

EU-REI

Creating a Resource
Efficient India



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Efficient India

Resource Efficiency and Circular Economy in the Indian Context

Module 4

Tools, standards and indicators for RE and CE:
Public Procurement





Course overview



Basic modules

1	Introductory session
2	Foundations of RE and CE in the international context
3	Towards RE and CE through sectoral strategies in India

Applied and advanced modules

4	Tools, standards and indicators for RE and CE
4a	Material Flow Analysis
4b	Life Cycle Assessment
4c	RE and CE Standards
4d	RE and CE Indicators
4e	Public Procurement
4f	Circular Business Models
4g	RE and CE Funding

Recap and evaluation

5	Summary, outlook and evaluation
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Learning objective: module 4e



After completion of module 4e, participants will be able to

- understand the importance of clearly defined criteria in the evaluation of tender proposals;
- assess the importance of green public procurement in the Indian context with regards to sustainable development;
- define different types of environmentally-oriented public procurement (GPP, SPP, CPP); and
- map out the four steps of public procurement and understand how green/sustainability/circular considerations can be included in them.



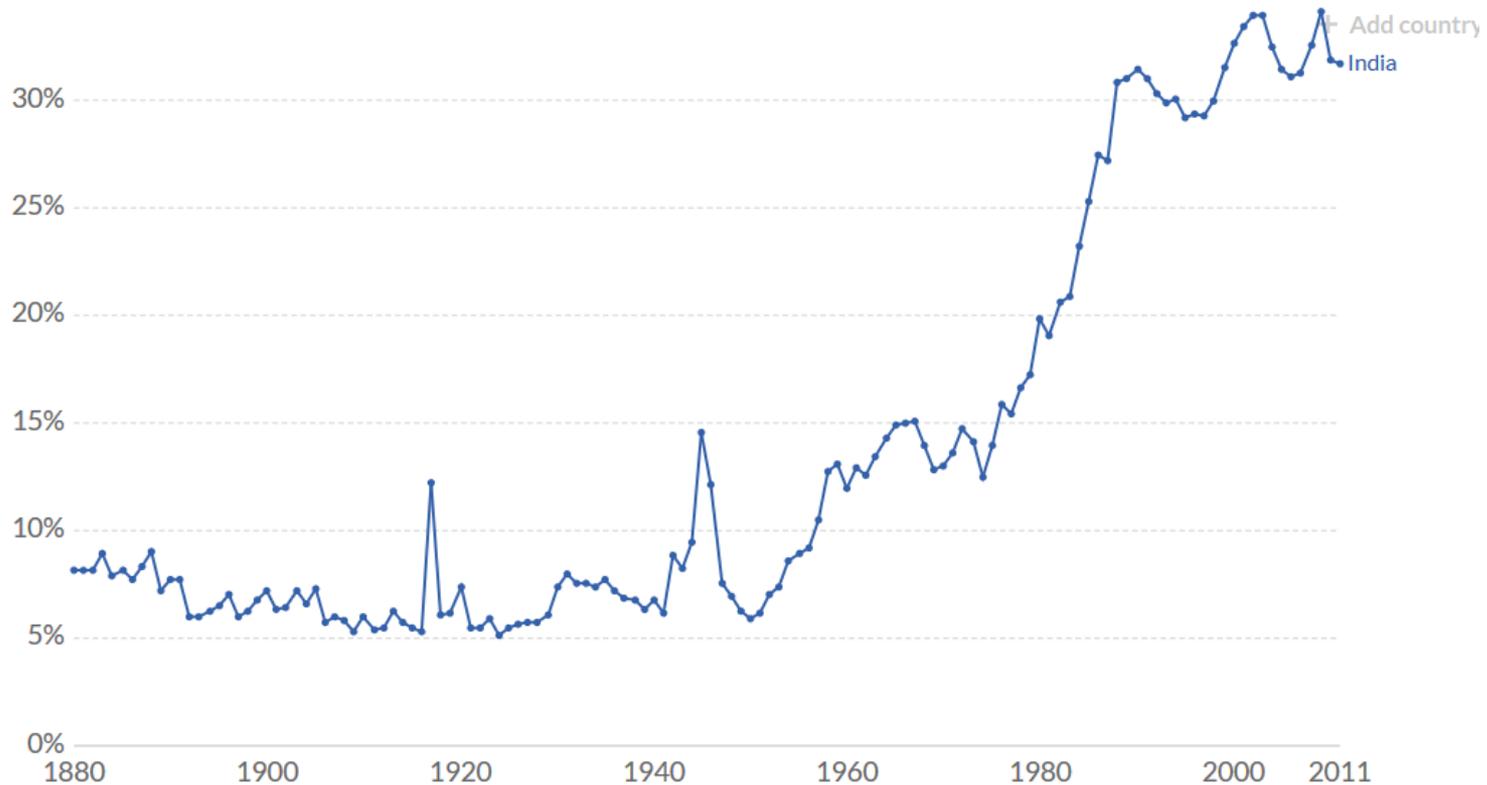
Public Procurement



Government spending

Total government spending, including interest government expenditures, as share of national GDP

