

Malaysia Country Report: Enhancing Green Public Procurement implementation

Sub-regional webinar: Enhancing the implementation of the Green Public Procurement in
Southeast Asian region

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Dr. HARIRAMALU RAGAVAN
Council Member, ENSEARCH
Board of Trustees, APRSCP



Environmental Management and Research Association of Malaysia



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.”



GGP and policies/plans

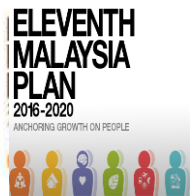
Foundation

- **National Green Technology Policy 2009** (green technology becomes the preferred choice in the procurement of products and services) and Budget 2010.

11th Malaysia Plan (2016-2020)Pursuing green growth....Strategy B1: Creating green markets....Government green procurement (GGP) will be made mandatory for all government ministries and agencies.



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GPP and policies/plans

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 policies/plans

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.



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GGP supporting programme and guidelines

GGP-related initiatives, short-term and long-term plans

are now integrated into one overarching program

- “MyHIJAU” - four sub-programs:

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



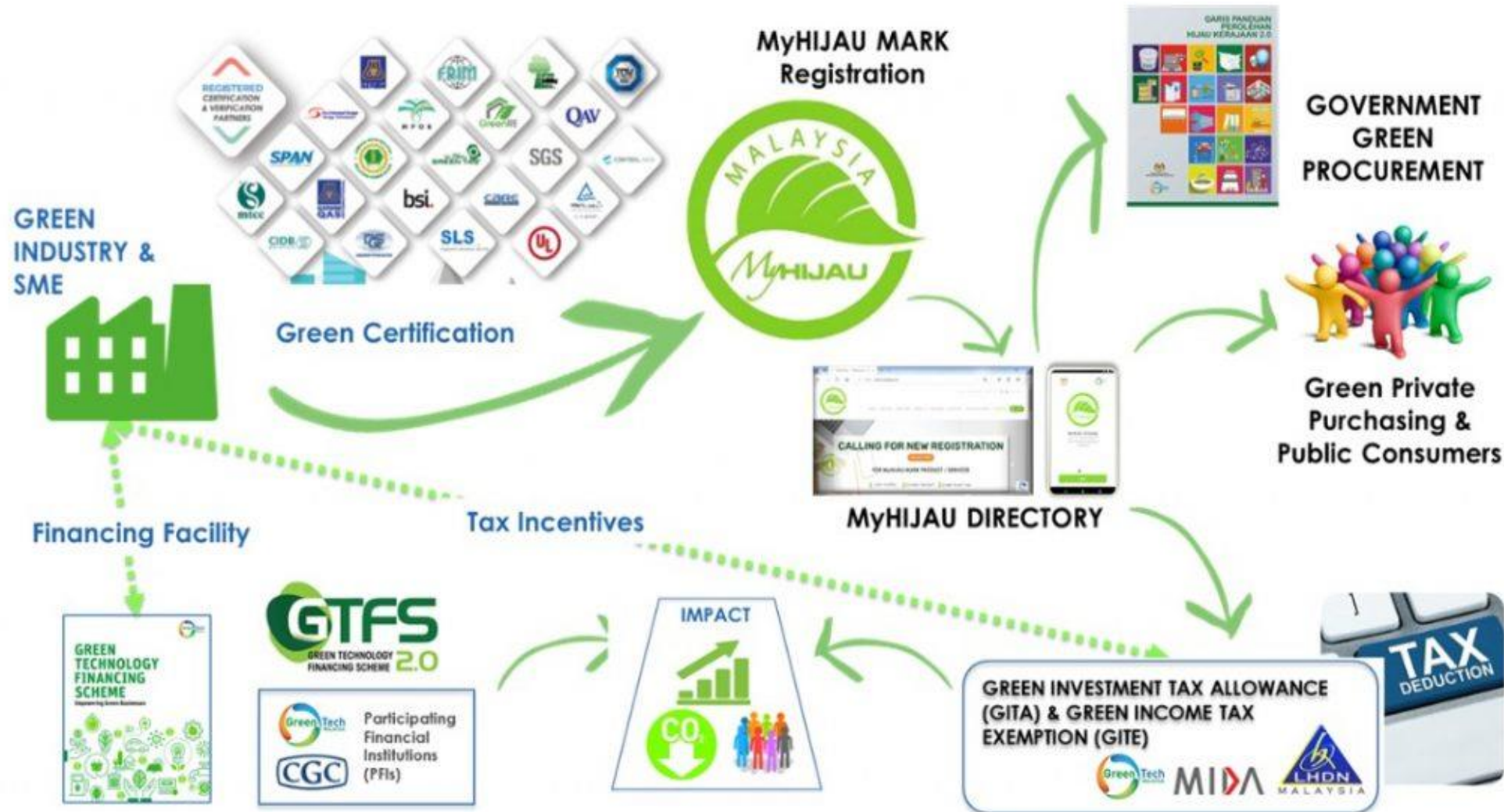
Government Green Procurement Guidelines:

