



# Introduction to **Sustainable Public Procurement**

## Training Module for Public Procurers

December 2017



# Purpose of the Training Module

Inform Public Procurers about the potential effects of and methodologies for utilising public procurement as a lever for sustainable development

# Presentation Outline

- ❑ Linkage; SDGs – SCP - SPP
- ❑ Public Procurement in Sri Lanka
- ❑ Sustainable Public Procurement (SPP)
- ❑ Life Cycle thinking
- ❑ Eco-labeling
- ❑ International Experience
- ❑ Pilot Products
- ❑ Procurement Process
- ❑ Way Forward
- ❑ Challenges
- ❑ Conclusion
- ❑ Further Reading
- ❑ Group Exercise



# Sustainable Development Goals SDGs





# Evolution

From Stockholm to Johannesburg  
1972 to 2015



# 2015 & 2016 Milestones

- \* **2015 September – SDGs**



- \* **2016 April – Paris agreement**





# Transforming our world: 2030 Global Agenda for Sustainable Development

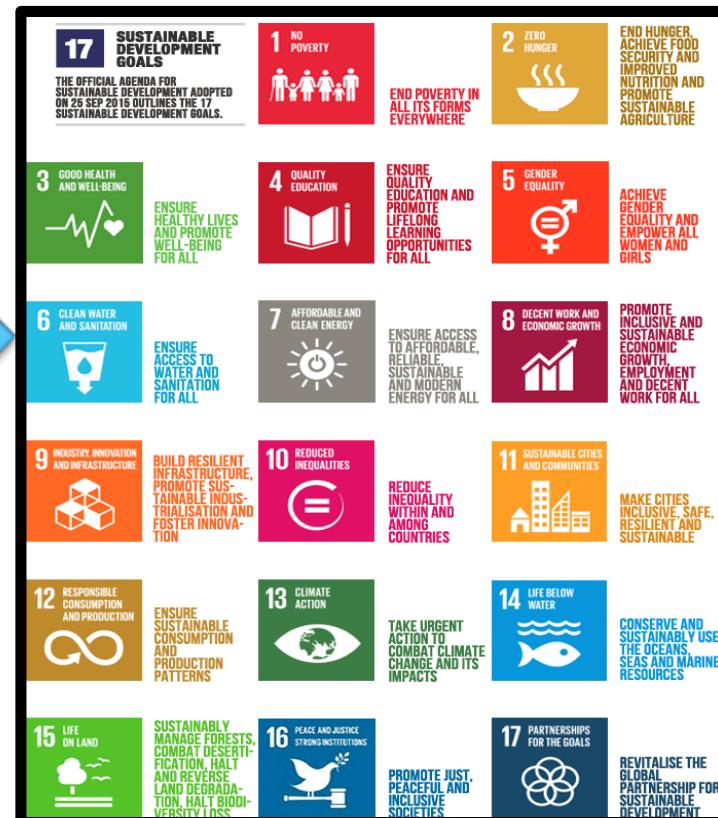
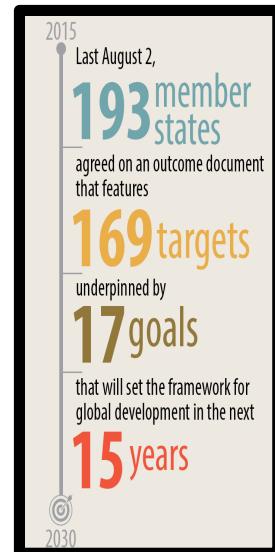


# Transforming Our World: 2030 Agenda, 17 SDGs & 169 Targets



## UNIVERSALITY INTEGRATION TRANSFORMATION

From MDGs to SDGs



# SDGs at a Glance

1. Poverty
2. Food security
3. Healthy lives
4. Education
5. Gender equality
6. Water and sanitation
7. Sustainable & modern energy
8. Sustainable economic growth
9. Sustainable industrialization
10. Inequality
11. Cities
12. Sustainable consumption & production patterns
13. Climate change
14. Oceans, seas & marine resources
15. Ecosystems, biodiversity
16. **Peaceful & inclusive societies**
17. **Global partnership**

# SDG 12 - Responsible Consumption & Production



# SCP and the SDG 12 targets

1. Implement the **10-year framework of programmes** on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries
2. By 2030, achieve the sustainable management and efficient use of **natural resources**
3. By 2030, halve per capita global **food waste** at the retail and consumer levels and reduce **food losses** along production and supply chains, including post-harvest losses
4. By 2020, achieve the environmentally sound management of **chemicals** and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
5. By 2030, substantially **reduce waste generation** through prevention, reduction, recycling and reuse

# SCP and the SDG 12 targets

6. **Encourage companies**, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
7. Promote **public procurement practices** that are sustainable, in accordance with national policies and priorities
8. By 2030, ensure that people everywhere have the relevant information and **awareness** for sustainable development and lifestyles in harmony with nature
9. **Support developing countries** to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production
10. Develop and implement tools to monitor sustainable development impacts for **sustainable tourism** that creates jobs and promotes local culture and products
11. Rationalize inefficient **fossil-fuel subsidies** that encourage wasteful consumption by removing market distortions

# SDG 12 – Target 12.7



Promote **public procurement practices** that are sustainable, in accordance with national policies and priorities

# SDGs Relevant for SCP: Summary

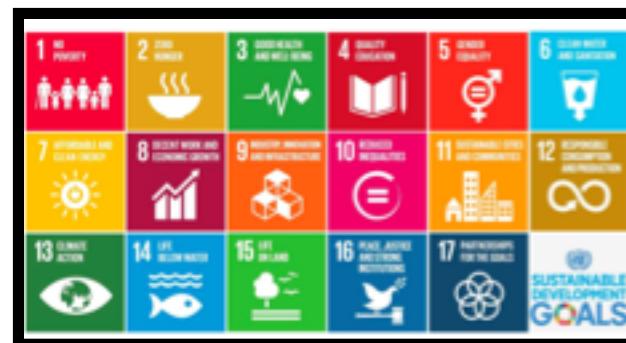
#	Goal	Subgoals												
1	Poverty	1.1	1.2	1.3	1.4	1.5	1.a	1.b						
2	Food	2.1	2.2	2.3	2.4	2.5	2a	2.b	2.c					
3	Health	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	3.a	3.b	3.c	3.d
4	Education	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.1	4.b	4.c			
5	Gender	5.1	5.2	5.3	5.4	5.5	5.6	5.a	5.b	5.c				
6	Water	6.1	6.2	6.3	6.4	6.5	6.6	6.a	6.b					
7	Energy	7.1	7.2	7.3	7.a	7.5								
8	Economy	8.1	8.2	8.3	8.4	8.5	8.6	8.7	8.8	8.9	8.10	8.a	8.b	8.c
9	Industry	9.1	9.2	9.3	9.4	9.5	9.a	9.b	9.c					
10	Inequality	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.a	10.b	10.c			
11	Cities	11.1	11.2	11.3	11.4	11.5	11.6	11.7	11.a	11.b	11.c			
12	SCP	12.1	12.2	12.3	12.4	12.5	12.6	12.7	12.8	12.a	12.b	12.c		
13	Climate Change	13.1	13.2	13.3	13.a	13.b								
14	Marine	14.1	14.2	14.3	14.4	14.5	14.6	14.7	14.a	14.B	14.c			
15	Ecosystem	15.1	15.2	15.3	15.4	15.5	15.6	15.7	15.8	15.9	15.a	15.b		
16	Inclusive	16.1	16.2	16.3	16.4	16.5	16.6	16.7	16.8	16.9	16.10	16.a		
17	Global	17.1	17.2	17.3	17.4	17.5	17.6	17.7	17.8	17.9	17.10	17.11	17.12	17.13
											17.14	17.15	17.16	17.17
#	Goal	Subgoals												

Goal #12 (Exclusive) ; Goals #5, 10,16 (Not directly relevant) and Other 13 Goals (with some relevance)

# Sri Lankan Priorities for SPP ?

Which strategic goals and targets are most important in the Sri Lankan context ?