Our World
in Data



Source: IMF Fiscal Affairs Departmental Data, based on Mauro et al. (2015)

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Source: <https://ourworldindata.org/grapher/historical-gov-spending-gdp>



Public Procurement



- In 2011, India's economy valued 1.823 trillion USD of which total government spending had a share of >30%
- By adopting environmentally-friendly public procurement policies, this purchasing power can leverage RE/CE and increase demand for more sustainable goods and services





Public Procurement





Public Procurement



Three types of environmentally oriented public procurement:



Green Public Procurement (GPP)

Public authorities seek to procure goods and services with a reduced environmental impact throughout their entire lifecycle.



Sustainable Public Procurement (SPP)

Public authorities seek to find an appropriate balance between the three pillars of sustainability – economic, social and environmental – when procuring goods and services.

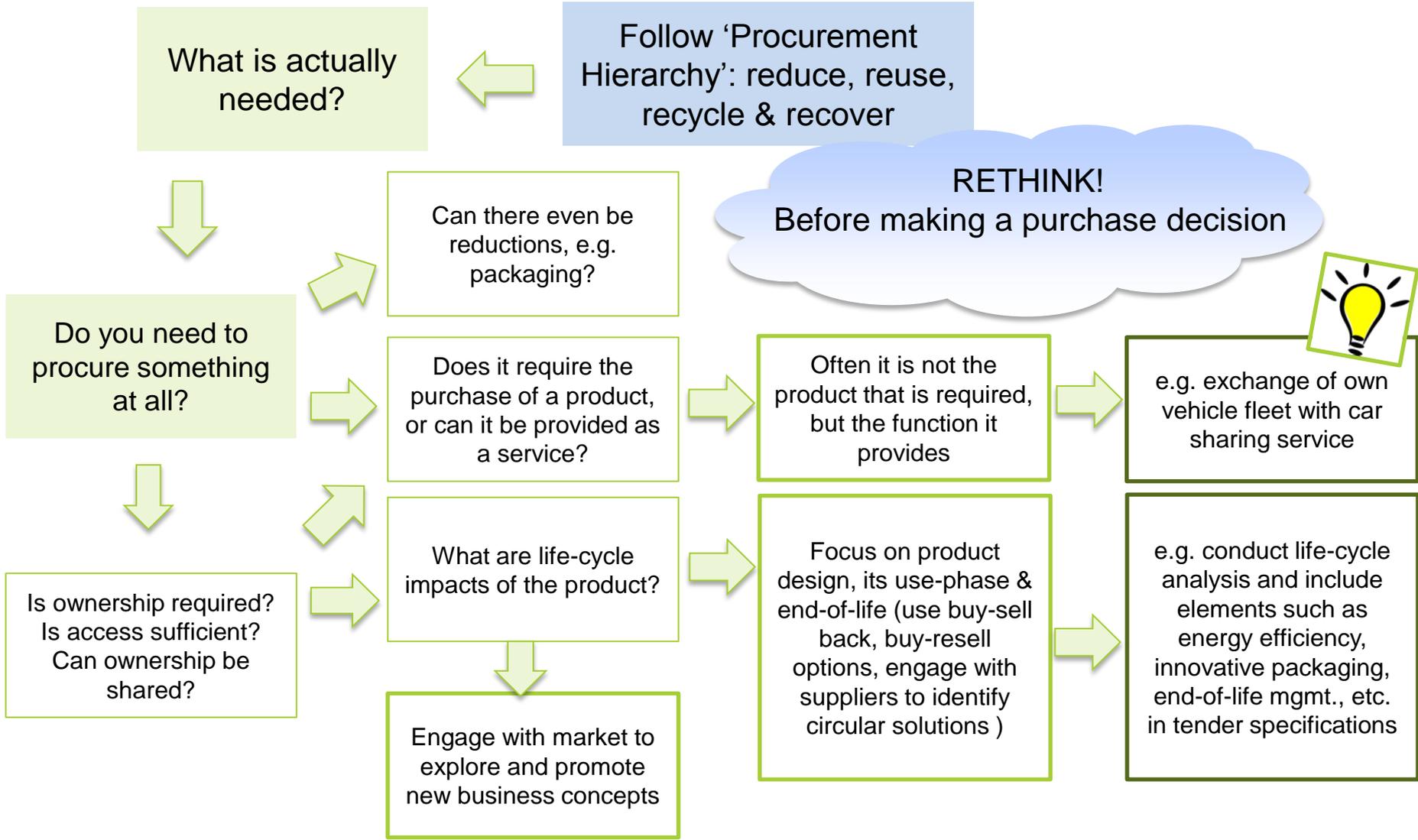


Circular Public Procurement (CPP)

Sets a special focus on goods and services, which contribute to slowing, narrowing or closing loops within supply chains whilst minimizing environmental impacts and waste.



Public Procurement





Public Procurement



Principles of public procurement (PP)

- PP seeks to match supply and demand in order to deliver goods and services, which the public sector is responsible for providing
- Key principles include:
 - Value for money - get the best value for taxpayers' money by identifying the Most Economically Advantageous Tender (MEAT)
 - Fairness – committing to non-discrimination, equal treatment, transparency and proportionality



Public Procurement



Key steps in the procurement process

Defining...	1 ...subject matter and technical specifications
	2 ...selection and exclusion criteria for tenderers
	3 ...award criteria for evaluation
	4 ...contract performance clauses

How to integrate green/sustainable/circular considerations in each of these steps?



Public Procurement



1 ...subject matter and technical specifications

Needs assessment: what exactly should be procured?

Procuring products

- Impact of materials and production
- Packaging and transport
- Energy and water consumption during use
- Durability/lifespan
- Opportunities for recycling/reusing at the end of life

Procuring services

- Technical expertise required to provide the service in an environmentally friendly way
- Products/materials used in carrying out the service
- Management procedures to minimise the environmental impact of the service
