GGGI

ASIA LOW CARBON BUILDINGS TRANSITION PROJECT

Life Cycle Assessment for Transitioning to a Low-Carbon Economy | PROJECT

4.3 Sustainable Public Procurement

November 2024

ASEAN CENTRE FOR ENERGY ACE

EESL

HEAT

Supported by:

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IKI INTERNATIONAL CLIMATE INITIATIVE

on the basis of a decision by the German Bundestag

WHAT WILL YOU LEARN?

01 Need for sustainable public procurement guidelines

02 Understanding standards, labels, certifications and environmental product declarations for sustainable equipment, appliances, building materials, etc.

03 Progress of sustainable procurement activities in ALCBT partner countries

SUSTAINABILITY

Four pillars of sustainability

ENVIRONMENTAL

- Environmental resource management
- Urban planning
- CO_2 reduction
- Alternative energies
- Water management
- Sustainable agriculture
- Marine resources management
- Protection of ecosystems
- Pollution and waste management
- Clean drinking water

SOCIAL

- Human rights
- Ethical supply chain
- Cultural and indigenous empowerment
- Food security
- Fair pay and labor law protections
- Local skills and employability development
- Anti-child labor and forced labor laws
- Fair trade
- Health and safety
- Gender equality including universal education, women-owned business
- Child mortality and maternal health
- Healthy lives and well-being for all

ECONOMIC

- Economic regeneration
- Sustainable economic development
- Emerging markets
- Development of small and medium-sized enterprises
- Total cost of ownership and life cycle costing
- Value for money
- Supply chain capacity development
- Poverty reduction

INSTITUTIONAL

- Business ethics
- Sustainable institutional development
- Governance and management
- Quality of teaching and learning
- Relations with the community
- Equality
- Encouraging strengthening systems
- Organization for Economic Co-operation and Development (OECD) MAPS assessment
- MAPS – sustainable public procurement module
- Use of country systems
- Policies and targets

Source: Asian Development Bank, 2021

SUSTAINABLE PROCUREMENT

United Nations sustainable procurement indicators

For a tender to qualify as sustainable procurement, it must meet the requirement of at least one indicator in each of the three pillars: environmental, social and economic

Pillar		Sustainable procurement Indicator	Examples of tender requirement
Environment 	1	Environment	Environmental management system, corporate environmental policy, waste management, policy on hazardous materials and chemicals
	2	Sustainable resource use	Ecolabels, circular design, energy-saving recycling, bulk packaging
	3	Climate change mitigation and adaptation	Energy efficiency, renewable energy purchasing, greenhouse gas reporting, offsetting, clean transportation and logistics, resilient infrastructure
	4	Protection of the environment, biodiversity and restoration of natural habitats	Ecolabels, sustainable or organic agriculture, forestry, fishing
Social 	5	Human rights and labor issues	Universal Declaration of Human Rights, International Labour Organization core conventions, freedom of association and collective bargaining, elimination of child and forced labor and discrimination at work, health and safety, fairly-traded goods
	6	Inclusion of persons with disability	Inclusion of disadvantaged groups such as persons with disabilities, inclusiveness and accessibility considerations in design, disability-inclusive suppliers

Source: Asian Development Bank, 2021

SUSTAINABLE PROCUREMENT

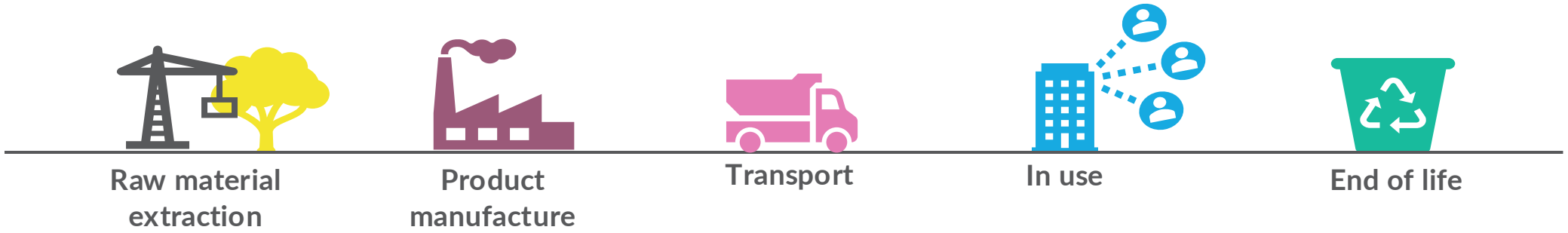
United Nations sustainable procurement indicators (continued)

Pillar		Sustainable procurement Indicator	Examples of Tender Requirement
Economy 	7	Gender equality and women`s empowerment	Gender mainstreaming, reserved procurement for women-owned businesses
	8	Social health and well-being	Avoidance of hazardous chemicals, labeling of chemicals
	9	Whole life cycle cost	Total cost of ownership, life cycle costing
	10	Local communities and small and medium-sized enterprises	Reserved labor for local communities, local materials and services, local micro, small and medium-sized enterprises
The following two indicators only serve for informational purposes and do not factor toward the classification of a sustainable procurement tender			
General 	11	Promoting sustainability throughout the supply chain	Extend sustainability requirements to tier-2 suppliers, identify and approve primary subcontractors
	12	Global compact	Considerations promoting vendors' participation in the UN Global Compact
	13	Suppliers' monitoring and auditing	Contract conditions and/or key performance indicators that stipulate verification of suppliers' environmental and social claims through spot checks and audit provisions

Source: Asian Development Bank, 2021

PRODUCT LIFE CYCLE

Five stages in the life of a product



- Every product consumes energy and water, and generates solid, liquid and/or gaseous waste products during the process of raw material extraction, product manufacturing, transportation, product utilization, and finally, during disposal of product at the end of its life, thus impacting the environment
- Preferring products with minimal impact on the environment is the way forward for sustainable development. This implies using products that consume less virgin raw materials, less energy and less water, and generate less solid, liquid and gaseous waste products during manufacturing; less carbon emissions during transportation and product distribution; less energy and water demand during utilization of the product; and finally, have minimal environmental impact during disposal at the end of its life – ideally the products should be reusable or recyclable

Source: Asian Development Bank, 2021

PUBLIC PROCUREMENT

Traditional procurement

1. Procuring agency defines specifications and requirements → 2. Tender is floated and bids are received → 3. Technical evaluation based on specifications → 4. Financial evaluation (selection based on initial cost)

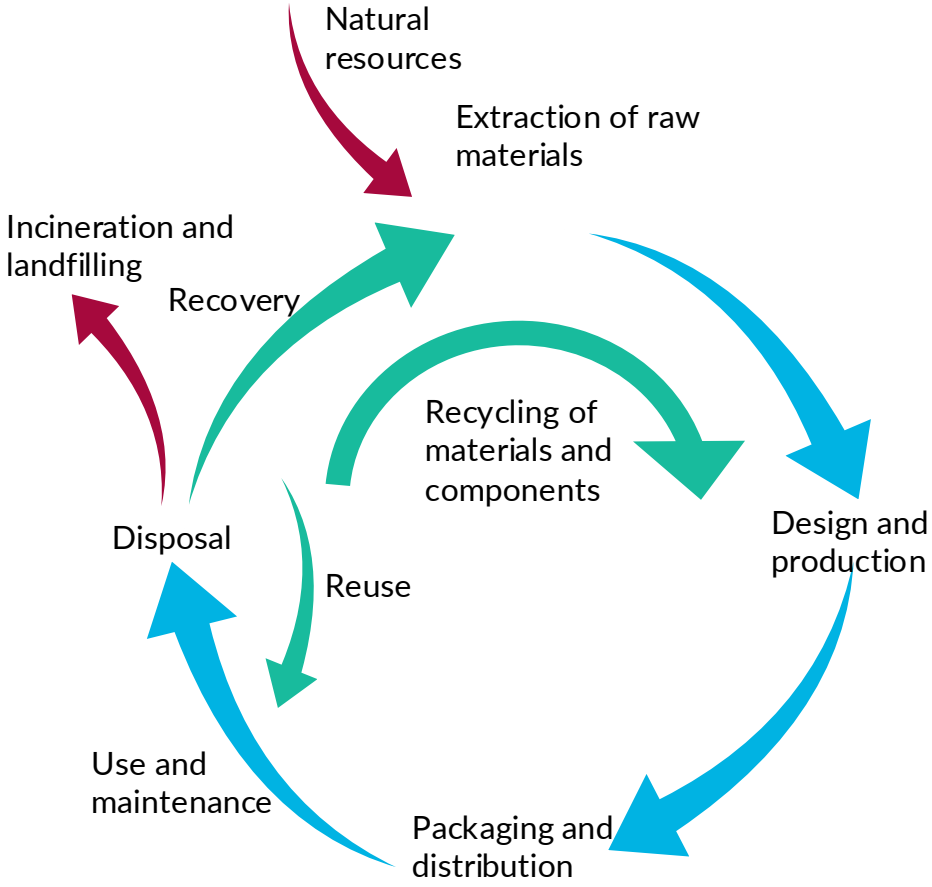
Traditional procurement has typically focused on cost and efficiency considerations. It does not usually factor in environmental, social, economic and institutional impact of the project, including the effects of the materials and processes used, on the community at large