Should SPP pursue these overall goals and targets or should a more narrow approach be applied ?



# For more information

<https://sustainabledevelopment.un.org>



The screenshot shows the homepage of the Sustainable Development Knowledge Platform. The header features the United Nations logo and the text 'sustainabledevelopment.un.org' and 'Department of Economic and Social Affairs'. The main navigation bar includes links for HOME, HIGH-LEVEL POLITICAL FORUM, STATES, SERIES, TOPICS, UN SYSTEM, STAKEHOLDER ENGAGEMENT, PARTNERSHIPS, RESOURCES, and ABOUT. Below the navigation is a row of 20 circular icons representing various UN agencies and programs. The main content area is divided into several sections: 'SUSTAINABLE DEVELOPMENT GOALS' (with a sub-section for the '2030 AGENDA FOR SUSTAINABLE DEVELOPMENT AND THE SUSTAINABLE DEVELOPMENT GOALS'), 'TECHNOLOGY FACILITATION MECHANISM' (with a sub-section for the 'BAHAMAS SYMPOSIUM | 21-23 FEBRUARY'), 'THE OCEAN CONFERENCE' (with a sub-section for the 'SDGS IN ACTION'), 'HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT' (with a sub-section for the 'GLOBAL SUSTAINABLE DEVELOPMENT REPORT'), and 'SDG PARTNERSHIP FRAMEWORK' (with a sub-section for the 'GLOBAL SUSTAINABLE TRANSPORT CONFERENCE | 26 - 27 NOV 2016').

# For more information

<http://www.statistics.gov.lk/sdg/index.php>





# Public Procurement

## Sri Lanka Context



# Purpose of this Section

This section serves to provide an overall picture of the Sri Lankan Public Procurement status

# Procurement Expenditure in 2015-2016

	2015			2016		
	Value	Share		Value	Share	
		As a % of Rs. Bn.	Total Exp.	As a % of GDP	As a % of Rs. Bn.	Total Exp.
<b>Public Investment</b>	<b>408</b>	<b>71</b>	<b>3.7</b>	<b>461</b>	<b>77</b>	<b>3.9</b>
Acquisitions and rehabilitations of Fixed Assets	233	41	2.1	250	42	2.1
Infrastructure Development	175	30	1.6	211	35	1.8
Other goods and services (Supply of consumables and other recurrent items)	163	29	1.5	135	23	1.1
<b>Total</b>	<b>571</b>	<b>100</b>	<b>5.2</b>	<b>596</b>	<b>100</b>	<b>5.0</b>

Source: Annual Report 2016, Ministry of Finance

# Procurement Expenditure - Comparison

- The figures from Ministry of Finance indicate that public procurement (PP) in Sri Lanka constitutes around 5 % of GDP
- International surveys show PP as a larger share of GDP:
  - for example around 12 % in OECD countries (average 2015),
  - 16 % in EU member states (average 2016),
  - and up to more than 25 % in developing countries as Angola and Eritrea.

This might indicate that the published statistics in Sri Lanka may not have properly captured all relevant figures, including the expenditure of State Owned Enterprises, Provincial Councils and Local Authorities

Better clarity in this regard and also of the breakdown of public expenditure in different sectors and product categories would be of paramount importance to set baseline conditions and to monitor the progress of sustainable public procurement

Sources:

OECD 2016: <http://www.oecd.org/gov/public-procurement/>

EU 2017: <http://ec.europa.eu/trade/policy/accessing-markets/public-procurement/>

WB 2016: <http://blogs.worldbank.org/governance/public-procurement-rich-country-s-policy>

# Currently Applicable Guidelines

## **NPA 2006 guidelines**

- ❖ Sustainable Procurement aspects not covered
- ❖ Provision for Life Cycle Costing included
- ❖ Being revised by the National Procurement Commission

# Government Guidelines

## 1.2 Objectives

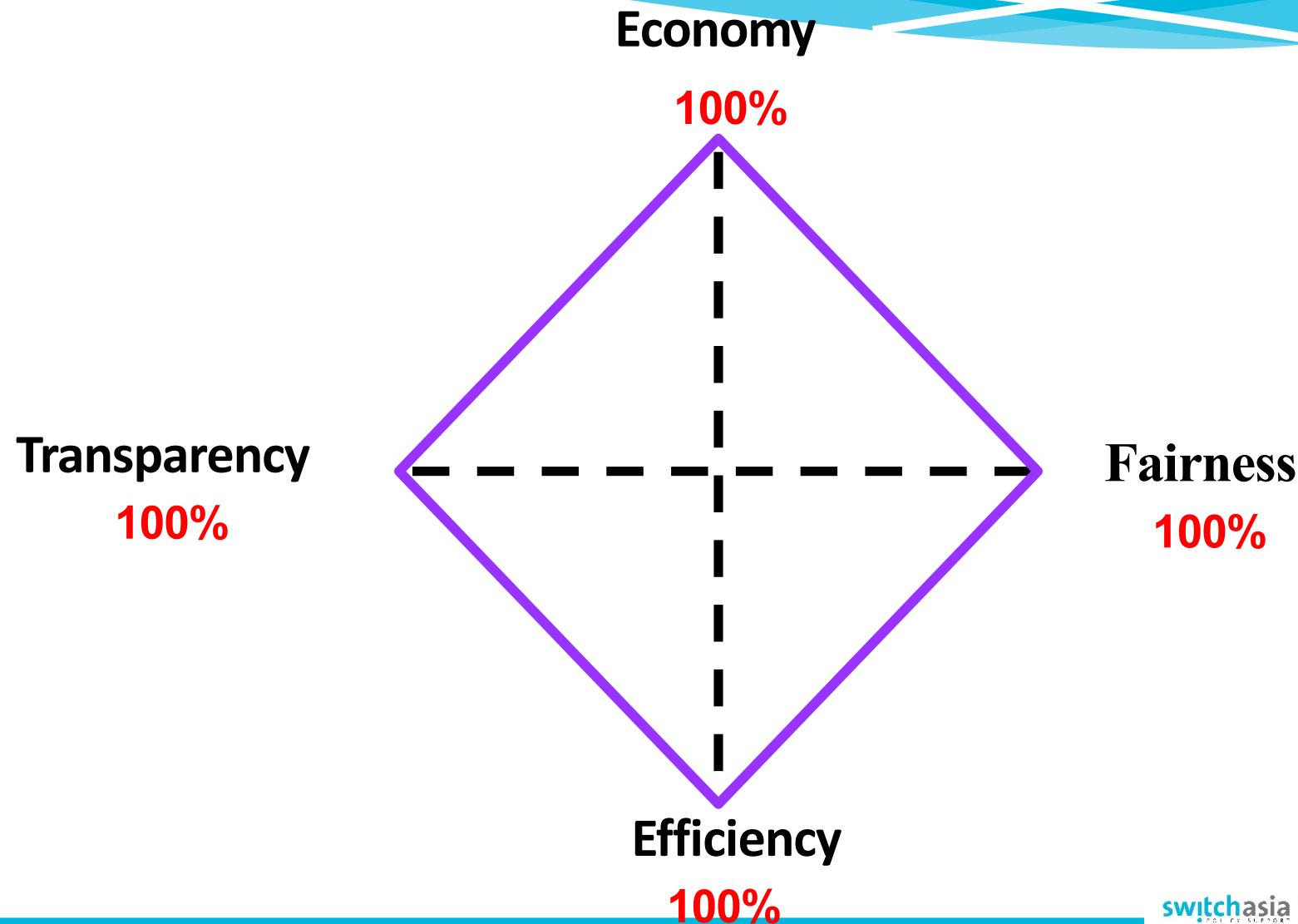
### 1.2.1 The Procurement process should ensure:-

- (a) maximizing **economy**, timeliness and quality in Procurement resulting in least cost together with the high quality;
- (b) adhering to prescribed standards, specifications, rules, regulations and good governance;
- (c) providing **fair, equal and maximum opportunity** for eligible interested parties to participate in Procurement;
- (d) **expeditious execution** of Works and delivery of Goods and Services;
- (e) compliance with local laws and regulations and international obligations;
- (f) **ensuring transparency** and consistency in the evaluation and selection procedure; and
- (g) retaining confidentiality of information provided by bidders.