- The energy and water consumed, and waste generated in carrying out the service

Procuring works

- May have significant environmental impacts, e.g. in respect of land use or traffic planning
- Environmental Impact Assessment may need to be carried out



Exercise: Public Procurement



Exercise 4e.1: The greenest workshop

- Part 1: Think of goods and services required to organise this workshop.
- Part 2: Specify criteria for more procuring more environmentally-friendly options.
- Part 3: Classify these criteria in accordance with GGP, SPP and/or CPP.

Estimated time requirement: 20 min

CE 400 REI in the Indian Context - Task sheet

Task 5.1: The greenest workshop
Estimated time requirement: 20 minutes

Introduction
Public authorities are major consumers. By using their purchasing power to choose environmentally friendly goods, services and works, they can make an important contribution to sustainable consumption and production. This is the fundamental approach to green purchasing. Although green purchasing is a voluntary instrument across most countries around the world, it has a key role to play for the transition towards a circular, more resource-efficient economy. It can leverage demand for more sustainable goods and services, which otherwise would be difficult to market. Green purchasing therefore sends a strong stimulus for innovation.

To be effective, green purchasing requires the inclusion of clear and verifiable criteria for products and services in the public procurement process. In this exercise, you will examine how workshops like the one **above** can be made more sustainable and develop criteria based on which proposals can be evaluated. Broadly speaking, we can distinguish between different types of green purchasing approaches: Green Public Procurement (GPP), Sustainable Public Procurement (SPP) and Circular Public Procurement (CPP). For more information, please refer to figure 4 below.

Green Public Procurement (GPP)

Public authorities seek to procure goods and services with a reduced environmental impact throughout their entire lifecycle.

Sustainable Public Procurement (SPP)

Public authorities seek to find an appropriate balance between the three pillars of sustainability – economic, social and environmental – when procuring goods and services.

Circular Public Procurement (CPP)

Sets a special focus on goods and services, which contribute to slowing, narrowing or closing loops within supply chains whilst minimising environmental impacts and waste.

Figure 4: Approaches to green purchasing
Please read the basis below and use the template in table 2 on the next page in order to capture your views.