version 1.0 – 2013

Version 2.0 – 2018

Version 3.0 - 2020

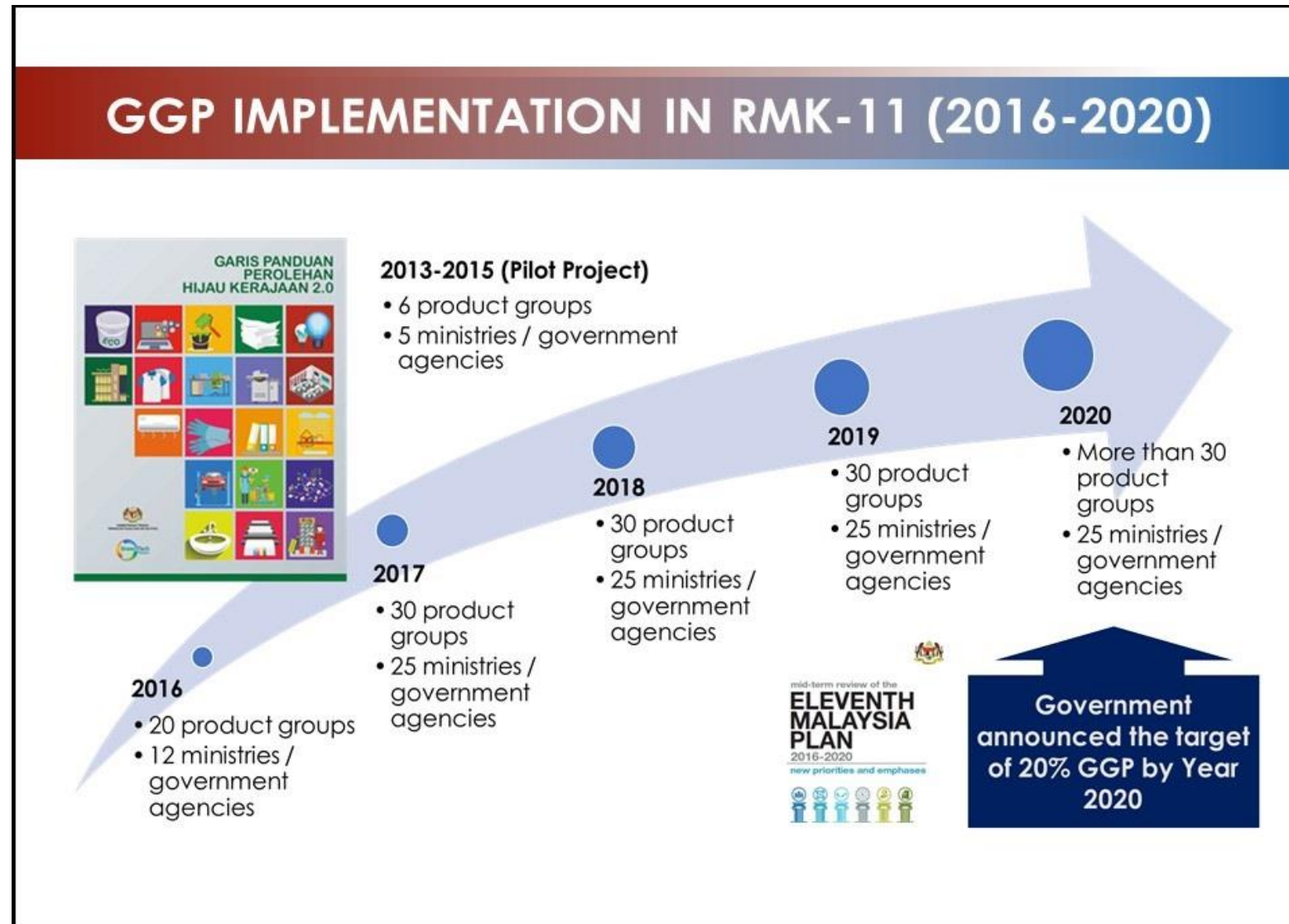
MyHijau Programme



Goals and Targets

The goals and targets for the GGP was set incrementally using the “**Short-Term Action Plan**” **2013-2015** with piloting phase covering 5 Ministries

GGP Long-Term Action Plan 2016-2030 was released in 2016.



Goals and Targets

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

....also promoted in 12th Malaysia Plan 2021-2025



INITIATIVES	TIMELINE
GGP Guideline adopted on works procurement	2021-2025
Sustainability specifications 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

Results of GPP implementation

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

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

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

Results of GPP implementation

Distribution of GPP by priority category (2016-2018)

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

Source: Annual Report 2020, MGTC

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



Challenges

1. 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).

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

The GGP 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 GGP 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.



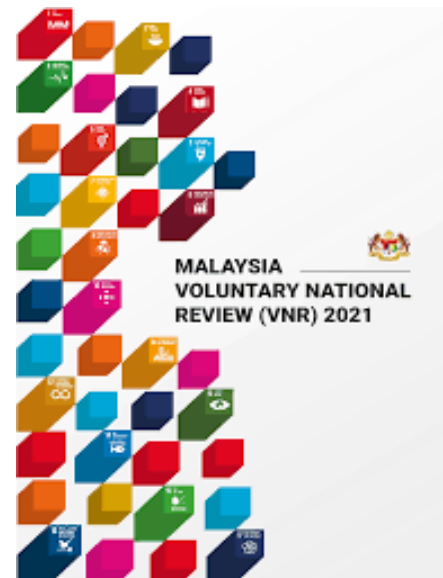
4. There are efforts to suggest that specialised skills as certified (GGP) procurer being proposed but has not caught the attention and support.

5. There is a lack of sufficient expertise to develop the programme for measuring the environmental impact of some of the products like the non-energy products.

Next step....Way forward

Targets set in the 11th MP and 12th MP – GGP successful.

Voluntary National Report 2021, Malaysia has highlighted the GGP'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 GGP – 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

Next step...Way forward

1. GLCs to be included with some form of parallel schemes.

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.



2. Certified GGP procurer courses 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

Role for Green Purchasing Network Malaysia (GPNM), SIRIM and National Productivity Center

Next step...Way forward

3. More research and study needed to understand the application of green procurement by the listed companies.

This can provide vital information to use GGP as a steppingstone to develop private sector GP scheme managed by government or by industry itself

4. Need to promote National Green Directory to be the main GP platform with close cooperation with GPP policy maker/regulator, Eco-label Certifiers, Producers and Vendors for the private sector and consumers to use.



Thank You



Dr. HARIRAMALU RAGAVAN

Council Member, ENSEARCH

Board of Trustees, APRSCP

Principal Consultant, AkarAsia Consulting

hariramalu@akarasiaconsult.com

