

Full report

National Webinar: Enhancing the Implementation of the Green Public Procurement in Malaysia



Date: 14 February 2022 | 09.15 – 11.30 (Malaysia Time)

Venue: Online via Google Meet

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List of Acronyms:

APRCP	Asia Pacific Roundtable for Cleaner Production
APRSCP	Asia Pacific Roundtable for Sustainable Consumption and Production
ASEAN	Association of Southeast Asian Nations
ENSEARCH	Environmental Management and Research
EU	European Union
GGP	Government Green Procurement
GP	Green Procurement
GPP	Green Public Procurement
MGTC	Malaysian Green Technology & Climate Change Corporation
RPAC	Regional Policy Advocacy Component
SDG	Sustainable Development Goal
UNEP	United Nations Environment Programme

Background:

The European Commission defines Green Public Procurement (GPP) as a process, whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured. The benefits associated with GPP implementation are not limited to environmental impact but can also include social, health, economic or political benefits.

Over the last two decades, there has been growing political commitment to promote GPP not only in EU member states but also at international level, with sustainable procurement policies having been launched in many countries, including in Southeast Asia. In 2002, the Organisation for Economic Co-operation and Development (OECD) adopted a Recommendation on green public procurement, while in the same year, as a follow-up to the Johannesburg World Summit on Sustainable Development, a Marrakech Task force on sustainable procurement was created with the aim of spreading sustainable (green) public procurement practices. More recently, the 10YFP / One Planet Network Programme on Sustainable Public Procurement (SPP) was developed as a global multi-stakeholder platform supporting the implementation of SPP around the world.

In Southeast Asia, almost every country integrates GPP in their national policy. However, in order to drive green markets and GPP, countries require mechanisms and tools to be in place. Green Procurement (GP) has also been promoted among the private sector and general consumers, contributing to both sustainable consumption and production (SCP).

Asia Pacific Roundtable on Sustainable Consumption and Production (APRSCP), in partnership with EU-Switch Asia, is doing a research on the status of GPP implementation in Malaysia. The main objective is to get the latest input on 'Green Public Procurement' implementation. The result of this research will be combined together with EU-Switch Asia's research on 'Enhancing the implementation of the Green Public Procurement in Southeast Asian Region'.

This webinar will become one of the catalysts to encourage local industries, service providers, and manufacturing industries to achieve the Sustainable Development Goals 12 by Malaysian Government

Objectives of the event:

- To share results of Malaysia GPP country status report
- To create a conversation in implementing green procurement in Malaysia

Logistic information about the event:

The National Webinar on Enhancing the Green Public Procurement in Malaysia was organized as an online event (via Google Meet) and was attended by a total of 43 participants.

Summary of key messages:

Welcome address by ENSEARCH

Dr. Subramaniam Karuppannan

Vice-President, ENSEARCH

Dr Subramaniam welcomed participants and thanked all for their interest in Green Procurement. He introduced and outlined the objectives of the webinar expressing hope that this webinar would catalyze more uptake of SDG 12: Responsible Consumption and Production from local industries, service providers and manufacturing industries in Malaysia. He mentioned about the fourth-coming sub-regional webinar on Enhancing the Implementation of Green Public Procurement in the Southeast Asian Region that will deliberate the outcome of the study. He also briefly described ENSEARCH and its objectives, and its activities under SDG 12 including raising GPP awareness in industry.

Remarks by RPAC

Dr. Mushtaq Ahmed Memon

Project Manager, EU SWITCH-Asia RPAC

Outlined the sub-regional GPP project and expressed the hope of learning from each other for those promoting GPP and leapfrog the national knowledge. The possibility of developing uniformity across the sub-region was mentioned. Sustainable Public Procurement has been included under SDG 12.7 and it is high time to incorporate GPP into national public procurement and enable this to trickle down into the private sector. Green Procurement is not very different from conventional procurement except that it includes technical improvements incorporating the life cycle approach. He also illustrated an example of the plastic industry.

Remarks by APRSCP

Dr. Chaiyod Bunyagidj

Vice President, Thai SCP Network

Board Member, APRSCP

Dr. Chaiyod shared the history of APRSCP as a multi-stakeholder for sustainable consumption and production since 1997 when it was first conceived as APRCP. It adopted its current name in 2006. Since its inception, 15 APRSCP roundtables have been organized, with the 16th APRSCP scheduled for October 2022 in Sri Lanka. APRSCP has worked with UNEP on projects and programs to promote SCP in the ASEAN region. For this GPP project, country webinars have already been conducted in Philippines and Indonesia. It is hoped that the study will bring regional aspirations to country levels in GPP.