Image source: https://sustainabledevelopment.in/wp-content/uploads/2020/06/1592393377Sustainable-Public-Procurement.pdf

SUSTAINABLE PUBLIC PROCUREMENT

Definition and implications

- Public procurement refers to the process by which public authorities, such as line ministries, departments and state-owned enterprises, purchase goods, works and services from the private sector
- Sustainable public procurement (SuPP) is a purchasing and investment process that considers the economic, environmental, social and institutional impacts of the entity's spending
- Procuring in a sustainable way involves looking beyond short-term needs and considering the longer-term impacts of each project and procurement. Organizations practicing SuPP meet their needs for goods, services, utilities and works not on a private cost–benefit analysis, but with a view to maximizing net benefits for themselves and the wider world
- SuPP allows governments to meet their needs for goods, services, utilities and works in a way that achieves value for money on a whole-life basis in terms of generating benefits not only for the organization, but also for the society and economy, while remaining within the carrying capacity of the environment



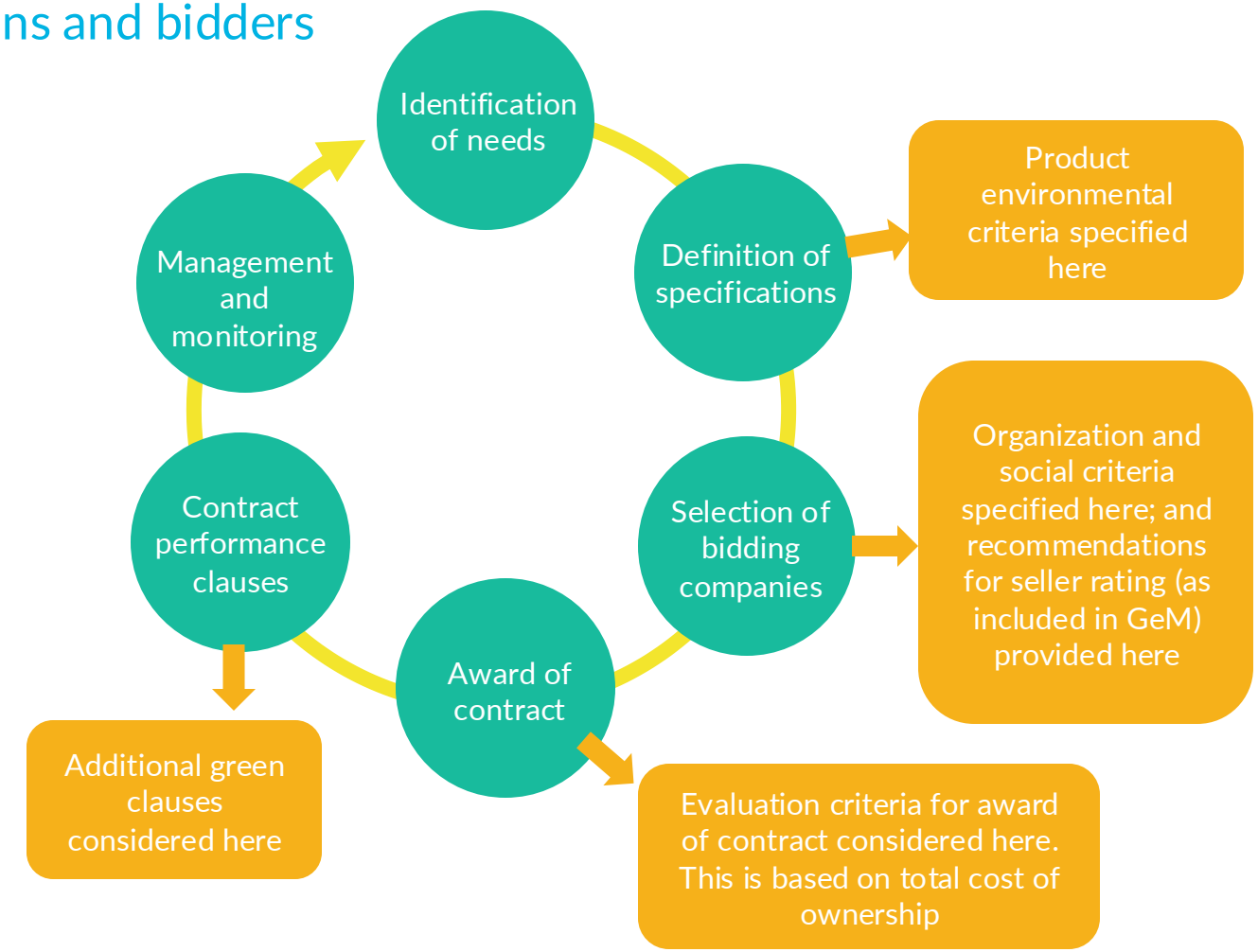
A typical product life cycle diagram

Sources: United Nations Environment Programme, 2021b; Asian Development Bank, 2021

SUSTAINABLE PUBLIC PROCUREMENT

Steps for critical assessment of solutions and bidders

- Assess the quality of proposed sustainable solutions
- Assess bidders' sustainability credentials and track records
- Assess and compare whole-life costs
- Select the most advantageous bid



Source: Asian Development Bank, 2021

Image source: https://sustainabledevelopment.in/wp-content/uploads/2020/06/1592393377Sustainable-Public-Procurement.pdf

SUSTAINABLE PUBLIC PROCUREMENT

Large canvas of benefits

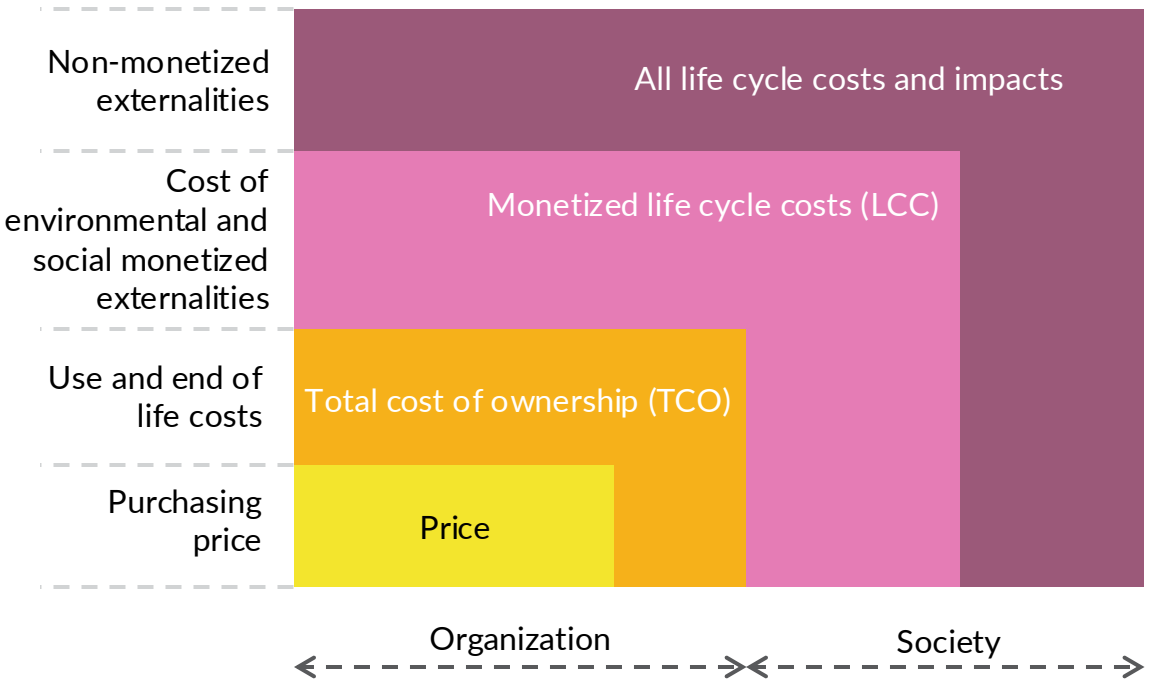
Countries making a commitment to invest their time, human and financial resources, and funding to SuPP implementation will have the opportunity to:

