with academia and business.

**“ Implementing Green/Sustainable Public Procurement**

*Asian countries are at different levels of GPP implementation. SWITCH-Asia has played a strong role in supporting the region.*

*While policy can be transposed from one country to another, practices can’t just be transferred. They must be contextualized.*



**SANJAY KUMAR**  
GPP Expert, General Manager, Ministry of Railways-India and President of the Asia Pacific Roundtable for Sustainable Consumption and Production Board of Trustees

Important stakeholders such as the procurement officers, suppliers, and vendors, have been involved through training and consultation workshops. The draft SPP Action Plan was developed with an implementation guide for the Indian Railways to taking SPP forward. The action plan has short-term and long-term objectives. The short-term objectives are to increase SPP in prioritised products and services, raise awareness of procurers and stakeholders, develop sustainable criteria, create vendor shortlisting criteria, screening and assessment of products and services, and formulate a framework for conducting impact assessment. The long-term objectives are to upscaling SPP, guidelines for SPP implementation, capacity building of procurement officers on SPP, vendor support, expansion of sustainability criteria, monitoring and impact assessment, the adaptation of SPP action plan and providing feedback to Ministry of Finance SPP Task Force.

He further stated that standardisation, such as progress on eco-labels, enables all actors in being more efficient in SPP implementation. In a nascent market of green products like India, vendor engagement is essential. Business language should be used to communicate with them to understand that SPP is an opportunity and not a threat. All the activities and deliverables at Indian Railways should be well communicated to share experience with other stakeholders.

**“ Implementing Green/Sustainable Public Procurement**

**Water, Energy, and Waste Management have been key priorities of the Indian Railways.**

Green initiatives must be better communicated and awareness must be raised among all stakeholders.

**PRASAD MODAK**  
Executive President, Environmental Management Centre LLP  
Director, Ekconnect Knowledge Foundation



of Accounting and Finance Group, Stock Exchange of Thailand, shared experience of SET involving in pilot testing. SET learned from the pilot testing that the company could enhance its green procurement value from 76% of the procurement budget to 88% by including construction material and transportation services into the green procurement list. He also stated that SET would like to improve its green procurement and be a role model in expanding this practice to more than 700 listed companies. Procurers are required to participated in capacity building. There are also needs for a green procurement guideline, systems and processes for data collection and reporting, and a comprehensive vendor list for green products and services.

**“ Implementing Green/Sustainable Public Procurement**

**It is essential to engage with concerned stakeholders, reach clear commitments, with tangible targets and a relevant monitoring system.**

**DR THUMRONGRUT MUNGCHAROEN**  
SWITCH-Asia SCP Facility Expert, Thailand



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The implementation of SPP in the tourism sector was presented by **Mr. Gian Andrea Paolo Garancini**, General Project Coordinator of SWITCH-Asia Project on “A Model for Tourism in Central Asia”, Heraklion Development. The project focuses on promoting a model for sustainable tourism in Uzbekistan, Tajikistan and Kazakhstan that can contribute to preserving and strengthening local culture, heritage and traditions while protecting the natural environment. Adoption of green procurement procedures is one of the expected outcomes of the project. Based on UNEP and EU guidelines, MOST holds practical training on SPP where all sustainable tourism stakeholders are invited. Green procurement has been and will be addressed during workshops and roundtables throughout the project period. The SPP approach of the MOST project guides countries through a set of steps to build on an effective SPP programme. The approach aims to create a policy framework that legitimises the SPP actions, and informs the market of the objectives and priority areas. This allows market actors to adapt gradually. It was recognised that countries and organisations are different in legal procurement frameworks, needs, ambitions, tools and their disposal. Therefore, the SPP approach is designed to be flexible to suit a country’s or organisation’s context. He concluded that environmental certification or eco-labelling is essential for the tourism sector.