Table 1: Structure of exercise

Part	Task	Time
1	Write down all the different products or services, which need to be acquired to implement this workshop.	10 min
2	Specify criteria for products and services, based on which more environmentally-friendly alternatives can be procured?	5 min
3	Please classify the criteria in accordance with the 3 approaches (GPP, SPP, CPP) mentioned above.	5 min



Public Procurement



2 ...selection and exclusion criteria for tenderers

Focus on an tenderer's ability to perform the contract they are tendering for, taking into account experience and competence related to environmental aspects.

Exclusion criteria

- Non-compliance with applicable laws
- Grave professional misconduct which renders integrity questionable
- Significant/persistent deficiencies in performance under prior contract
- Inability to submit supporting documents

Selection criteria

- Human and technical resources
- Experience and references
- Educational and professional qualifications of staff
- Environmental management systems (e.g. ISO 14001)
- Supply chain management/tracking systems
- Samples of products
- Conformity assessments



Public Procurement



3 ...award criteria for evaluation

- Award criteria should be verifiable and not confer an unrestricted freedom of choice (careful use of labels)
- Award criteria should ensure the possibility of effective competition
- Award criteria should be advertised in advance, including sub-criteria and weightings

Price may be calculated on the basis of lifecycle costs to identify MEAT.



Where bidders cannot obtain a label, other appropriate forms of evidence should be accepted.





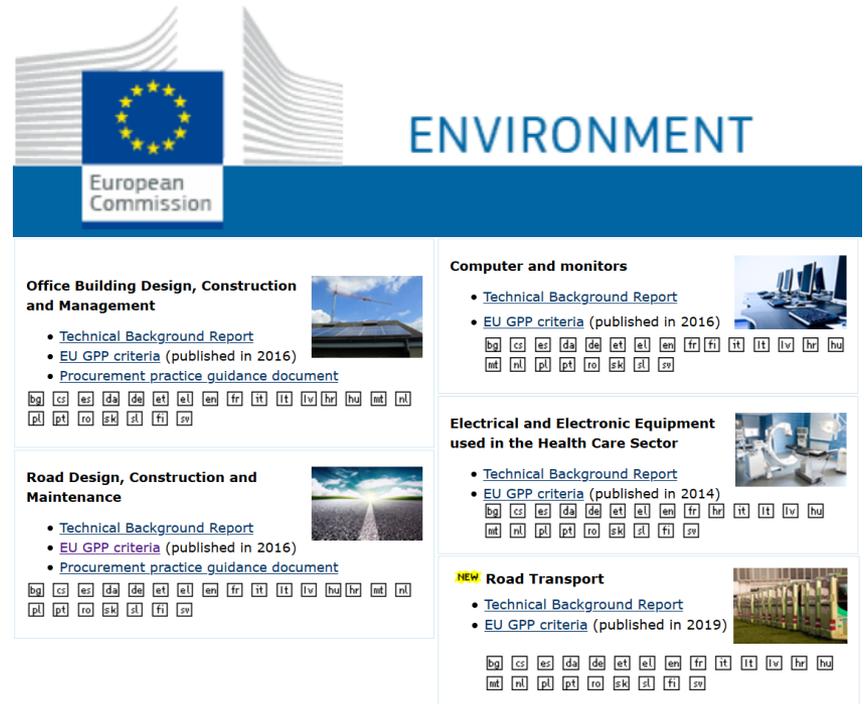
Public Procurement



Guidance provided based on GPP criteria and tools developed by the European Commission.

Computers and Monitors

- [User Guide](#)
- [LCC Tool](#)

European Commission

ENVIRONMENT

Office Building Design, Construction and Management

- [Technical Background Report](#)
- [EU GPP criteria](#) (published in 2016)
- [Procurement practice guidance document](#)

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Computer and monitors

- [Technical Background Report](#)
- [EU GPP criteria](#) (published in 2016)

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Electrical and Electronic Equipment used in the Health Care Sector

- [Technical Background Report](#)
- [EU GPP criteria](#) (published in 2014)

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NEW: Road Transport

- [Technical Background Report](#)
- [EU GPP criteria](#) (published in 2019)

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Sources: https://ec.europa.eu/environment/gpp/index_en.htm;
https://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm



Public Procurement



4 ...contract performance clauses

- Environmental considerations can be included in contract performance clauses, specifying that goods are to be supplied or services performed in a way that minimizes environmental impact.
- Environmental performance may be linked to penalties or incentives under the contract

Goods

- Goods delivered in the appropriate quantity and outside of peak traffic times
- Suppliers' take-back schemes for packaging
- Regular reporting on GHG emissions or resource use