- Contribute to the delivery of the Sustainable Development Goals
- Contribute to national sustainable development objectives
- Improve environmental performance
- Contribute to a circular economy
- Deliver financial benefits
- Develop markets for more sustainable products and services
- Foster innovation
- Contribute to social equity
- Promote gender equality
- Bring political benefits

SUSTAINABLE PUBLIC PROCUREMENT

Life cycle assessment and life cycle costing

- Life cycle assessment (LCA) refers to the sustainability impacts during a life cycle that varies from product to product. A full assessment requires detailed data that is often not available
- Life cycle costing (LCC) is an economic assessment considering all agreed projected significant and relevant cost flows over a period of analysis expressed in monetary value. The projected costs are those needed to achieve defined levels of performance, including reliability, safety and availability
- LCC considers all the costs that will be incurred during the lifetime of the product, work or service. They include:
  - Purchase price and all associated costs (delivery, installation, insurance, etc.)
  - Operating costs, including energy, fuel and water use, spares, and maintenance
  - End-of-life costs (such as decommissioning or disposal) or residual value (i.e., revenue from the sale of a product)



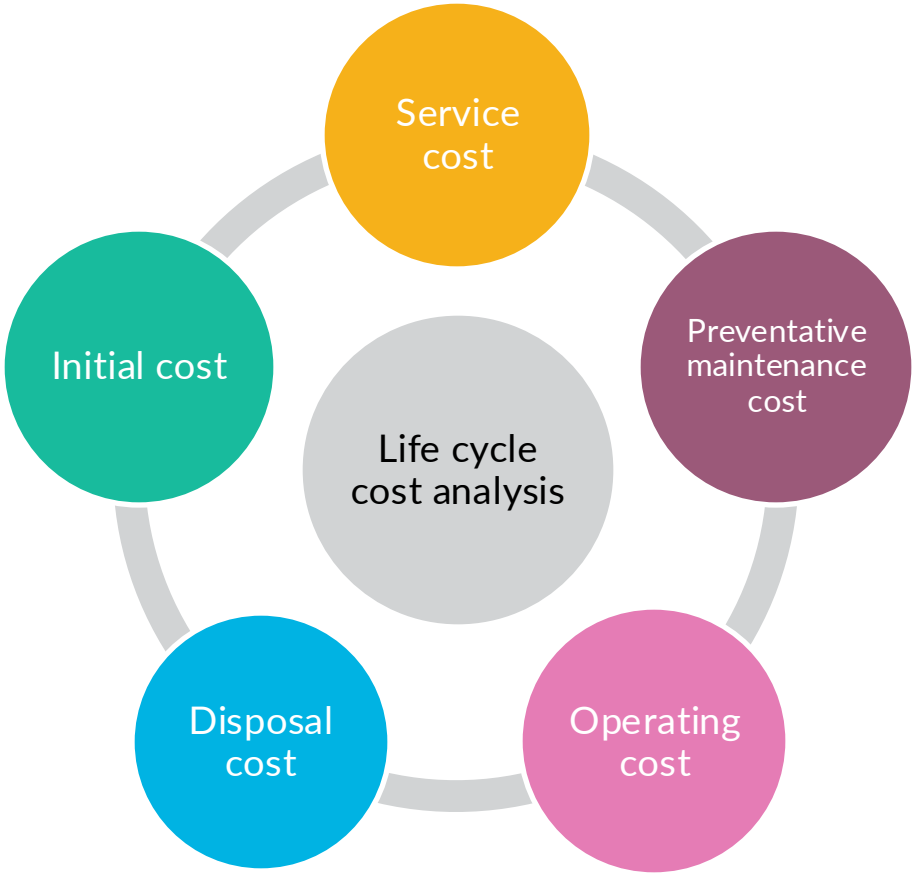
Source: United Nations Environment Programme, 2021b

Image source: UN Environment, ISO 20400

SUSTAINABLE PUBLIC PROCUREMENT

Life cycle costing

- LCC makes good sense regardless of a public authority's environmental objectives
- By applying LCC, public purchasers are accounting for the costs of resource use, maintenance and disposal, which are not reflected in the purchase price
- Often, this will lead to win-win situations whereby a greener product, work or service is also cheaper overall
- The main potentials for savings over the life cycle of a good, work or service are:
  - Savings on the use of energy, water and fuel
  - Savings on maintenance and replacement
  - Savings on disposal costs



Source: United Nations Environment Programme, 2021b

SUSTAINABLE PUBLIC PROCUREMENT

Financial benefits

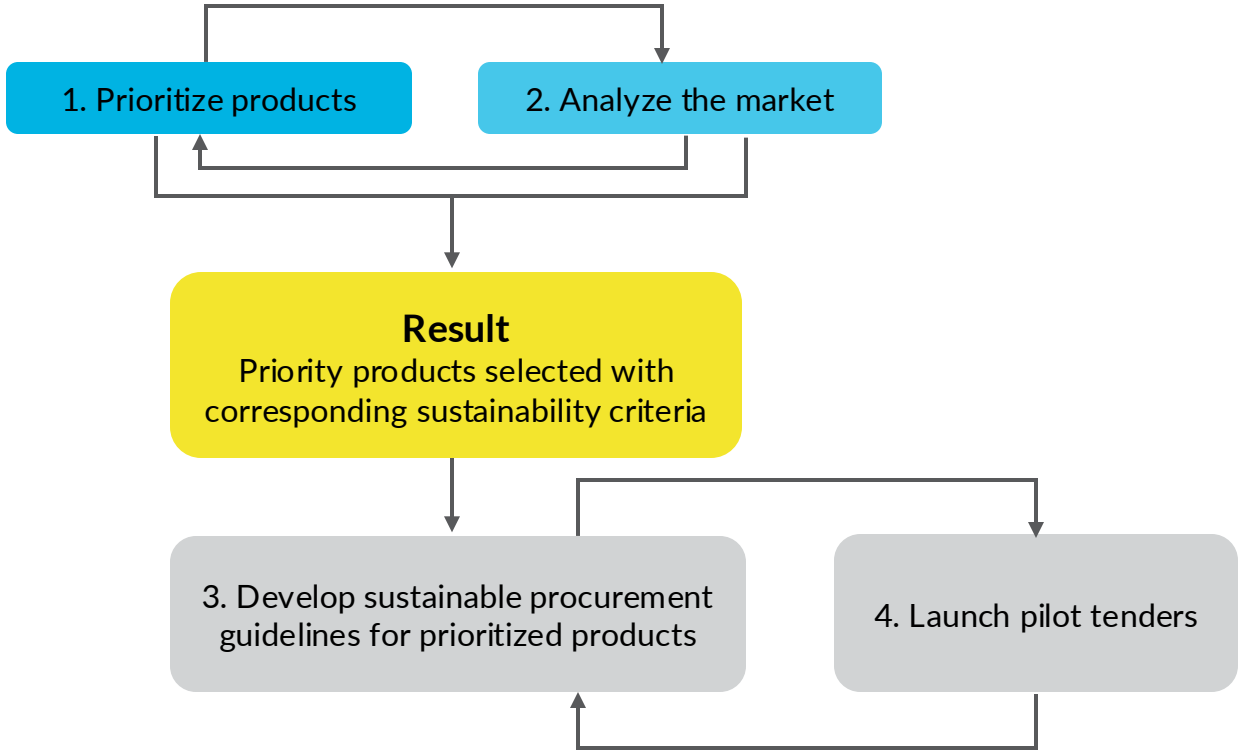
SuPP helps reduce total operating costs by procuring more efficient and sustainable goods, works or services that:

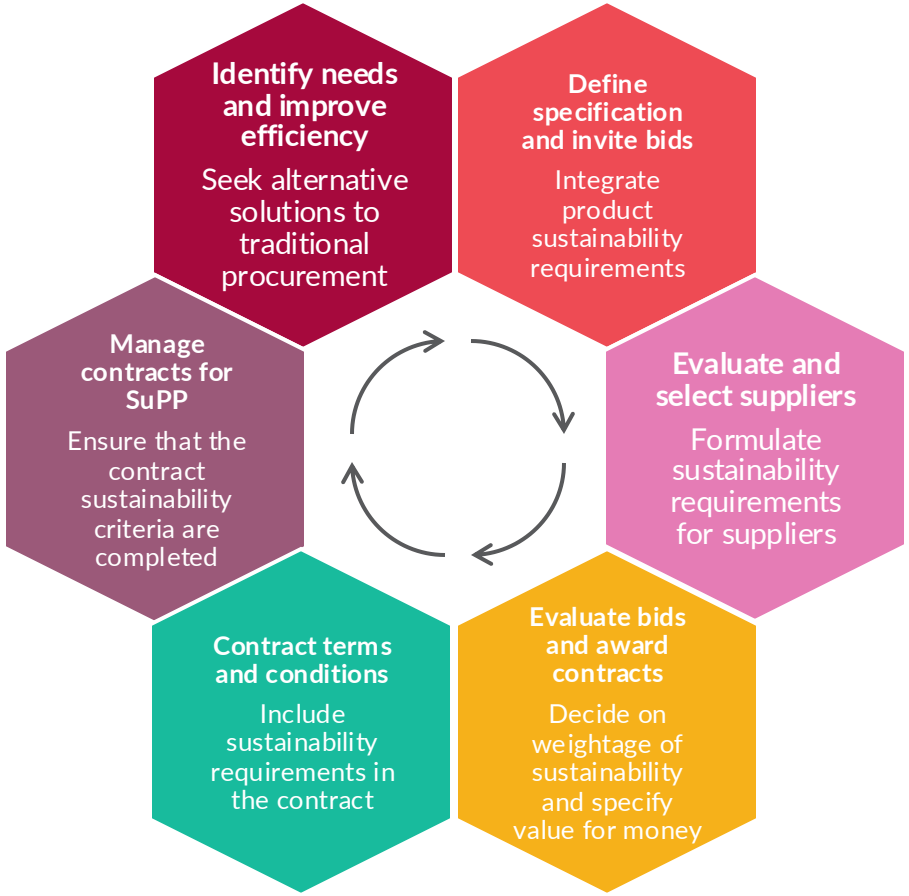
- Develop the market's capacities to deliver sustainable solutions
- Increase demand for sustainable solutions, which in turn increases market competitiveness
- Strive for innovative and more sustainable outcomes
- Lead to cost savings on a long-term basis by applying LCC and operation and maintenance considerations
- Minimize disposal costs and sustainable impacts of products at their end of life

Source: Asian Development Bank, 2021

SUSTAINABLE PUBLIC PROCUREMENT

Prioritizing products, investigating the market and developing guidelines

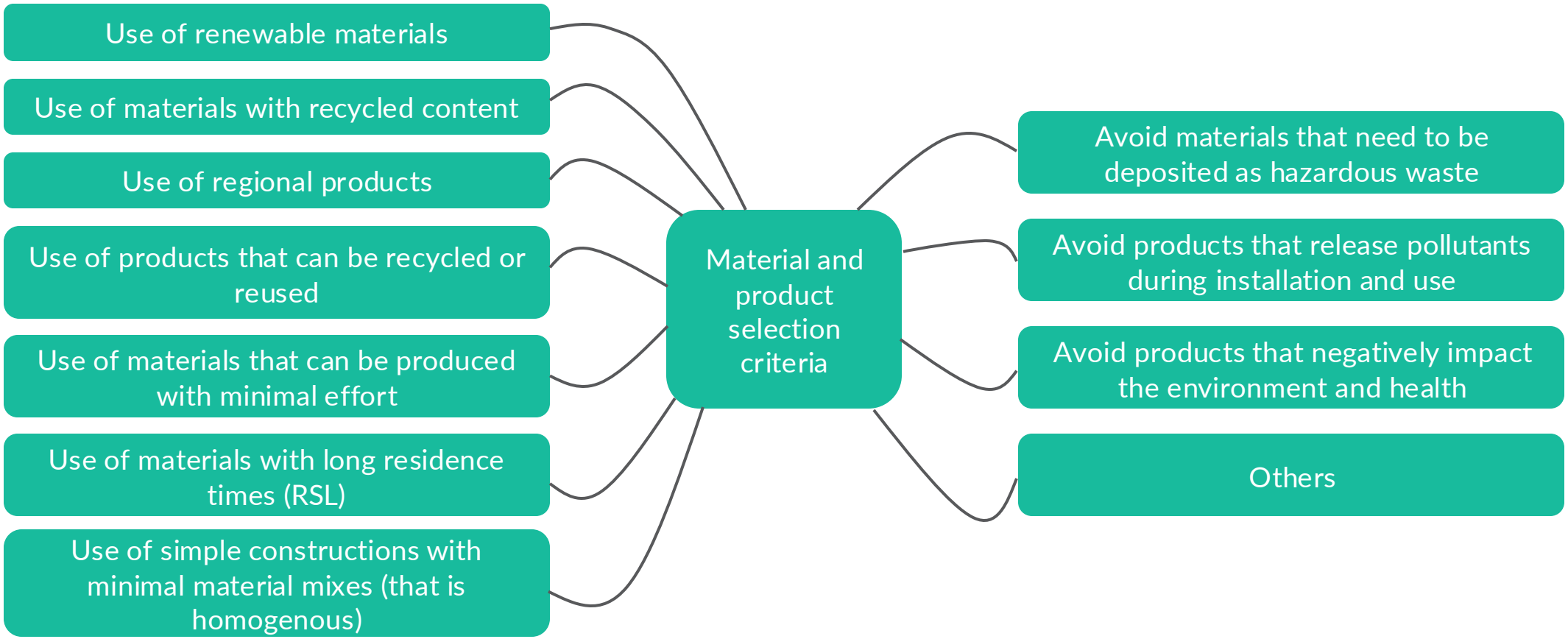




Source: United Nations Environment Programme, 2021b

BUILDING MATERIALS

Sustainability: Material and product selection criteria

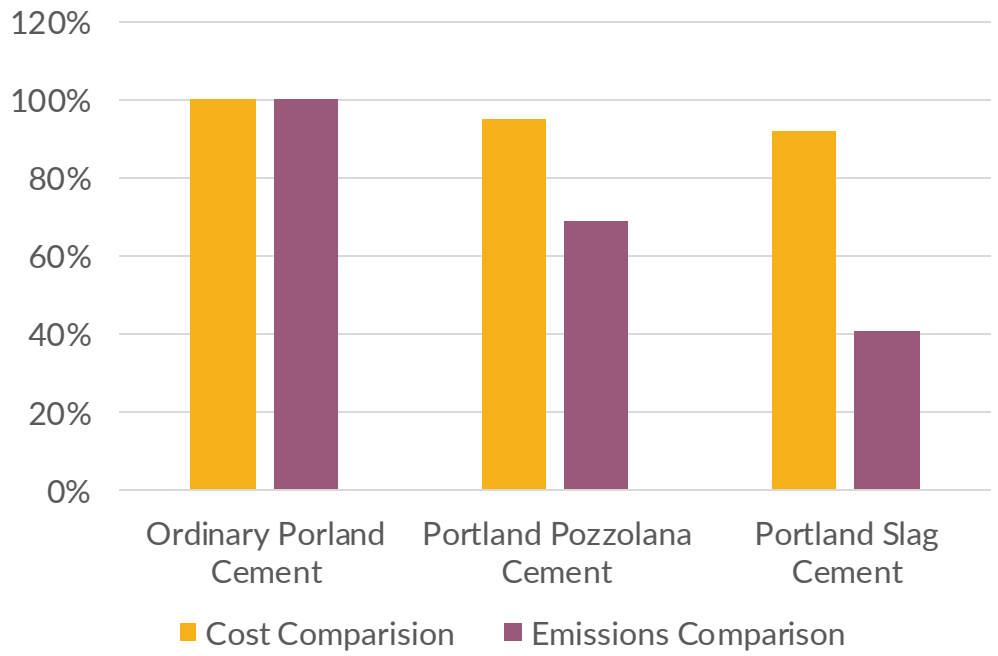


Source: SAICM Secretariat, 2023

CEMENT

Case example: India – Options, market penetration, emissions and comparative costs