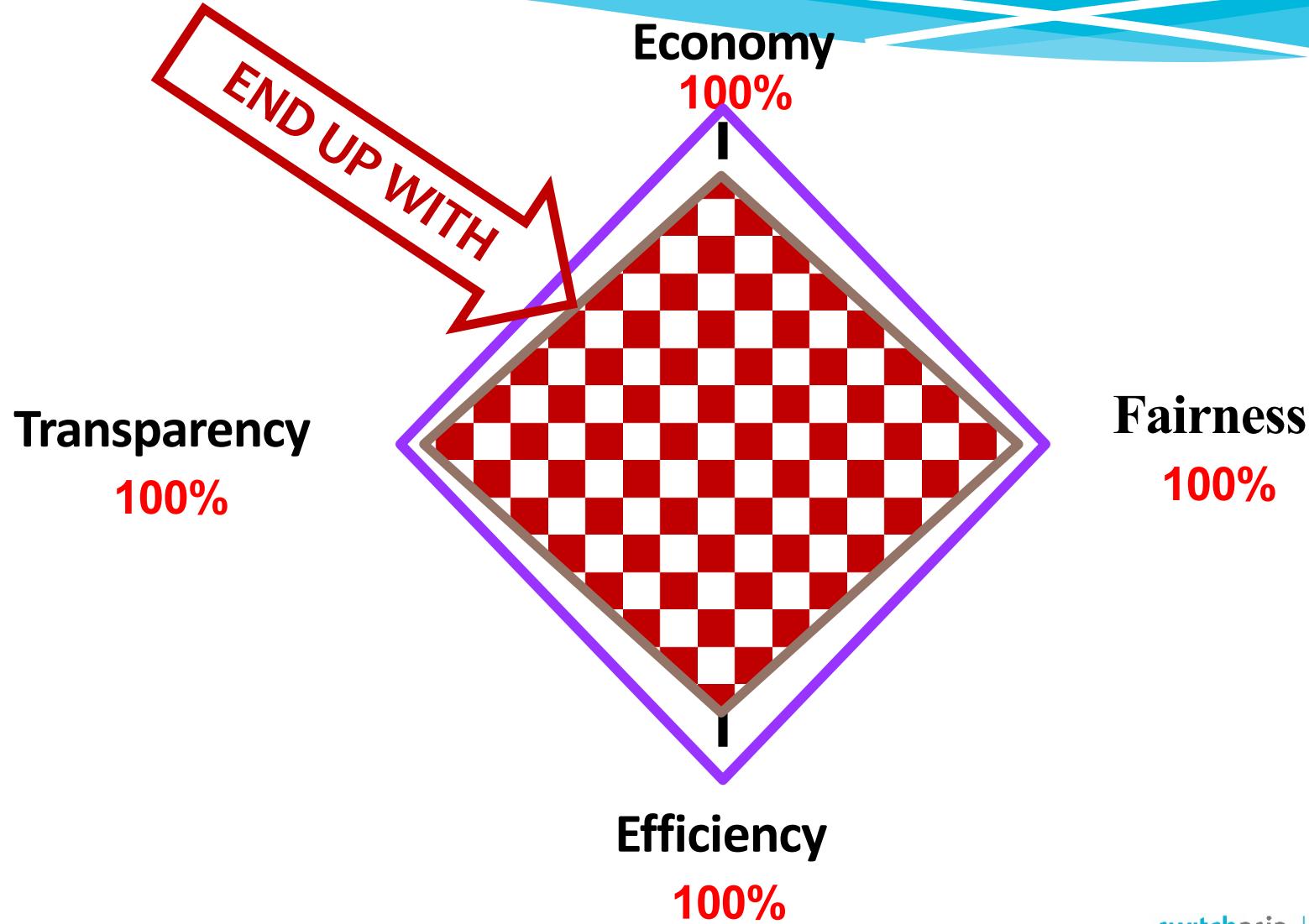
# Principles of Public Procurement

- ❖ Value for money – economy
- ❖ Efficiency
- ❖ Fairness/Indiscrimination/Equal treatment
- ❖ Transparency

# Procurement in Brief



# Procurement in Brief



# Myths & Misconceptions of Procurement

Lowest quoted bidder

vs

Lowest evaluated  
substantially responsive bidder

# 6-Rs of Good Procurement Management

- \* **RIGHT METHOD**
- \* **RIGHT QUALITY**
- \* **RIGHT QUANTITY**
- \* **RIGHT PRICE**
- \* **RIGHT SOURCE**
- \* **RIGHT TIME**

# Bid Evaluation

- \* The purpose of Bid evaluation is to determine the **lowest evaluated substantially responsive Bid** out of the Bids received
- \* Bids shall be evaluated **strictly according to the criteria and methodology specified** in the bidding documents and such evaluated Bids shall be compared to determine the **lowest evaluated substantially responsive Bid**

# Policy and Guideline 2017/2018

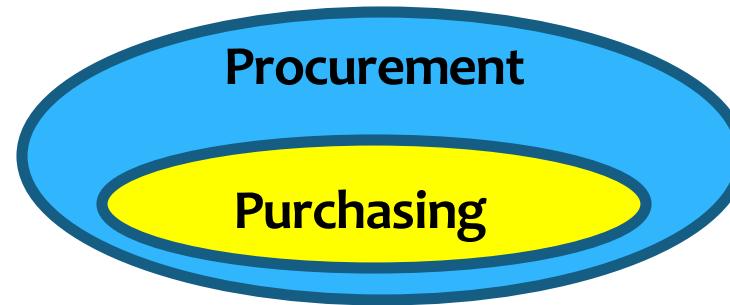
Draft Procurement Guideline by NPC  
*New Chapter for GPP is included*

*Draft National GPP Policy by*  
Ministry of Mahaweli Development and  
Environment

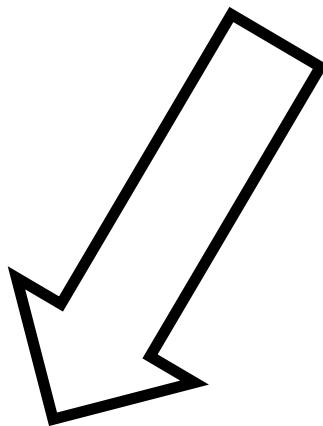
# Purchasing vs Procurement

## Purchasing vs Procurement

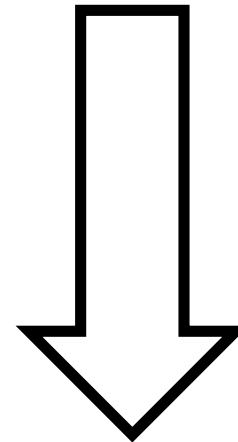
Procurement is defined as the acquisition of appropriate goods or services at the best possible total cost of ownership