Panel Sessions:

Draft Report Presentation

Dr Hariramalu Ragavan

Board of Trustees, APRSCP

Council member, ENSEARCH

Principal Consultant, AKARASIA

Dr. Hari presented the Malaysia Country Report on Current Status of GPP Implementation. With a view to promoting GPP best practices the study is a brief assessment of salient features of GPP implementation, focusing on the public sector. The Malaysian government uses the term Government Green Procurement for GPP. Related government policies initiated since 2009 with the Green Technology Policy were described. Subsequently the National SCP Blueprint is instrumental for GPP implementation, as well as solid backing for GPP in the Malaysian 11th and 12th Development Plans. So far implementation has been carried out through Treasury circulars and administrative orders. Integral to GPP is the MyHIJAU program for registering and certifying green technologies, products and services, and green labelling schemes. Departments responsible were named, with the Ministry of Finance having a major role in leading the implementation of GPP. The Criteria for GPP was mentioned. Results of GPP implementation as at end 2020 were shared, with an overall achievement exceeding the 2020 target of 20%. Challenges mentioned included lack of private sector traction for GP, no legal framework for mandatory GPP, lack of expertise and lack of skills. In considering the way forward, Government linked companies can play a role in GPP promotion, a possible need for a certified GPP Procurer course (GPNM with ENSEARCH and SIRIM). More research and study is needed as well as an independent Green Directory to encourage more private sector participation.

Conclusion session:

Dr. Subramaniam Karuppannan

Vice-President ENSEARCH

Dr Subramaniam informed that ENSEARCH will incorporate the suggestions and recommendations in this webinar into the final report to be forwarded to the Malaysian government through the Economic Planning Unit. There is a need to engage the private sector more in order to develop the green procurement mechanism for the industry so that business-to-business green procurement and business-to-consumer green purchasing can be encouraged. The government of Malaysia had shown good example by leading the effort to develop and implement green procurement through GPP. Now the private sector and consumer should also make efforts to implement green procurement and purchasing to support SDG12.

More support is needed for SDG 12 – the implementation is not good enough at the moment. The Asia Pacific SDG 2021 progress report shows that SDG 12 is not performing well in this region. ENSEARCH is committed to support the implementation of the SDG12 in Malaysia by supporting activities under the National SCP Blueprint that the government of Malaysia has developed and have lined up some activities accordingly.

Highlights of discussions:

In the discussion following the presentation, Mr. Asmadi of the Green Purchasing Network Malaysia (GPNM) was invited to provide his views. GPNM has been active for many years with membership from the private sector and working closely with government agencies. They had wanted to cooperate with key players regarding GP and had been recently discussing with SIRIM to develop GP standards, but this activity had been suspended due to the Covid pandemic. He suggested working with ENSEARCH and SIRIM for Green Procurer Certification and called for more engagement with the private sector, progressing in education and development of human resources with key agencies. He mentioned approaching Bursa for establishing a legal mandate, for companies to earn carbon credits through GP. This could be voluntary initially. He called for acceleration of GPP especially products standards using experience of other countries like China, Thailand and Japan, and suggested standards collaboration to enable adoption and fine tuning of the standards for thousands of green products already registered out there. This would reduce the learning curve to questions on the Malaysian sectors and products achieving GP results it was pointed out that sectors were not specified for the agencies, and they had flexibility to select products and services as long as the target GGP % was achieved according to the established criteria for GGP.

Dr. Hari also proposed the possibility of assessment for companies through the sustainable supply chain and perhaps provision of tax incentives.

Evaluation/Assessment results:

Feedback and comments provided by respondents through an on-line feedback form are detailed as follows:

- Malaysia should enhance the law to enable GPP to be put in practice and this should involve Government-linked Companies (GLC) as well.
- GPP needs to be not only in major industries but must be inclusively promoted especially among communities (urban & rural). The communities are the major contributors to GHG and procurement of current and future green technologies. Hence, an initiative should be launched to educate our communities through our school-going children (as change agents).
- GPP criteria and incentives should be provided by the government.
- More case studies should be provided on Malaysia's current GGP status
- A request for Green Public Procurement highlights from private and government entities.
- Probably examples in detail, particularly case studies
- A call for more speakers and stakeholders for the webinar