Cement type	Description	Market penetration	Emissions intensity ($kgCO_2$/tonne)
Ordinary Portland Cement (OPC)	Regular cement made with a mix of clay or shale and limestone or chalk (to produce clinker) and gypsum	27%	740
Portland Pozzolana Cement (PPC)	Blended cement made with clinker mixed with fly ash	65%	511
Portland Slag Cement (PSC)	Blended cement made with clinker mixed with slag	7%	340



Sources: Global Cement and Concrete Association, 2022; Xynteo, 2024

GREEN PROCUREMENT INITIATIVES

International initiatives and benchmarks for green steel, cement and concrete

- The Industrial Deep Decarbonization Initiative (IDDI), an initiative under UNIDO, launched the Green Public Procurement Pledge in September 2022 to encourage governments to report environmental data and use low-emissions and near-zero emissions cement, concrete and steel in their construction projects. So far, nine countries have joined IDDI
- World Economic Forum's First Movers' Coalition (FMC), a public-private partnership launched in 2021, includes 65 global companies, which have committed to use their purchasing power to create markets in at least one of seven key sectors. So far, 18 companies have committed to the steel sector target. At COP27, the coalition launched cement and concrete as its latest sector with five companies as initial signatories
- The Climate Group's SteelZero and ConcreteZero initiatives are corporate partnerships with 25 and 22 companies, respectively that have committed to using net-zero steel and low- and net-zero emissions concrete. SteelZero, launched in 2020, is a partnership with ResponsibleSteel. ConcreteZero, launched in 2022, is a partnership with WBCSD and WorldGBC

Source: Gangotra et al., 2023

GREEN PROCUREMENT INITIATIVES

International initiatives and benchmarks for green steel, cement and concrete

Initiative/Policy	Type	Definitions and Benchmarks	Targeted Share of Purchases
FMC	Public-Private	Near zero emissions steel: 100–400 kg Co_2e/t Near zero emissions cement: 184kg CO_2/t Near zero emissions concrete: 70–144 kg CO_2/m^3	10% by 2030
IDDI	Public	Near zero emissions steel: 50–400 kg CO_2e/t Low emissions steel: 800–2,400 kg CO_2e/t Near zero emissions cement: 40–125 kg CO_2e/t Low emissions cement: 250–750 kg CO_2e/t	Signatories to decide
SteelZero	Private	Low emissions steel: 200–1,400 kg CO_2e/t Net zero steel: As close to zero as possible	50% low emissions by 2030 100% net zero by 2050
ConcreteZero	Private	Low embodied carbon concrete: 100–270 kg CO_2/m^3 Net zero concrete: As close to zero as possible with at least 90% mitigation	30% low carbon by 2025 50% low carbon by 2030 100% net zero by 2050
GSA Buy Clean	Public	Low embodied carbon concrete: 242–414 kg CO_2/m^3	100%
Buy Clean California Act	Public	Global warming potential limit for concrete reinforcing steel, hot-rolled steel, hollow structural steel, steel plate: 890–1,490 kg CO_2e/t	100%

Note: Range for steel, cement and concrete depends on scrap share, clinker ratio and concrete compressive strength, respectively

Source: Gangotra et al., 2023

SUSTAINABILITY STANDARDS AND LABELS

Internationally-recognized certifications

- ISO 14001 on Environmental Management Systems is the most common international standard providing assurances that environmental impacts are being measured and improved. More specific standards such as ISO 14020:2000 on Environmental Labels and Declarations, ISO 45001:2018 on Occupational Health and Safety Management, and ISO 20400:2017 on Sustainable Procurement establish guiding principles for the development and use of sustainable procurement practices and management
- SA800035 on Social Accountability from Social Accountability International and OHSAS 45001 on Occupational Health and Safety Management are increasingly being used for application of social sustainability criteria
- Other international sustainability standards and certifications include the Leadership in Energy and Environmental Design (LEED), Forest Stewardship Council (FSC) and the Marine Stewardship Council (MSC)
- The Global Ecolabelling Network (GEN) is a non-profit association for third-party environmental performance recognition and certification

Source: Asian Development Bank, 2021

SUSTAINABILITY

Ecolabeling: Industry standards and verification

Standard for Sustainable and Resilient Infrastructure

This is a global voluntary standard that integrates key criteria of resilience and sustainability into infrastructure development, taking into consideration governance, social and environmental factors. It is currently developed under International Social and Environmental Accreditation and Labelling (ISEAL) guidelines by the Swiss Global Infrastructure Basel Foundation (GIB) and the French bank Natixis. GIB and Natixis launched the SuRe standard on December 9, 2015

Health and Safety Management (OHSAS 18001)

OHSAS 18001 is one of the international standards for occupational health and safety management systems. It provides a framework for the effective management of occupational health and safety, including all aspects of risk management and legal compliance. It addresses occupational health and safety rather than any specific product safety matters

Environmental Management (ISO 14001)

ISO 14001 sets out the criteria for an environmental management system. It maps out a framework that a company or organization can follow to set up an effective environmental management system.
Designed for any type of organization regardless of its activity or sector, ISO 14001 can provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved

Eco-Management and Audit Scheme

This is a voluntary environmental management instrument, which was developed in 1993 by the European Commission. It enables organizations to assess, manage and continuously improve their environmental performance. The scheme is globally applicable and open to all types of private and public organizations. To register with EMAS, organizations must meet the requirements of the EU EMAS- Regulation. Currently, more than 4,600 organizations and more than 7,900 sites are EMAS-registered

Source: Asian Development Bank, 2021

ECOLABELING

ISO classification type I

Type I Ecolabels (ISO 14024:1999)

- Only independent and reliable labels that consider the life cycle impact of products and services are called ecolabels, even if this term is commonly used in a broad and not always correct way
- This type of ecolabel is the most useful for procurement professionals. The ecolabels are based on ambitious criteria of environmental quality, and they guarantee that the awarded products respect the highest environmental standard in that market segment. The criteria are usually developed through the involvement of a large number of stakeholders and awarded after an independent process of verification
- Ecolabels take into account all adverse environmental impacts of a product throughout its life cycle, including energy and water consumption, emissions and disposal

ISO type I ecolabels

Source: Asian Development Bank, 2021

Image source: https://dldxedu.com/education-tips/3-types-eco-labels-know/

ECOLABELING

ISO classification type II

Type II Ecolabels – Self-Declared Environmental Claims (ISO 14021:1999)

- Labels belonging to this group do not share some of the usual characteristics of environmental labels, the main difference being that they are not awarded by an independent authority. These labels are developed internally by companies and can take the form of a declaration or a logo referring to a company's product
- Companies have developed their own environmental label or claim as consumers and procurement professionals are increasingly attentive to the environmental impact of what they procure. Therefore, providing information on the environmental performance of products and services is becoming a commercially interesting option for many firms. The self-declaration that a company voluntarily makes refers to an environmental aspect of a product, to a component of the product, or to its packaging; and/or is made on the product, on product packaging, in product literature, or in advertisement
- This kind of producer declaration can provide useful information for procurers, if all green claims are accurate and true. If the information conveyed in claims is vague, misleading or inaccurate, the consequence can be loss of trust in claims and labels in general

ISO type II ecolabels

Source: Asian Development Bank, 2021

ECOLABELING

ISO classification type III

Type III Ecolabels – Environmental Impact Labels (ISO 14025:2006)

- Type III ecolabels consist of qualified product information based on life cycle impacts. Environmental parameters are fixed by a qualified third party and then companies compile environmental information into the reporting format, which is independently verified. The impacts are expressed in a way that makes it easy to compare different products and sets of parameters for public procurement purposes
- Type III ecolabels do not assess or weigh the environmental performance of the products they describe. This type of environmental labels only shows the objective data, and their evaluation is left to the procurer. Type III ecolabels require exhaustive life cycle data sheets called environmental product declarations

ISO type III ecolabels

Source: Asian Development Bank, 2021

ECOLABELING

ECO LABEL: Criteria for building material and product certification

- Raw material extraction
  - Extraction management (only for natural products)
  - Extraction management (for all hard coating products)
- Raw material selection (for all hard coating products)
  - Absence of risk phrases on raw materials
  - Limiting the presence of certain substances in additives (only for glazed tiles)
  - Limiting the presence of asbestos and polyester resins in materials
- Finishing operations (only for natural products)
- Production process (for processed products only)
  - Energy consumption
  - Water consumption and use
  - Emissions to air
  - Emissions to water
  - Cement