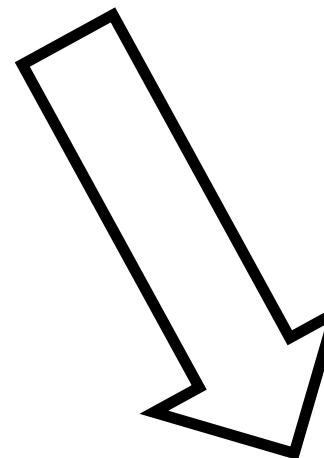
# Plan to Work & Work to Plan



**How?**



**What ?**



**When?**

# Selecting the most Appropriate Procurement Method

- ❖ Procurement Strategy/Planning
- ❖ Need assessment/Avoid unnecessary purchases
- ❖ Innovative solution through competitive dialogues
- ❖ Market analysis

# Selection Criteria

- \* Life-Cycle costing
- \* Joint procurement – Combining/packaging
- \* Framework agreements
- \* Scoring system
- \* Alternate bids
- \* Rebate for higher performance



# Sustainable Public Procurement



# Different Terminologies

- **Environmentally Preferable Purchasing**
- **Green Purchasing**
- **Green Public Procurement (GPP)**
- **Sustainable Procurement**
- **Sustainable Public Procurement (SPP)**



# Sustainable Products



# What is a Sustainable Product

- Be resource (materials) efficient
- Be energy efficient
- Emission reducing
- Safe
- Reusable**
- Can be **recycled**
- Have a recycled content
- Biodegradable
- Organic

# Frequently Cited Environmental Attributes

- Biobased
- Biodegradable
- Carcinogen-free (Cancer causing)
- Chlorofluorocarbon (CFC)-free
- Compostable
- Durable
- Energy efficient
- Lead-free
- Less hazardous
- Locally manufactured
- Low volatile organic compound (VOC) content
- Low-toxicity
- Mercury-free
- Persistent bioaccumulative toxics (PBT)-free
- (Rapidly) renewable materials
- Recyclable
- Recycled content
- Reduced greenhouse gas emissions
- Reduced packaging
- Refurbished
- Resource efficient
- Upgradeable
- Water efficient



**switchasia**  
POLICY SUPPORT



Sustainable Consumption and Production



# Sustainable Public Procurement Definitions



Global Sustainability Solutions



# What is Sustainable Public Procurement?

*“A process by which public authorities seek to achieve the appropriate balance between the three pillars of sustainable development - **economic, social and environmental** - when procuring goods, services or works”*



# Sustainable Procurement (SP)

Process whereby **organisations** meet their needs for goods, services, works and utilities in a way that achieves “**value for money** on a **whole life cycle** basis” in terms of generating **benefits** not only to the organisation, but also to **society** and the **economy**, and minimising damage to the **environment**

Source: UK Sustainable Procurement Task Force (2006)

# Conventional vs Sustainable Procurement

## Conventional procurement criteria

- Price (Initial and O&M)
- Quality
- Delivery
- Performance
- Durability



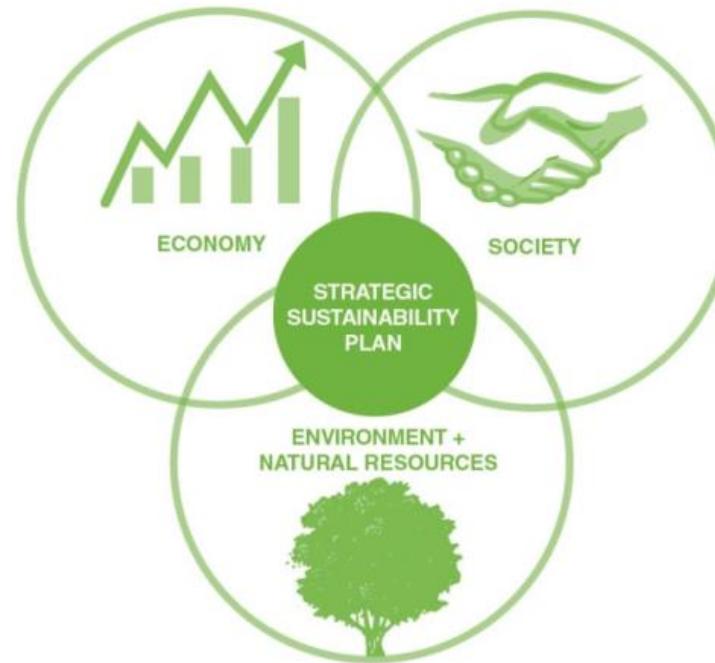
## SPP criteria

- Same basis – but ***add*** Environmental & Social considerations

# Sustainable Public Procurement

## Economic impacts

- Cost efficiency
- Total Cost perspective
- Support development



## Societal impacts

- Conditions of labor
- Supporting local companies and communities

## Environmental impacts

- Reduce the environmental impact throughout the life-cycle – called “green procurement”
- Environmental impact could be emissions of green house gasses, use of scarce resources, chemicals etc.



# Life-cycle Thinking



# Life-cycle Thinking

- \* Considers not only **environmental** and **socio-economic impacts** of a product during its **use phase**
- \* But also the **resource consumption & pollution** associated with **all stages** of production & end-of-life management

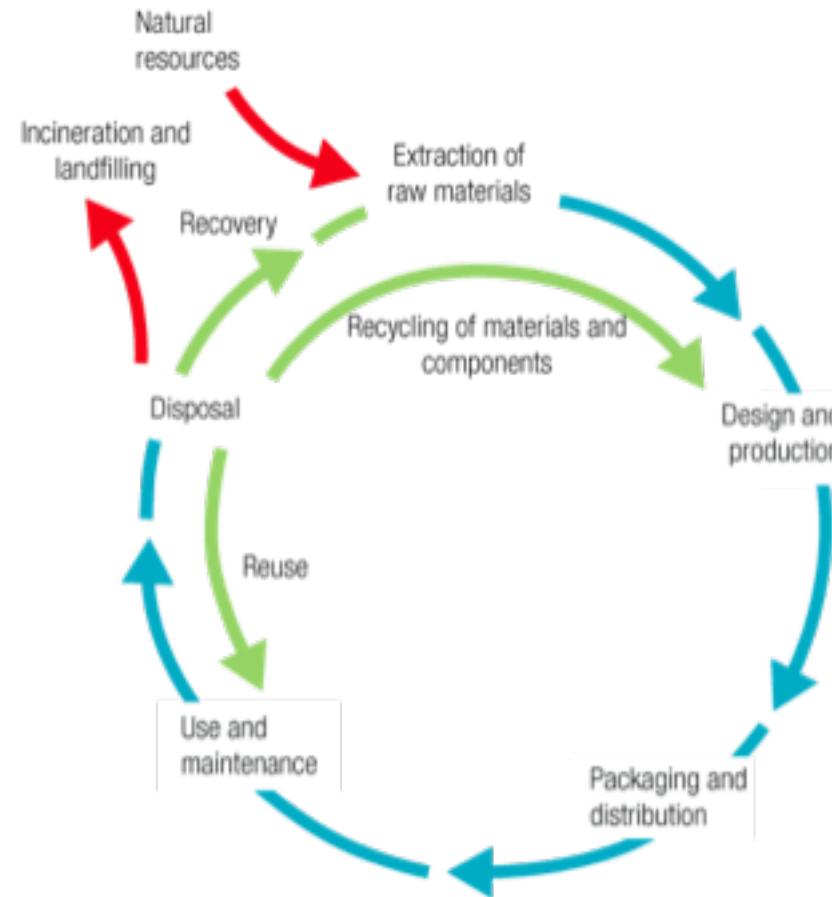
# Five Stages of Product's Life-cycle



1. Raw materials extraction
2. Design & production
3. Packaging & distribution
4. Use
5. End-of-life

# Life-cycle Thinking

Consider aspects of the complete life cycle of the product or service



# Advantages of Life-cycle Thinking

The life cycle approach reveals what stages of a product's life-cycle that causes the largest environmental burden (**Hot spots**)

- \* **Automobiles** – The **use phase**
- \* **Food** products – the **production phase**
- \* **Washing machines** .... What do you think?
- \* **Textiles** - ..... What do you think?