Suggested Topics/Areas of interest for the next webinar/training sessions proposed by the respondents are as follows:

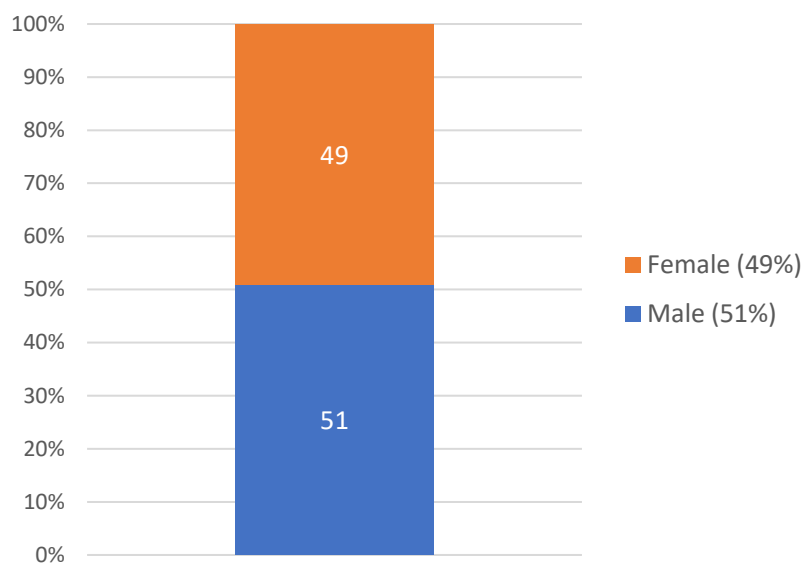
- Global Warming and the impacts.
- Related to Green Buildings
- GPP in Private sectors, lessons from the procurers.
- Green procurement and circular economy
- How should we implement the GGP
- GPP Supply chain and cooperation between ASEAN members
- Nature-based solutions
- Sustainable development goals

Overall, all the respondents had good understanding on the topic of GPP after the webinar and were also satisfied with the presentation of the country report.

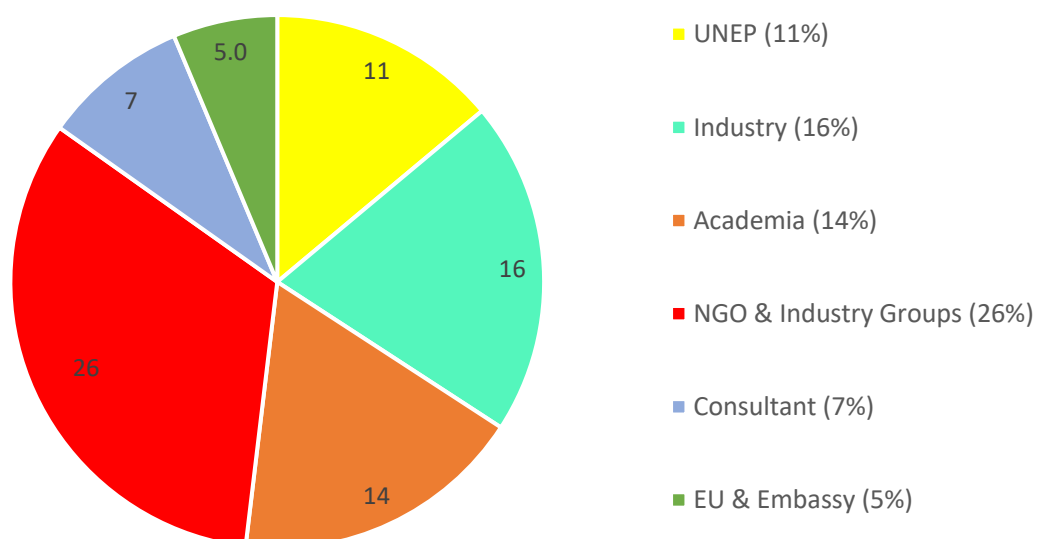
Review on Participants:

More than 40 participants registered prior to the events. The regional dialogue was attended by approximately 43 participants belonging to different stakeholder groups on Google Meet. Figures below present the distribution of participants who registered prior to the event by stakeholders. Based on the registrations, 51% of the participants were male and 49% were female.