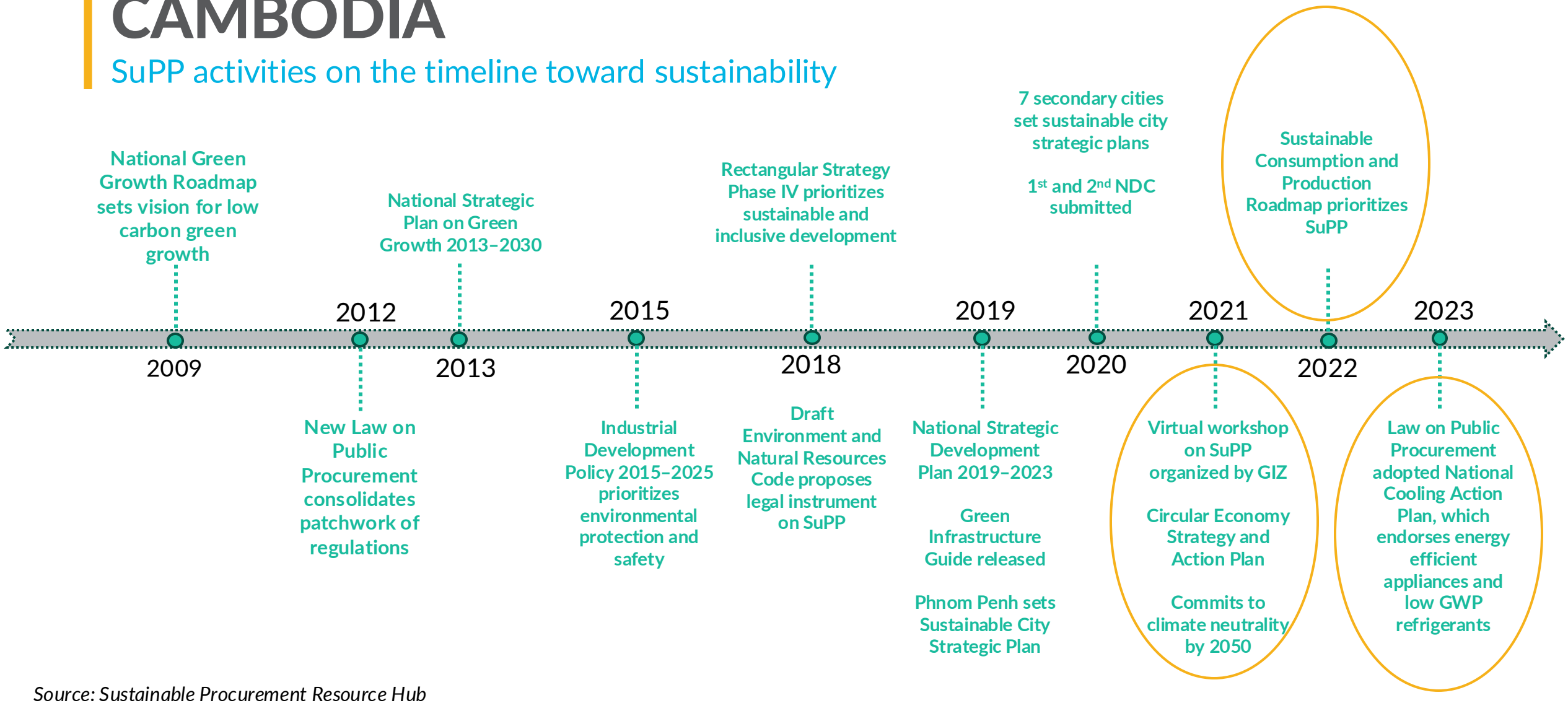
ECO LABEL certification from Ecological Certification Institute is based on ISO 14024 standard used in European Union countries, based on type 1 ecolabel. It is an optional environmental label, based on detailed life cycle analysis. Among the sectors available for certification, building construction materials is also included

- Waste management
  - Waste management (only for natural products)
  - Recycling of waste (only for processed products)
- Use phase
  - Release of hazardous substances (glazed tiles only)
- Packaging features
- Suitability for use
- Consumer information

Source: ECO LABEL

CAMBODIA

SuPP activities on the timeline toward sustainability



Source: Sustainable Procurement Resource Hub

CAMBODIA

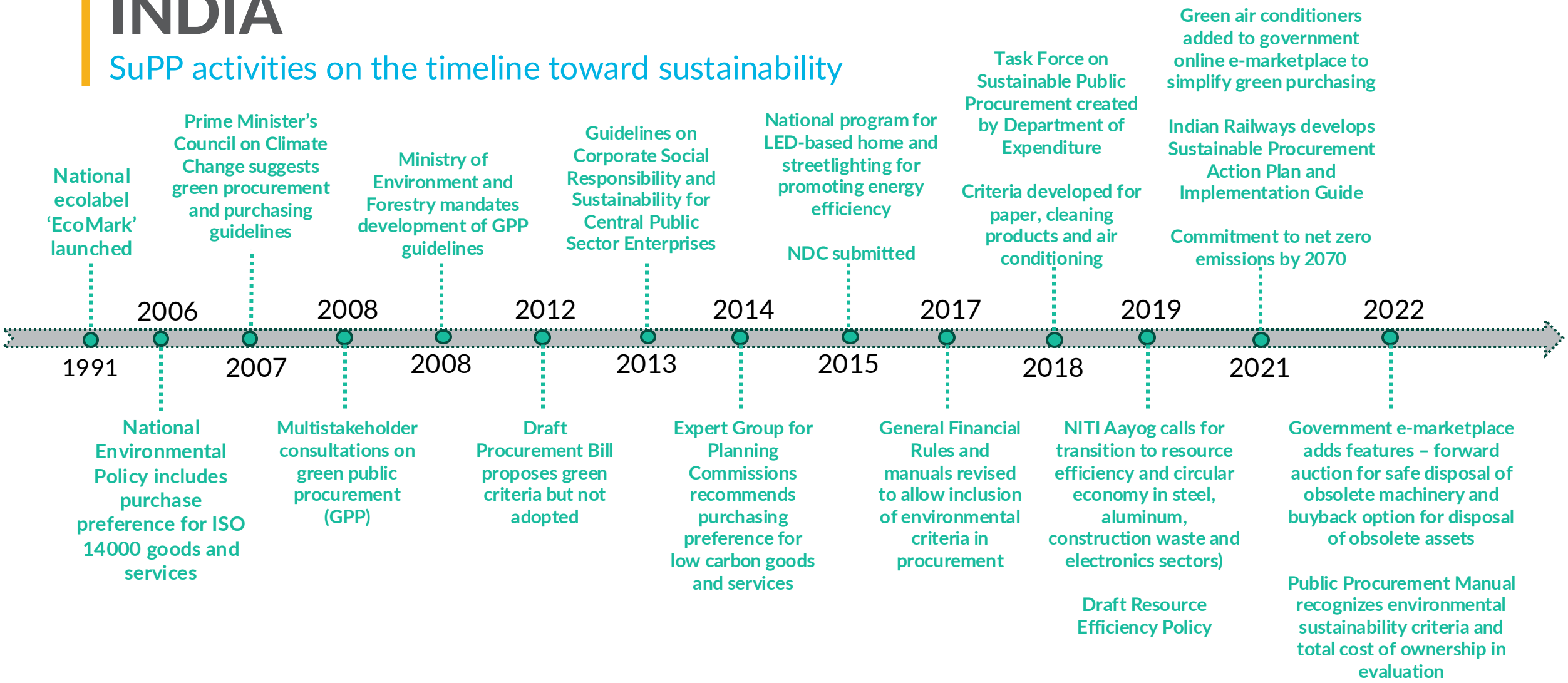
Progress on implementation of SuPP

- SuPP is recognized in Cambodia's Sustainable Consumption and Production Roadmap 2022–2035 as a key strategy to promote ‘sustainable investment’ - one of the roadmap's five key pillars. The roadmap calls for the set up of a sustainable (green) procurement standard under the National Council for Sustainable Development (NCSD) and Ministry of Economy and Finance, and design of environmental criteria and performance requirements for priority products and services
- A new Environment and Natural Resources Code has been adopted in May 2023, with a detailed section on ‘sustainable public procurement’. The code outlines a proposed mechanism for the design of green tenders that depends on the development of environmental standards and ecolabels. The NCSD is currently designing an ecolabeling program in Cambodia, in collaboration with relevant line ministries, with support from GIZ
- The NCSD is an interministerial body that is leading the implementation of SuPP in Cambodia. The adoption of the Public Procurement Law in May 2023, which includes provisions aligning public procurement with sustainable principles demonstrates Cambodia’s commitment to SuPP. However, results may only be visible after increasing awareness generation among stakeholders, ensuring effective cooperation between ministries and developing an e-procurement portal for greater transparency