# Eco-labeling



# Goal of Labels & Declarations (ISO 14020)

Through communication of verifiable and accurate information, that is not misleading, on environmental aspects of products and services, to encourage the demand for and supply of those products and services that cause less stress on the environment, thereby stimulating the potential for market-driven continuous environmental improvement

# Eco-labels

Provide product sustainability information

Information must be accurate and verifiable

Encourage demand and supply for green products

Governments can promote them in combination with other policies (e.g. public procurement)



**Marine Stewardship Council**  
Certified sustainable seafood



# Eco-labels

- \* Voluntary, participatory, market-based & transparent economic tools
- \* Information it transmits should be **accurate & verifiable**, e.g. based on life-cycle analysis (LCA) or **impartial third-party evaluation**

# Eco-labels (Examples)

- Blue Angle (Germany)



- Nordic Swan



- Austrian Tree



- EU Flower



- USA



Canada



# Eco-labels

Japan



Korea



China



Australia



Hong Kong



New Zealand



Singapore



Thailand



UK



India



# Type I Ecolabels



Institute of Environmental Technology and Industry of Korea, <http://el.keiti.re.kr/eng/foreign/foreign03.do>

# Eco-labels – Sri Lanka ?





# International SPP Experience



# Purpose of this Section

This section serves to provide information on SPP experience from selected Asian countries and to identify good organisational practices that can inspire development of the Sri Lankan organisational model for SPP

# Pioneering Countries

- Germany - 1980
- Denmark - 1994
- USA - 1994
- France - 1995
- UK - 1997
- Austria - 1997
- Sweden - 1998
- Japan – 2000 (Enactment of GP Law)
- India

# Product Groups

	CHINA	JAPAN	KOREA	THAILAND
TOTAL NUMBER	44	21	169	17
PRODUCT CATEGORIES COMMON TO THE FOUR COUNTRIES' GREEN PUBLIC PROCUREMENT PROGRAMMES				
OFFICE EQUIPMENT	✓	✓	✓	✓
PAPER	✓	✓	✓	✓
IT EQUIPMENT	✓	✓	✓	✓
HOUSEHOLD APPLIANCES	✓	✓	✓	✓
VEHICLES	✓	✓	✓	✓
FURNITURE	✓	✓	✓	✓
LIGHTING	✓	✓	✓	✓

	CHINA	JAPAN	KOREA	THAILAND
CAFETERIA SERVICES		✓		
CLEANING SERVICES				✓
CONFERENCE SERVICES				✓
FIRE EXTINGUISHERS		✓		
HOTELS			✓	✓
PASSENGER TRANSPORTATION		✓		
RECYCLED PAPER			✓	
RECYCLED PLASTIC PRODUCTS			✓	
RECYCLED FIBER			✓	
SOFTWARE	✓			
UNIFORMS		✓		
WINDOWS	✓			

# SPP Framework – Comparison

	Japan	Thailand	South Korea
GPP Law (start)	2001 (local gov. 1994)	2008	2005
Mandatory/ voluntary	Central government	Voluntary	Central government
Leadership	MoE	MoNRE	MoEP; MoF
Budget	200 T\$/year	No specific budget line	No specific budget line
Targets	None	Increase in GPP; # departments with GPP	None
Criteria setting basis	Ecolabels	Ecolabels	Ecolabels
Incentives – no sup- port to high prices	None	Reward for good GPP performance	Annual bonus for good GPP performance
Expenditure on GPP	No data	21 M\$	13 M\$
Results - Agencies report back annually	70 % agencies implement GPP	170 government institutions implement GPP	870 umbrella organisations implement GPP
Results, CO2	412,000 t/y	25,000 t/y	543,000 t/y
Expend. Green prod	n/a	16 M\$	2.2 B\$

# Success Factors for SPP

- \* Strong central government support
- \* Strategy – the steps forward
- \* Value for money – not the cheapest
- \* Ecolabelling schemes
- \* Guidelines and procedures – recognising national conditions
- \* Structure and capacity
- \* Monitoring systems
- \* Communication



# Challenges Encountered

- \* HIGHER COSTS, NO *TOTAL COST OF OWNERSHIP* VIEW
- \* LACK OF LEADERSHIP AND GOALS/TARGETS/STRATEGY
- \* LACK OF STAFF AWARENESS AND CAPACITY
- \* DECENTRALIZED AND FRAGMENTED PUBLIC PROCUREMENT
- \* LACK OF SUSTAINABLE PRODUCTS IN THE MARKETPLACE
- \* COMPLEX CRITERIA SETTING PROCESS
- \* VOLUNTARY SPP MODELS – WEAK IMPLEMENTATION
- \* NO ADEQUATE MONITORING AND EVALUATION



# Case – Construction; Egedal, Denmark

- \* Egedal Municipality is a member of the Danish Partnership for Green Public Procurement
- \* 700 flats in Egedal, 2016
- \* Requirement: 70 % less energy
- \* No PVC, no impregnated wood
  
- \* Results
  - *2 MWh/year*
  - *25 % water/year*
  - *58 tons PVC*
  - *200 tons impregnated wood*
  - *+ 50 \$/SQM ! – <2 years return!!*



# CASE – FRIDGES FOR UNIVERSITY

University of Copenhagen: *75% of all procurement should include sustainability considerations*

- \* Criteria: TCO, quality, technology, options for changes
- \* Minimum requirement on the final disposal of used fridges

## Results

- *50 % lower procurement price (due to large volume)*
- *30 % energy savings, 10,000 MWh/15 years*
- \* ***Economic and Environmental benefits***



# Case: Sustainable Procurement of Textiles

- \* Scandinavian Airlines procures working clothes for 2 M\$/year
- \* By thorough investigations: Reinforcement needed on knees and buttocks; pocket design should be changed; the textile should be prone for careful laundry

## Results

- \* 400 % longer lifetime for the cloth
- \* Significant environmental and economic benefits





# Pilot Products



# Pilot Product Selection

- \* Decide on system and procedure for criteria setting
- \* Re-visit Sri Lankan priorities for SPP
- \* Learn from other countries' criteria
- \* Consider Total cost of ownership (TCO)
- \* Carry out market dialogue
- \* Decide criteria for five product groups  
*(draft criteria in the present project)*
- \* Test on market and in procurement entities



# Pilot Products Proposed

- \* Select five product groups with significant PP volume - selection parameters:
  - Product areas where SPP is easy to implement or with 'quick wins'
  - Productive sectors of strategic importance
  - Product areas with significant environmental or societal potential gains
- \* It could be (draft proposal):
  - \* *Paint (local production, substantial consumption, lead free alternative)*
  - \* *Lighting (economic gains, easy solution, easy control)*
  - \* *Air-conditioners (huge energy consumption, easy criteria, quick wins)*
  - \* *Chicken (growing consumption, national production, public attention)*
  - \* *Liquid milk (growing consumption, domestic production, national interest)*

# Criteria for Pilot Products

Draft, initial criteria for the five product groups can be:

## ***Paint***

- \* *Year 1: Specify acceptable price premium for **lead free** paint*
- \* *From year 2: Only paint with no content of lead can be procured*