Registration by Gender (%)



Registration by Stakeholders (%)



Annex:

Annex 1: The Final agenda

Time (MYT)	Theme
0915-0925	Welcome address by ENSEARCH Dr. Subramaniam Karuppannan Vice President, ENSEARCH
0925-0935	Remarks by RPAC Dr. Mushtaq Memon Project Manager, EU SWITCH-Asia RPAC
0935-0940	Remarks by APRSCP Dr. Chaigyod Bunyagidj Vice President, Thai SCP Network Board Member, APRSCP
0940-0945	Remarks by the Government representative (TBC)
0945-1045	Presentation on the Draft Report Dr. Hari Ramalu Ragayan Board of Trustees APRSCP Council member ENSEARCH Principal Consultant AKARASIA
1045-1145	Discussion with Participants Dr. Hari Ramalu Ragayan
1145-1230	Conclusion and closing Remarks Dr. Subramaniam Karuppannan

Annex 2: Presentation




Malaysia Country Report: Current Status of Government Green Procurement (GGP) implementation

EU/SWITCH-ASIA project: Enhancing the Implementation of the Green Public Procurement in Southeast Asian region

14th February 2022 Kuala Lumpur

Dr. HARIRAMALU RAGAWAN,
Council Member, ENSEARCH and Board of Trustees, APRSCP




Introduction

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."



GPP and related policies

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 and Budget 2010.

The Policy has stated that green technology becomes the preferred choice in procurement of products and services.



GPP and related policies

The National SCP Blueprint 2016-2030 - a comprehensive long-term vision and guidance for Sustainable Consumption and Production in Malaysia.

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.



GPP and related policies

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

"Government green procurement (GGP) will be made mandatory for all government ministries and agencies. GGP will create the demand for green products and services, encouraging industries to raise the standard and quality of their products to meet green requirements. GGP 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".

Eleventh Malaysian Plan: 2016-2020



GPP and related policies

No legislation for the implementation of GPP. Done using a federal government administrative order.

In 2014, the Ministry of Finance issued a Treasury Circular (1PP) No. 2 - "Short-Term Action Plan" 2013-2015 with a first piloting phase covering 5 Ministries

In 2016 and 2017, Ministry of Finance issued Instruction Letters for the implementation of GGP within the federal government.

GGP Long-Term Action Plan 2016-2030 were issued. Agencies were expanded to 12. Expanded to all 25 Ministries and their agencies in 2017.



PERHIMPATAN NEGARA

MyHijau Programme

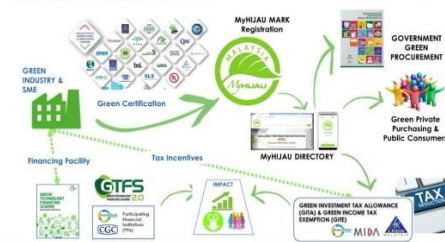
All GGP-related initiatives, short-term and long-term plans are now integrated into one overarching program - "MyHijau"

MyHijau is an initiative of the then Ministry of Energy, Green Technology and Water (KeTTHA), now under KASA, Malaysian Green Technology and Climate Change Corporation (MGTC).

The MyHijau program comprises four sub-programs:
1. MyHijau SME and Entrepreneurship,
2. MyHijau Labelling,
3. MyHijau Directory and
4. MyHijau Procurement.



MyHijau Programme



Green Labelling System Programme

Green Labelling Schemes	Sectors	Logo	Scheme Developer/ Certification Body
SIRIM Eco Labelling Scheme	Manufacturing & Services	ig	SIRIM QAS International Sdn. Bhd.
Malaysia Farm Certification Scheme for Good Agriculture Practice (SALM)	Agriculture		Department of Agriculture
Malaysia Organic Scheme (SOM)	Agriculture		Department of Agriculture
Malaysia Timber Certification Scheme (MTCS)	Forestry		Malaysia Timber Certification Council (MTCC)
Energy Efficiency Rating & Labelling Scheme	Energy		Energy Commission (ST)
Water Efficient Products Labelling Scheme	Water		National Water Services Commission (SPAN)



MyHijau Programme



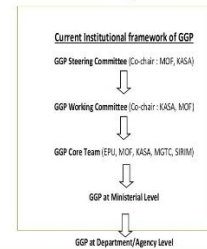
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Responsible Department

Inter-ministerial coordination mechanism - 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.

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Criteria for GPP

Economic relevance

products and services frequently used in the government sector and the significance of the spending

Expected impact

new green products or services can significantly reduce their carbon footprint, water, and energy consumption or the emission of toxic substances

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.