Source: Sustainable Procurement Resource Hub

INDIA

SuPP activities on the timeline toward sustainability



Source: Sustainable Procurement Resource Hub

INDIA

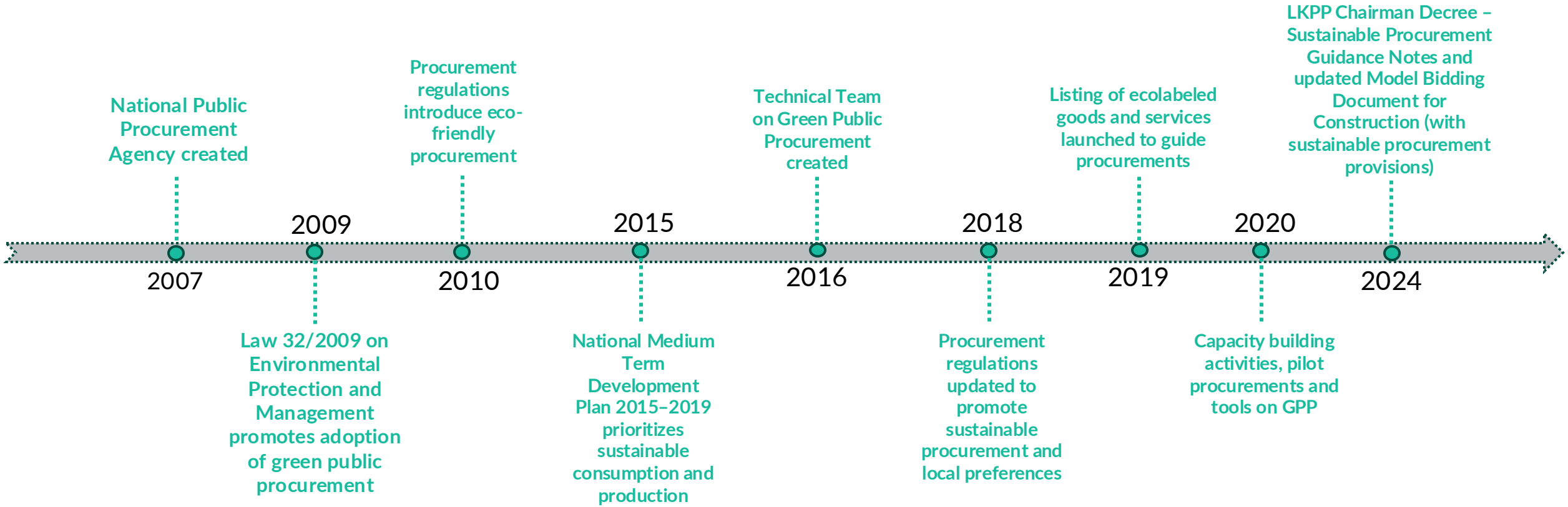
Progress on implementation of SuPP

- General Financial Rules and Manual opened the door for SuPP in the absence of procurement law reform
- Indian Railways and few other public agencies implemented SuPP over the past decade without central procurement support
- Task Force on Sustainable Public Procurement created in 2018 has seven priority spend categories to pilot SuPP implementation
- 2017 Public Procurement (Preference to Made in India) Order encourages inclusion of preferences in public procurements for domestic suppliers
- Government e-Marketplace includes sustainable products and services, making it simple for procuring entities to buy green and local. Presently, major building construction materials are not included
- GreenPro is a type 1 ecolabel for sustainable products, materials and technologies for the construction, operation and maintenance of buildings. Over 1,500 products have obtained GreenPro certification
- Introductory training modules on SuPP available since 2020

Source: Sustainable Procurement Resource Hub

INDONESIA

SuPP activities on the timeline toward sustainability



Source: Sustainable Procurement Resource Hub

INDONESIA

Progress on implementation of SuPP

- Green public procurement was first introduced in Law 32/2009 on Environmental Protection and Management, Articles 42(2)c and 43(3)a. The law identified procurement of environmentally sound goods and services as an 'economic instrument of the environment' to promote sustainable consumption and production (complementary to environmental taxes, levies, subsidies, permitting, labels, etc). The use of ecolabels are encouraged to identify environmentally-friendly goods and services
- In 2013, the 10-Year Framework of Sustainable Consumption and Production launched quick-win programs designed to advance SuPP
- Public procurement is now governed by Presidential Regulation 16/2018 as amended in No. 12/2021. It outlines SuPP as a core procurement objective (Articles 4,5). Article 19 requires the procuring entity to maximize the use of green industrial products and green criteria in technical specifications and terms of reference (TOR). Articles 19(1).d and 19(4) also clearly mention that the Commitment Making Officer (PPK) shall, in preparing technical specifications and TOR for goods and services, prefer ecolabeled products
- Ministerial Regulation No. 5 on the Procedure for Application of Eco-friendly Labels for Green Public Procurement (GPP) was adopted by the Ministry of Environment and Forestry in 2019. The regulation requires that procurements be made based on a list of ecolabeled goods and services in priority product categories: office paper, plastic files, wood for furniture, medical waste treatment equipment and air conditioners (as specified in Circular Letter No.16/2020). The list of products are to be updated annually and gradually expanded to other product categories with time. Three product categories were added in 2021: processed wood for construction, cement and eco-friendly concrete

Source: Sustainable Procurement Resource Hub

THAILAND

SuPP activities on the timeline toward sustainability

Source: Sustainable Procurement Resource Hub

THAILAND

Progress on implementation of SuPP

- Since 2005, Thailand has established a vision that the government sector should be a leader in green procurement in order to create a proper market of products and services that are environmentally friendly. This vision was pronounced in multiple policy documents, including the 20-Year National Strategy, 10th–13th National Economic and Social Development Plans, Environmental Quality Management Plan, and Pollution Control Plan. The green procurement concept aligns with the 'sufficiency economy philosophy' that underpins the country's development pathway toward green growth
- Over the years, the GPP Promotion Plan has expanded in its second (2013) and third phases (2017) to promote green purchasing more broadly, to all governmental units at national and local levels, universities, the private sector and the general public
- The National Roadmap for Sustainable Consumption and Production (SCP) 2017 sets a vision of Thailand as the leader in ASEAN on sustainable consumption and production by adopting the sufficiency economy concept and mobilizing through integration of social innovation by 2036. Ecolabeling and sustainable procurement are seen as key implementation tools to achieve the nation's ambitious SCP goals
- Public procurements in Thailand are regulated by the Public Procurement and Supplies Administration Act 2017, an act that specifically promotes green and social procurement. Procurements must obtain optimal benefits to the state agency conforming to the principles of value for money, efficiency and effectiveness, and accountability. Section 65 allows procurers to consider non-price criteria, including life cycle costs and suppliers promoted by the states, which include those 'creating innovation' or 'conserving energy or the environment'

Source: Sustainable Procurement Resource Hub

THAILAND

Progress on implementation of SuPP (continued)

- Since 2009, a green public procurement ‘recognition award’ has been given to best performing agencies based on results submitted to the Pollution Control Department (PCD)
- To access public procurement contracts, suppliers in Thailand are invited to qualify for recognized ecolabels or register on government procurement websites. There are two major platforms for green products in Thailand:
  - Green Basket, managed by PCD, that lists suppliers in 40 product categories to simplify green purchasing for government agencies
  - Thai Eco-Products Directory, operated by the Federation of Thai Industries. It was launched in 2022 to act as the central hub for green products and services in Thailand. The directory compiles data from 18 different Thai ecolabels in 13 product and service categories
- Green public procurement in Thailand is made simple by allowing procurers to choose from listings of verified green vendors. Ecolabels have a longstanding basis in the country. The Thailand Business Council for Sustainable Development (TBCSD) initiated the Thai Green Label, a type I ecolabel scheme in October 1993
- When the Government of Thailand started actively promoting GPP in 2005, the Green Cart was developed as a list for green public procurement products covering 17 products and 5 service categories. The Green Cart is both a catalogue and a set of criteria based on the Thai Green Label (for products) and the Green Leaf (for hotels). By 2018, the coverage of the Green Cart was expanded to 22 product and 6 service categories. Procuring agencies can check whether procuring products satisfy the Green Cart criteria