# Criteria for Pilot Products

## ***Lighting***

- \* *Minimum A+ for all light sources*
- \* *All procurement of lighting shall be based on calculation of Total Cost of Ownership covering the expected lifetime of the most durable lighting equipment offered*

## ***Air-conditioners***

- \* *Only dual-converter AC equipment can be procured*
- \* *All procurement of AC equipment shall be based on calculation of Total Cost of Ownership covering the expected lifetime of the most durable equipment offered*

# Criteria for Pilot Products

## *Chicken*

- \* *Use of antibiotics below the recommended level*

## *Liquid milk*

- \* *Fresh milk, not from reconstituted milk*
- \* *Use of chemicals below the recommended level - from milking to processing*

# Light Sources

## 3 Supplier: The product

Product name	Product 1	Product 2	Product 3	
Investment				
Price per light source	\$/light source	10	16	30
Operation	watt/hour	20	20	11
Light	hours	1500	5000	3000
Lifetime				

## 2 Procurer: The need

# light sources	number	100	80	90
Light value	Lumen	6	8	7
Use hours/day	hours	8	8	8
Use days/year	days	250	250	250
Price change bulbs	\$/change	30	30	30

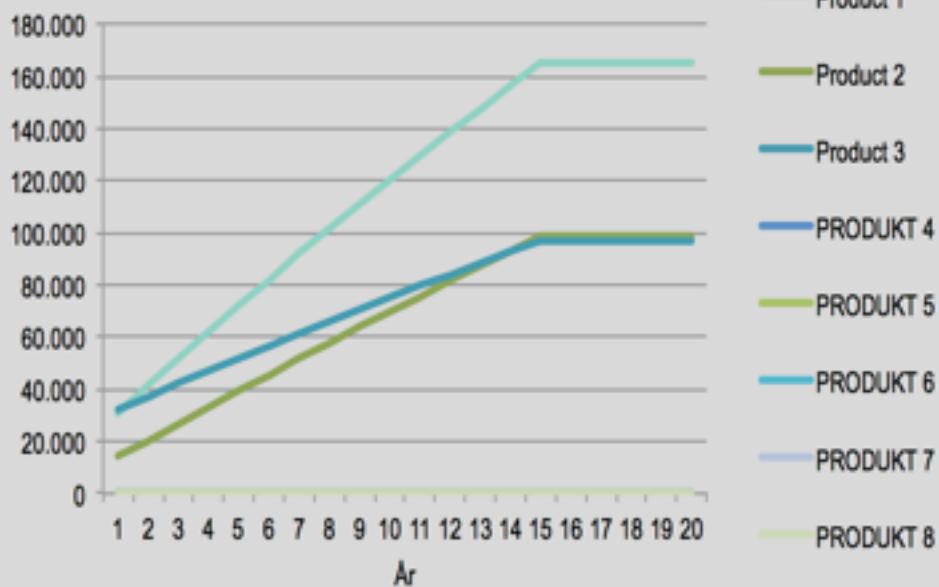
## Background data

Period	år	15	15	15
Electricity price	\$/kWh	1,80	1,80	1,80
Interest rate	%	4	4	4
Presumed annual increase in electricity price	%	3,58	3,58	3,58

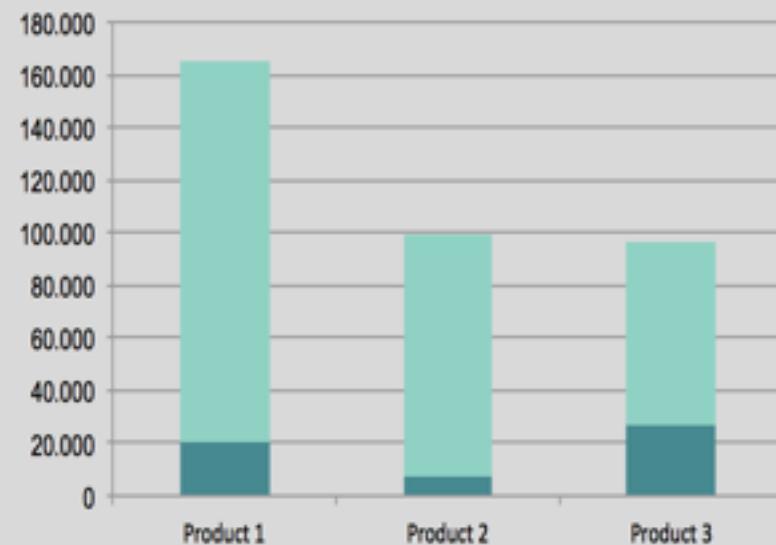
## Result

Investment	\$	20.000	7.680	27.000
Operational cost	\$	145.435	91.443	69.989
<b>TCO</b>	<b>\$</b>	<b><u>165.435</u></b>	<b><u>99.123</u></b>	<b><u>96.989</u></b>

Accumulated total costs



TCO for total period



[Print diagram](#)

[Print diagram](#)

Operational cost \$

Investment \$

	Paint (M)	Textile (apparel) (L)	Air-Conditioners (L)
<b>MINIMUM PERFORMANCE REQUIREMENTS</b>		<b>Durability:</b> Minimum number of washes.	<b>Purchased appliances must have a minimum energy efficiency ratio (EER) of 5.</b>
<b>HAZARDOUS SUBSTANCES</b>	<p><b>No heavy metals in the product.</b>  <b>Sum of mercury, lead, cadmium and hexavalent chromium under 0.1% (1,000 ppm).</b></p> <p><b>Maximum levels of VOC:</b></p> <ul style="list-style-type: none"> <li>Emulsion paint: &lt;50g/l</li> <li>Other water-based varnish: &lt;100g/l</li> <li>Solvent-based paint and varnish: &lt;300g/l</li> </ul> <p><b>Other requirements:</b></p> <ul style="list-style-type: none"> <li>Aromatic hydrocarbons: &lt;0.1% of weight</li> <li>Formaldehyde: 10 mg/kg.</li> <li>No Halogenated Hydrocarbons may be used in the product.</li> </ul> <p><b>Packaging material:</b> No lead.</p>	<p><b>Restrictions on the types and amounts used in the product of:</b></p> <ul style="list-style-type: none"> <li>Pesticides: In cotton or other natural cellulosic fibre</li> <li>Dyes</li> <li>Acrylamines (carcinogens)</li> <li>Flame retardants</li> <li>Pentachlorophenol: In cotton or other natural cellulosic fibre</li> <li>Phthalate softeners: In direct contact with skin</li> <li>Formaldehyde: Both in direct contact with skin and other products</li> <li>Heavy metals</li> </ul>	<p><b>Maximum levels according to the EU RoHS Directive and other RoHS laws worldwide:</b></p> <ul style="list-style-type: none"> <li>Lead (Pb): &lt;1000 ppm</li> <li>Mercury (Hg): &lt;100 ppm</li> <li>Cadmium (Cd): &lt;100 ppm</li> <li>Hexavalent chromium (Cr VI): &lt;1000 ppm</li> <li>Polybrominated Biphenyls (PBB): &lt;1000 ppm</li> <li>Polybrominated Diphenyl Ethers (PBDE): &lt;1000 ppm</li> </ul>
<b>OTHER MATERIAL REQUIREMENTS</b>		<p><b>Organically produced textile fibres:</b> Indication on proportion of natural fibres deriving from organic production.</p> <p><b>Recycled fibres:</b> Indication on the proportion of the product made of recycled cuttings from textile and clothing manufacturers or from post-consumer waste (textile or otherwise).</p>	<p><b>Plastic:</b> Casing /components must not contain parts made from substances classified as carcinogenic, mutagenic or reprotoxic. These parts must also not be made from persistent, bio accumulative or toxic (PBT) substances.</p> <p><b>Packaging:</b> At least 50% post-consumer recycled material.</p>