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**Dr. Thumrongrut Mungcharoen**, SWITCH-Asia SCP Facility Expert, introduced the SWITCH-Asia SCP Facility technical support project to Thailand on “Mainstream Green Integration of Thailand: Transformation from Policy to Implementation”. This project aims to enhance the procurement of environmentally friendly products and services in Thailand by developing a green integration policy, national green directory and providing knowledge and information for awareness-raising. The drafted policy was piloted in three different types of organisations: the Pollution Control Department (PCD) for the central government, the Rangsit City Municipality for the local government, and also the private sector, with the Stock Exchange of Thailand (SET). Mr. Kirati Kosichareon, Executive Vice President, Head

**Recommendations:**

- Eco-labelling or sustainability certifications are essential communication and marketing tools that facilitate proof of compliance.
- Capacity building is vital for keeping knowledgeable personnel to effectively carry out the SPP system.
- The involvement of the private sector as the supplier to SPP and practising its sustainable procurement will accelerate provision of green products and the greening of the market.

## PANEL DISCUSSION: CHALLENGES AND OPPORTUNITIES TO LEVERAGE G/SPP IMPLEMENTATION

**Ms. Sylvia Aguilar Camacho**, Senior Consultant Procurement Advisory Services Procurement Group, UNOPS HQ, Copenhagen, Denmark, provided inputs and shared experiences regarding challenges and recommendations for G/SPP implantation at a country level. **Losing momentum is one of the biggest challenges for SPP.** Once the country has a law (or decree or policy) to support SPP, many countries do not assign resources to support the implementation. SPP is based on continuous improvement. Therefore, capacity building (training, guidelines, etc.), projects aimed at enabling conditions, and monitoring are obligatory for succeeding in and continuously improving implementing G/SPP.

**Lack of resources** to provide for supporting measures is another significant issue in developing countries. A country may build up from existing resources such as universities, research centres, cleaner production centres, etc., that can support those activities.

Lack of specific knowledge and skills of public servants engaged in tendering procedures is, according to one recently published report by the European Commission, among the main challenges of GPP implementation in the EU. Training should be continuously provided since the public procurers change over time.

Assuring compliance to existing laws is another critical challenge for developing countries, and SPP must reflect this. Public procurement policies need to be linked or aligned with environmental, health, or labour regulations. Including sustainability criteria in tenders as add-on is not enough, as procurement is a strategic issue and vendors need to develop SPP aligned products and services.

**Limited market engagement** is also an important challenge. Usually, there is no coordination among SPP initiatives with national initiatives aimed at improving SMEs competitiveness. Market engagement can be done through identifying potential bidders or solutions, building capacity in the market to meet the requirement(s), informing the design of the procurement and contract, helping suppliers to submit strong bids, and providing feedback to and debriefing suppliers after the process. She further highlighted the importance of prioritisation, and strategies must consider the market for the specific prioritised goods, services, and works.

### What are the roles of cities and local communities in promoting GPP and supporting green recovery?

**Mr. Philipp Tepper**, Senior Coordinator, ICLEI's Sustainable Procurement Capacity Centre, mentioned that it needs political leadership working on SPP implementation, monitoring, and contract management. ICLEI launched a global lead city network on sustainable procurement. Each city would approach this type of topic strategically, embedding SPP in their jurisdiction differently.

Regarding the support on green recovery, ICLEI, as part of a co-chair of the One Planet Network on SPP run by UNEP, has pledged to uphold a green recovery and transition perspectives. There is a lot of discrepancies between different countries and regions, as well as societal groups. Such programme is conducted as a learning journey on various topics, including people facing disability or "design for all", delineating fair supply chains. By way of example, procurers need to learn that they have agency

even in very complex ICT supply chains on the topic of labour rights.

It is important to talk to the business. Of interest is an example from the EU where European Councils' Initiatives are launched, involving companies in online events. This gives opportunities to the wider public to communicate their needs and SMEs or start-ups to present innovative products and services.