Source: Sustainable Procurement Resource Hub

THAILAND

Progress on implementation of SuPP (continued)

- The TBCSD and Thailand Environment Institute manage several ecolabels in the country:
  - Green Label for products and services based on a life cycle assessment
  - Carbon reduction labels granted to products or services with low emissions production processes, or buildings with low carbon emissions operations
  - Green Industry Mark for the manufacturing sector based on the concept of environmental management systems and cleaner technology
  - Green Leaf as a standard of environmental management systems for hotels based on existence of a green policy, green product procurement, energy management and local participation in environmental conservation activities at the area of the hotel's location
  - Private sector self-claimed ecolabels in the building materials sector, such as SCG Eco Value and Green Heart developed by the Siam City Cement Public Company Limited in 2017
  - Coolmode for textile companies that produce climate-friendly textile and garments that are cool, comfortable and easy to clean

Source: Sustainable Procurement Resource Hub

VIETNAM

Progress on implementation of SuPP

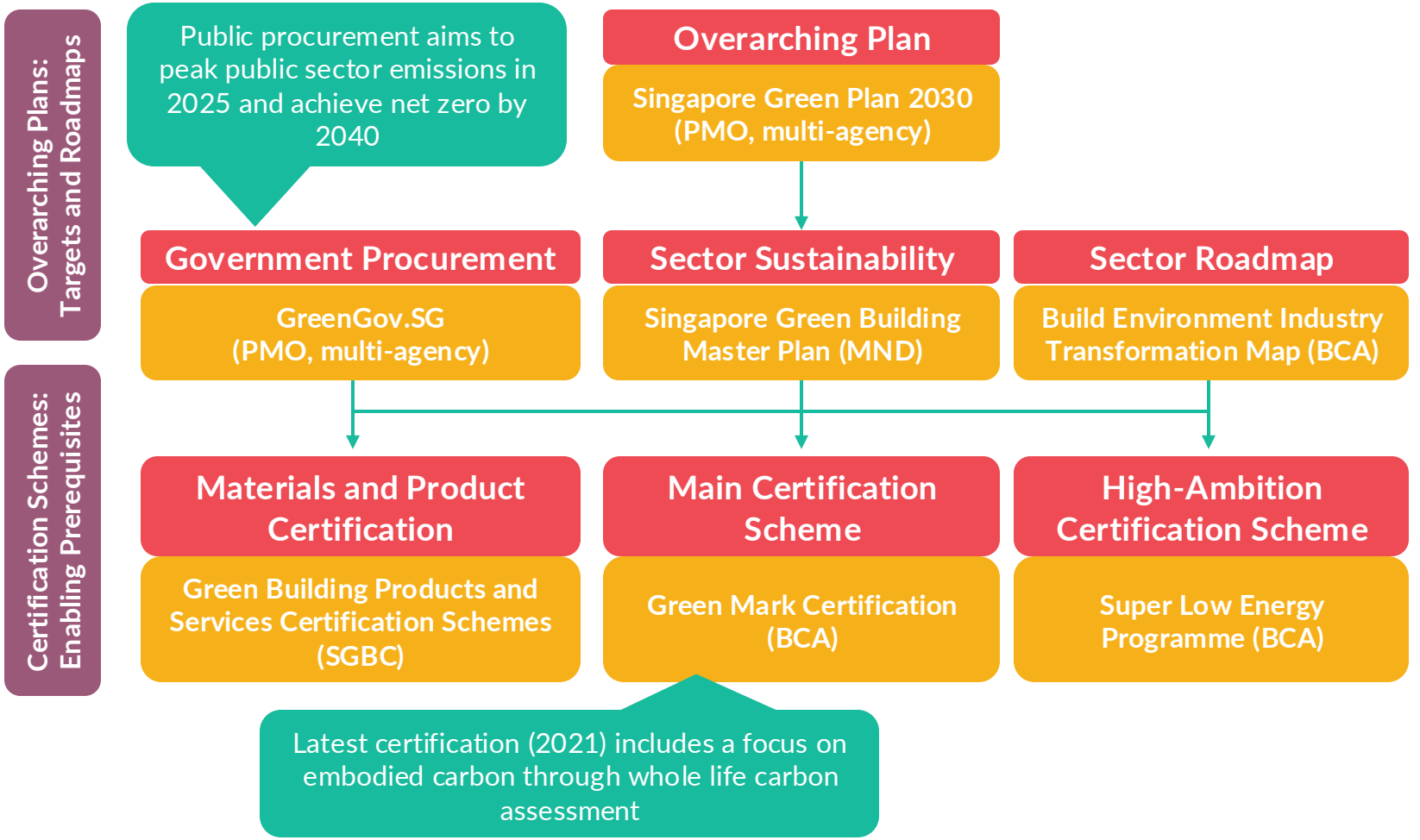
- Vietnam has only recently begun its official journey toward sustainable public procurement. The legal and regulatory frameworks are still being formulated
- Vietnam continues to adopt and adapt international best practices on public procurement reform, and it is active in discerning and complying with the good practices as suggested by more experienced countries. This includes establishing the legal framework for S/GPP to introduce practices in sustainability as one of the objectives for public procurement
- Various developments in legal applications are being proposed such as sub-decrees and guidelines on the implementation processes, which will enable S/GPP to reach its target of 35% of total public procurement by 2035, and 50% of total public procurement by 2050
- Sustainability is integrated into the general legal framework, but it is not yet a core principle or key objective of public procurement. The primary goal of public procurement in Vietnam is still focused on achieving the lowest cost in general, with commodity prices being the main consideration for decision-making. Currently, these financial factors involving low commodity costs, heavily influence estimates of public procurement and often dictate the approval of such procurements
- However, Article 10 of the recent Law on Bidding clearly enunciates the inclusion of sustainability into certain stages of the procurement cycle. The various elements of sustainability include: (i) Environment – environmental pollution prevention, environmental protection, sustainable resource use, and minimization and adaptation to climate change; (ii) Social – health, social welfare and occupational safety; and (iii) Economic – Sustainability throughout the supplier's supply chain, life cycle costs of services or goods, and other criteria

Source: SWITCH-Asia, 2024

MODEL SPP

Case example: Singapore

- Singapore presents a consolidated public procurement strategy involving multiple government ministries and enabling infrastructure, including an overarching roadmap, certification schemes and an embodied carbon calculator
- The targets for public procurement are more ambitious than targets for the wider industry



Source: Xynteo, 2024

ALCBT Project Countries: Progress on implementation of SuPP

- While legislations have been passed for SuPP, the implementation has been weak in all ALCBT project countries, except Thailand to some extent. In 2023, Cambodia has taken important steps by adopting the Public Procurement Law (with emphasis on sustainability) and the Environment and Natural Resources Code, has defined an institutional structure, and is currently designing an ecolabeling program
- The coverage of products and services in sustainable procurement programs is still too small to make a significant impact. Many energy and carbon intensive products must be added, supported by appropriate ecolabeling. Energy and carbon intensive building construction materials like cement and steel are yet to be included
- With reference to ISO 14024:1999, voluntary type II ecolabeling of more energy and carbon intensive products should be encouraged and supported
- Scoring methodology for tender evaluation should be improved to favor green products and services
- Mandates may be required for minimum green products and services procurement, as part of the total annual procurement by government agencies

Source: SWITCH-Asia, 2024

Thank you!

For more information, visit us at https://ALCBT.GGGI.ORG or scan the QR code below

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Any person who believes they may be harmed by an IKI project or who wish to report corruption or the misuse of funds, can lodge a complaint to the IKI Independent Complaint Mechanism at IKI-complaints@z-u-g.org. The IKI complaint mechanism has a panel of independent experts who will investigate the complaint. In the course of the investigation, we will consult with the complainant so as to avoid unnecessary risks for the complainant. More information can be found at https://www.international-climate-initiative.com/en/about-iki/values-responsibility/independent-complaint-mechanism/.

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