# Paints Under SPP



IMPACT SHEET • SWITCH-ASIA PROJECT  
LEAD PAINT ELIMINATIONMarket leaders eliminate lead paint  
in seven Asian countries

Three year campaign resulted in lead paint regulations and the world's first, independent lead paint certification programme



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## The Challenge



Lead is a toxic metal, which is why it is banned for use in paints in Europe, the U.S. and Australia. Lead is especially harmful to children as it interferes with the developing brain and for example causes lower IQ, attention deficiency, poor impulse control and aggressive behaviour even at very low exposures. The World Health Organisation (WHO) has stated that there is no safe level of childhood lead exposure. However, in developing countries, lead is still used in paints as pigments and drying agents, and when these paints are then used in homes and schools, lead contaminates the household dust and is ingested by children through hand to mouth contact. The damage caused during development is irreversible, but entirely preventable. The challenge for this project was to achieve a switch to lead-free paints in Bangladesh, India, Indonesia, Nepal, Philippines, Sri Lanka, and Thailand.

## Activities / Strategy



## Increasing Public Awareness

There was very low public awareness in the project countries about the hazards of lead, especially to children's health, and the common use of lead in household paints. Through a public awareness and information campaign, consumers were empowered to make informed decisions and put pressure on paint manufacturers and policy makers to make the necessary changes to eliminate decorative lead paints.



## Creating Certification and Labelling Programmes

At the start of the project no third-party certification existed in Asia aimed at protecting against lead, and to establish this required a carefully prepared design to ensure credibility. The project started by engaging stakeholders, such as paint manufacturers and their associations, in discussions aimed at developing terms of a third-party certification programme. This programme was operational at the end of the project with participating paint brands on the market in the seven countries.



## Providing Capacity Building for SME Paint Manufacturers

Many small and medium-sized manufacturers lack access to lead-free raw materials at a competitive price and the necessary information to reformulate their products effectively. Therefore, the project partners engaged SME paint manufacturers in discussions on the hurdles that they needed to overcome to remove lead from their production. National strategies were then developed on how to address the concerns in the different project countries, as well as common issues for all SME manufacturers interviewed.

## Objective

The project aimed to reduce childhood lead poisoning by working to eliminate lead decorative paints in the seven participating countries. This will lead to improved school performance, which in turn will help to battle poverty. In addition, this project helped reduce trade barriers for small and medium-sized paint manufacturers.



In order to make as large an impact as possible, the project targeted the following groups:

- Civil society, by public awareness campaigns on the hazards of lead for children, and information about the lead content of common household paints;
- The industry, by promoting certification of lead-free paints, and support to SMEs to adapt to changing public demand and regulatory pressure by switching to safer alternatives;
- The government, by initiating dialogues promoting effective and enforced legislation on the maximum allowed lead content of household paint.



Checking lead content of paints

# Possible Approaches to Procure GREEN Paint

- ❖ Paint contains health hazardous chemicals; **Lead, Cadmium, etc.**
- ❖ SLS Standards (533 - emulsion paint for interior use; 557 emulsion paint for exterior use)
- ❖ Minimum Lead content specified as – 90 ppm

# Approach

2017 - minimum Lead content 90 ppm

????? – Grace period ?

2020 – Zero Lead content ?

# Implementation Strategy

Specifying SLS requirement of maximum 90 ppm  
(2017)

How to encourage suppliers?

Specification – Zero content  
(2020 ?)

# How to encourage suppliers ?

90 ppm → 0 ppm

- ❖ Rebait for having lesser content
- ❖ X% over the price of others

Percentage	10.0%	9.0%	8.0%	6.5%	5.0%	3.5%	2.0%	1.0%	0.5%	0.0%
ppm level	80 to 90	70 to 80	60 to 70	50 to 60	40 to 50	30 to 40	20 to 30	10 to 20	>0 to 10	0



# Example of Product Guideline / Criteria / Specifications



# SPP Guidelines for Computers

- Minimum **power consumption** during operation and standby mode
- Capacity for **upgrading** and expanding functions in order to make long-term use feasible
- Full **maintenance** service provided by the manufacturer
- Designed to facilitate **recycling** and **re-use** of component parts
- The manufacturer promotes the re-use of its own product after initial sale and usage, and endeavours to increase the recycling ratio of materials that cannot be re-used
- Made with a large amount of **recycled materials**
- Does not contain **hazardous** substances such as Lead, Mercury, Cadmium, Hexavalent Chromium compounds, or specific Bromine-based flame-retardants to the utmost extent possible
- When packaged with an in-house **user manual**, the manual is made and printed with consideration for the environment



# Procurement Process



# Defining the Need & Planning

- \* Defining the subject-matter of a contract
- \* A thorough needs analysis involving the relevant stakeholders will help to define the scope for greening the contract – as well as avoiding unnecessary purchases
- \* Environmental performance levels and particular materials and production methods may be specified, if relevant
- \* Specifications / Technical standards / Labels can relate to any stage of the life-cycle, e.g. raw material extraction, processing, packaging, delivery, use phase or disposal
- \* Alternate bids can assist in finding the most economically advantageous bid which also delivers high environmental performance

# Selecting & Excluding of Bidders

- \* It is possible to **exclude** companies that have **breached environmental law** or have other serious defects in their environmental performance, although they must also be given the opportunity to 'self-clean' and **cannot be excluded for more than three years** on this basis
- \* The past experience of a company and the professional qualifications of its personnel can be assessed with a view to environmental considerations

# Awarding a Contract

- ❖ Environmental award criteria should be linked to the subject-matter of the contract
- ❖ Do not confer an unrestricted freedom of choice on the contracting authority
- ❖ Ensure the possibility of effective competition
- ❖ Criteria are expressly mentioned in the contract notice and bidding documents, together with their weightings and any applicable sub-criteria
- ❖ Allocate points during the award stage to recognize environmental performance beyond the minimum requirements set in the specifications
- ❖ Adopting a life-cycle costing approach reveals the true costs of a contract
- ❖ Considering energy and water consumption, maintenance and disposal costs in the evaluation may indicate that the greener option is also the cheaper option over the full life-cycle
- ❖ Labels and other forms of third-party evidence can help to assess how well a contract performs against the chosen award criteria

# Compliance Monitoring

- \* Administering the contract
- \* Compliance Monitoring of the effectiveness by a third party
- \* Collection of procurement data



# Way Forward





# Introducing SPP in Sri Lanka

## Draft SPP Strategy



# Suggested Sri Lankan SPP Policy targets

- A. Clarified scope, structure and responsibilities, 2018
- B. Clear SPP guidelines with stepwise how-to-do, 2018
- C. System for SPP criteria and five product criteria, 2018
- D. Capacity created in key institutions, 2019
- E. Pilot SPP exercises, 2019
- F. Monitoring system for SPP, 2020
- G. New Action plan for SPP, 2020





# Challenges



# Challenges in Developing & Implementing SPP

- \* Scope of SPP
- \* Policy, Legislation / Regulation / Guidelines
- \* Capacities of the Government & the Vendors
- \* Certification / Verification
- \* Avoiding unfair markets
- \* Life Cycle Analysis (LCA) & Life Cycle Costing (LCC)
- \* Government Cooperation



# Conclusion



# Conclusion

- ❖ Implementation of SPP takes time and is a tall order
- ❖ There are huge environmental benefits to be achieved
- ❖ Also significant economic and societal benefits
- ❖ Implement gradually – test and learn
- ❖ Accept the *good alternative* – which is not an enemy of the *best*