### What are the common challenges and opportunities for the implementation of G/SPP?

**Ms. Wilasinee Poonuchaphai**, Project Co-Director, GIZ, addressed major common challenges from implementing two projects to support nine countries in Asia. The first challenge is an **unclear reform mandate and institutional capacity**. There are many different stakeholders and relevant ministries in the GPP landscape. If a country lacks a multi-ministerial cooperative mechanism, it can create an obstacle to the GPP implementation. There is still a **paradigm** of least cost for public procurement and capacity gaps public procurers on the procurer side. This might pressure the implementer and reduce the willingness to integrate green criteria into the technical specification, as it might be perceived as an undue privilege case for potential auditors of the procurement decision and create transparency problems. There is also a lack of resources to implement GPP, such as knowledge, technical guidelines, and personnel resources.

The procurement of sustainable products often requires a **higher upfront investment** for procurement authority, while its lifecycle cost might be lower. The cost savings can be only realised over time. If only the purchasing price at present is considered as core criteria for procurement, green products may not be able to compete with other conventional products. **Inefficient infrastructure** is another challenge that prevents companies in getting eco-label certifications. For example, lack of harmonised technical standards, third-party verification, laboratories, and auditing procedures lead to high certification costs, and a lengthy process can be unaffordable for smaller companies.

### How can international/regional networks support/fulfill the gaps of G/SPP implementation in countries?

**Mr. Sanjay Kumar** mentioned that South Korea has funded the Asia Pacific GPP Network before the period 2020-2022. It is crucial to maintain the continuity of the organisation, the flow of ideas and the knowledge, so as to then move from the project approach to the program approach. At the same time, a program to build the institution and address it on the supply side will be required. Interaction with business is still too limited. Interacting with the business sector generates ideas and opportunities, helping in implementing effective GPP in Asia. **Mr. Kai Hoffmann** added that more regional approaches to GPP are also needed, bringing it to the ASEAN level for mutual recognition and development of standard core criteria in the light.

### What are good practices to overcome those challenges?

**Ms. Sylvia Aguilar Camacho** highlighted that good practices include stakeholder engagement, good planning and prioritisation, engaging with concerned actors in the market, taking examples from others to develop guidelines or criteria that are appropriate to the country's context, and learn from other peers by participating in other networks to get the knowledge and insights.

## Recommendations:

- SPP implementation is on the rise globally with different stages of implementation. Therefore, continuity and momentum, and availability of resources are essential to move forward.
- Market engagement is the key that enables demand and supply sides to create impactful SPP practices in countries. Clear and consistent communication is essential to encourage long term engagement with all actors in the market.
- International/regional organisations or networks can support SPP implementation in countries by providing platforms for sharing and exchanging experiences, and building up capacities and institutions to address SPP.
- Support mechanisms are needed to encourage companies in the application of eco-labels to their products and services.

## WRAP UP AND CLOSING

**Mr. Arab Hoballah** expressed his gratitude to all participants and speakers and concluded that public procurement is a very powerful market force, and people have to understand that it makes good business sense if done properly, ensuring effective public expenditure. SPP is on the rise in all the regions and in many countries. However, there are still many difficulties in moving ahead. On the right road, we have to keep up by effectively learning from each other, networking, working and adjusting to local context. The “green recovery” provides an important opportunity.

It will be important to focus on the most relevant sectors that can strengthen GPP implementation, such as buildings, transport, and energy products. Changing procurement practices cannot be done overnight. It needs time and when initiated through a project or programme, the transition period should be factored in. EU SWITCH-Asia and partners will remain committed to this crucial task to ensure efficient delivery by many countries.

**“We need to be consistent with our messages. We need to change the perception and communicate consistently, engaging stakeholders in the process and speaking the language of business if we want to move on procurement because it can take demand and supply and engage all the stakeholders that have to be working all together on that. Otherwise, we will lose momentum. We have to ensure that things are followed properly with a good monitoring system adapted to the resources. We have to move next step and make sure that the right concerned actors are well informed, enabled, trained to do it without forgetting the SMEs.”**

**- Arab Hoballah**