The market readiness and response capacity

GPP for relevant product groups or service category will help manufacturers, SMEs in particular add value to their products and become more competitive in international markets.

Results of GPP implementation

Year	No. of Ministries	GPP Value (RM million)	Percentage (%) on Selected Products and Services	GPP Savings (RM million)
2015-2016	5	332.10	17.4%	1,634
2016	12	137.70	17.4%	1,634
2017	25	286.30	24.6%	6,545
2018	25	126.30	22.0%	1,031
2019	25	290.10	20.4%	1,530
2020 (Unofficial Data)	27	559.80	26.6%	5,821
Total	-	1,754.30	23.9%	16,519

Source: Annual Report 2020, MGTIC

12th Malaysia Plan - achievements of GPP as of 2020 is 20.7%, showing more than the target at the end of 11th Malaysia Plan of 20%.

12th MP also indicated that the target for year 2025, is 25%.

Results of GPP implementation

INITIATIVES	TIMELINE
GPP Guideline adopted on works procurement	2021-2023
Sustainability specifications mandated for all public projects	2021-2030
Implementation of GPP 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	2021-2023
Implement pilot projects on new local innovative green technology	2021-2030

The Long-term Action Plan for GPP in Malaysia is reported in the GPP Guidelines 3.0, 2020.

Results of GPP implementation

Distribution of GPP by priority category (2016-2018)

Solar & Solar Hybrid Energy	24.9%
ICT Equipment	22.2%
Paint / Coating	12.2%
Building Information Management Services	11.8%
Paper	6.7%
Multi-purpose Product	5.2%
Street Lighting	5.1%
Fire Detection System & Equipment	5.1%
Cleaning Services	4.0%
Air Conditioning System	3.6%
Green Plant	3.0%
Green Data Services	2.6%
Home	2.4%
Hotel, Logistic & Training Services	2.3%
Motor Vehicle	2.2%
Home Machine Vehicle	2.1%
Paper Based Printing Services	1.1%
Vehicle Management Services	1.1%
Van & Buses	1.1%
Automotive Workshop Services	0.2%
Stationery	0.2%
Furniture	0.2%
Coated Roll Sheet Product	0.2%

Source: Annual Report 2020, MGTIC

In term of distribution of the GPP based on category of product and services, the following are reported for 2016-2018

Challenges

1. GPP implementation (Business to Government) has not brought about the traction for GPP in the private sector yet.

There is a huge potential of GPP to support some sort of voluntary schemes in GPP for private sector (Business to Business and Consumer to Business).

2. There is no legal framework to make GPP implementation mandatory.

The GPP administrative guidelines and circular only applies to Federal agencies; State level and Local level agencies are not mandated now

Challenges

3. Private sector involvement in the GPP process is very low. More awareness activities need in this area.

Research results show that green procurement implementation in Malaysia is still not prioritized yet.

4. There are efforts to suggest that specialised skills as certified (GPP) procurer being proposed but has not caught the attention and support

5. 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.

Thank You



Annex 3: Evaluation/assessment form

FEEDBACK: NATIONAL WEBINAR on Enhancing the Implementation of the Green Public Procurement in Malaysia

 jennytse2018@gmail.com (not shared) [Switch accounts](#)



***Required**

Have you joined ENSEARCH's webinar before?

Choose ▼

How well the Webinar title met the content?

- ☐ 0 - 2 Stars
- ☐ 3 - 5 Stars
- ☐ 6 - 7 Stars
- ☐ 8 - 10 Stars

How far is your understanding on GPP in Malaysia after the webinar?

- ☐ 0 - 2 Stars
- ☐ 3 - 5 Stars
- ☐ 6 - 7 Stars
- ☐ 8 - 10 Stars

Any comments on GPP in Malaysia based on your understanding? *

Your answer

Main Speaker: Dr Hari Ramalu Ragavan (General Performance)

- ☐ 0 - 2 Stars
- ☐ 3 - 5 Stars
- ☐ 6 - 7 Stars
- ☐ 8 - 10 Stars

Any improvement suggestions for this webinar? *

Your answer

Topic/Area of interest for the next webinar/training sessions *

Your answer

For more information

SWITCH-Asia event page:

<https://www.switch-asia.eu/event/enhancing-the-implementation-of-the-green-public-procurement-in-southeast-asian-region/>

Contact SWITCH-Asia Regional Policy Advocacy Funded by European Union

Implemented by United Nations Environment Programme, Asia and the Pacific Office

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