# Further Reading

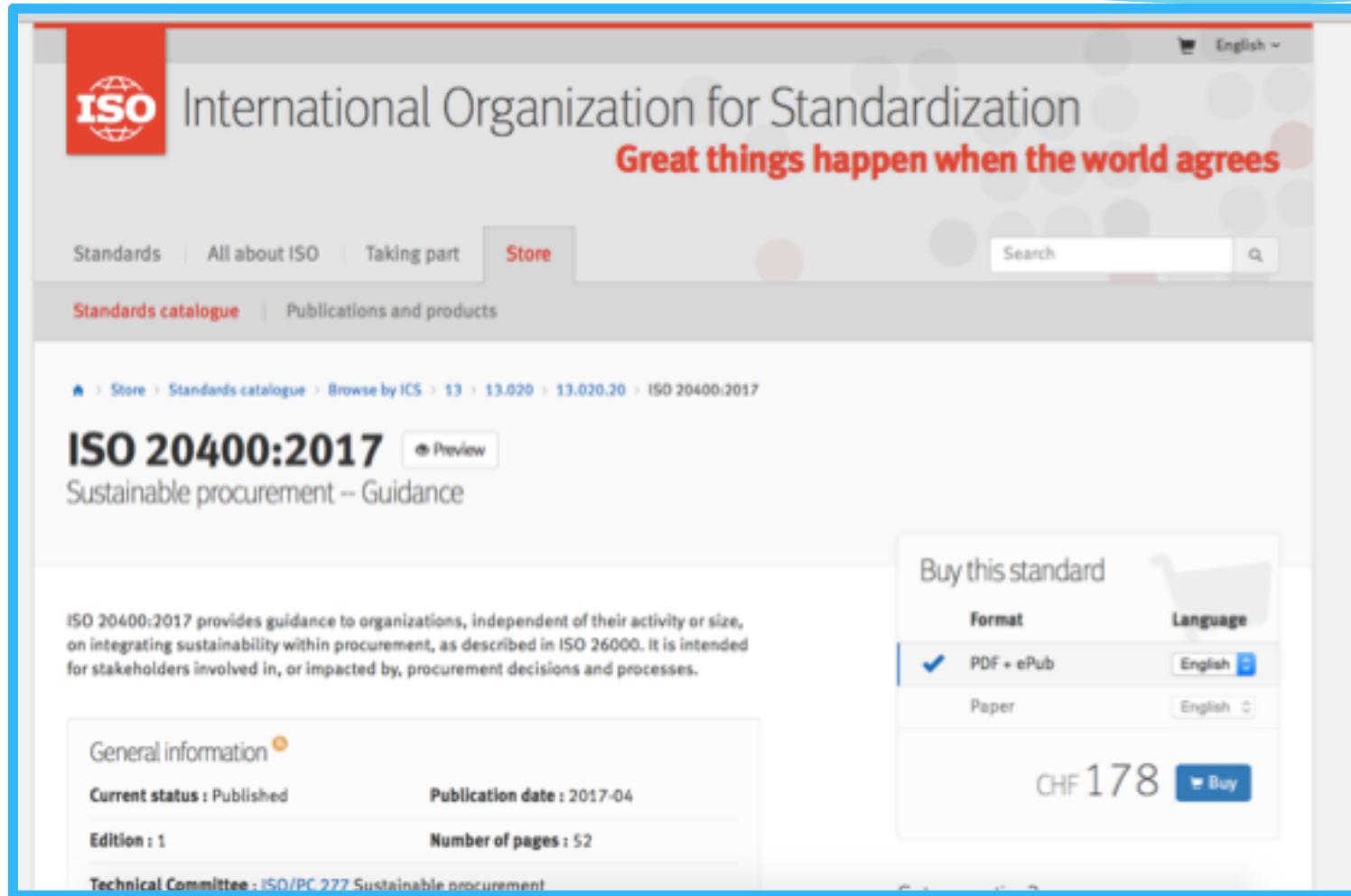


# Further Readings

## Acknowledgement: UNEP Resource Efficiency- Sustainable Consumption and Production

1. Introduction to Sustainable Consumption and Production in Asia E-Learning Course <http://www.switch-asia.eu/events/e-learning-course-introduction-to-scp-in-asia/>
2. Balancing social, environmental and economic considerations in procurement [https://www.ungm.org/Areas/Public/Downloads/2012\\_Annual\\_Statistical\\_Report\\_supplement.pdf](https://www.ungm.org/Areas/Public/Downloads/2012_Annual_Statistical_Report_supplement.pdf)
3. Buying a better world: sustainable public procurement <https://www.forumforthefuture.org/sites/.../buving-better-world.pdf>
4. Public Procurement as a tool for promoting more Sustainable Consumption and Production patterns [http://esa.un.org/marrakechprocess/pdf/InnovationBriefs\\_no5.pdf](http://esa.un.org/marrakechprocess/pdf/InnovationBriefs_no5.pdf)
5. Good Practice in Socially Responsible Public Procurement Approaches to Verification from across Europe [www.landmark-project.eu/.../LANDMARK-good\\_practices\\_FINAL.pdf](http://www.landmark-project.eu/.../LANDMARK-good_practices_FINAL.pdf)
6. The EU's commitment to sustainable development. Time to progress from Green Public Procurement to Sustainable Public Procurement? <http://www.clientearth.org/reports/public-procurement-progressing-from-gpp-to-spp.pdf>
7. The Case for Pursuing Sustainable Public Procurement in Lower Income Countries [www.iisd.org/pdf/2014/spp\\_lower\\_income\\_countries.pdf](http://www.iisd.org/pdf/2014/spp_lower_income_countries.pdf)
8. Sustainable Public Procurement: A Global Review. Final Report [http://www.unep.org/resourceefficiency/Portals/24147/SPP\\_Full\\_Report\\_Dec2013\\_v2%20NEW%20\(2\).pdf](http://www.unep.org/resourceefficiency/Portals/24147/SPP_Full_Report_Dec2013_v2%20NEW%20(2).pdf)

# Further Readings



The screenshot shows the ISO website's storefront. At the top, the ISO logo and the text "International Organization for Standardization" are visible, along with the tagline "Great things happen when the world agrees". The navigation menu includes "Standards", "All about ISO", "Taking part", and "Store", with "Store" being the active tab. A search bar is also present. Below the menu, there are links for "Standards catalogue" and "Publications and products". The breadcrumb navigation shows the path: Home > Store > Standards catalogue > Browse by ICS > 13 > 13.020 > 13.020.20 > ISO 20400:2017. The main content area displays the title "ISO 20400:2017" and the subtitle "Sustainable procurement – Guidance". A brief description states: "ISO 20400:2017 provides guidance to organizations, independent of their activity or size, on integrating sustainability within procurement, as described in ISO 26000. It is intended for stakeholders involved in, or impacted by, procurement decisions and processes." Below this, a "General information" section provides details: Current status: Published, Publication date: 2017-04, Edition: 1, Number of pages: 52, and Technical Committee: ISO/PC 227 Sustainable procurement. To the right, a "Buy this standard" box offers "Format: PDF + ePUB" (checked) and "Language: English". The price is listed as CHF 178, with a "Buy" button. The footer of the page includes a "Cart" icon and a "Compare" link.



# Group Exercise



# Group Exercise

1. List down product / service portfolio separately
2. Do the initial screen
3. Decide criteria for **Green** screening
4. Do the **Green** screen (Adopt your own system)
5. Assess the information availability
6. Prioritize & shortlist products / services
7. Develop product / service criteria / specifications / guidelines for 1 product



# **Questions Clarifications Reflections Comments & Suggestions**