Services/works

- How the service or work is performed
- Training of contractor staff
- Transport of products and tools to the site
- Disposal of used products or packaging



Case example: Procurement of „green“ textbooks in China



Gvt of China began with adoption of GPP policies in 2003

The Chinese Ministry of Environmental Protection (MEP) & State Administration of Press, Publication, Radio, Film and Television (SAPPEFT) jointly initiated the **Green Printing Initiative**

Introduction of relevant provisions of the „PRC Environmental Protection Law“ and „Printing Industry Management Regulations“

Establishment of a “Leading group” to facilitate the implementation of Green Printing for school textbooks

- responsible for the coordination of relevant departments,
- supervision and inspection of “green” printing

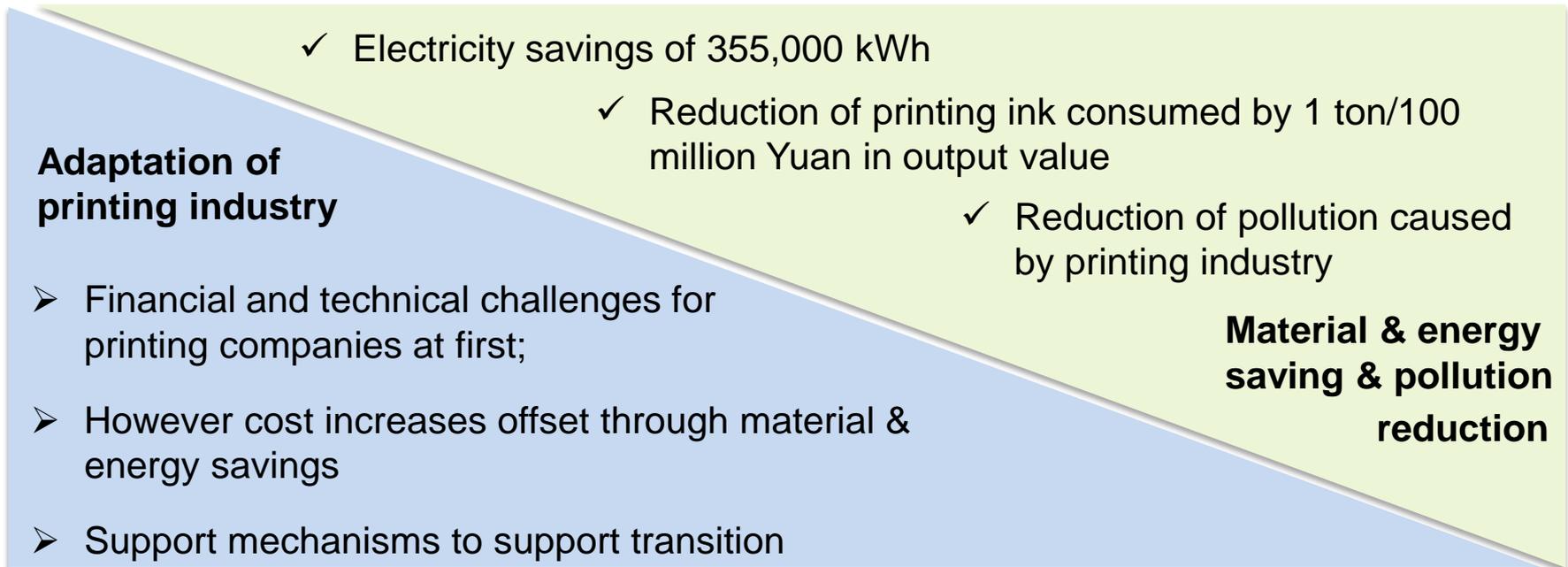




Case example: Procurement of „green“ textbooks in China



Huge potential for reduction of environmental impacts of the printing industry: eco-friendly printing of textbooks for all primary and middle school students (16.56 million!)





Exercise: Public Procurement



Exercise 4e.2: Greening tenders

- Part 1: Write down products or services that need to be procured to construct the girls hostel at Madras IIT.
- Part 2: Specify how sustainability improvements could be included in the tender example.

Estimated time requirement: 50 min

EU-REI in the better **Context** - solution sheet

Exercise 4e.2: Greening tenders
Estimated time requirement: 50 minutes

Introduction

Public authorities are major consumers. By using their purchasing power to choose environmentally friendly goods, services and works, they can make an important contribution to sustainable consumption and production. This is the fundamental approach to green purchasing. Although green purchasing is a voluntary instrument across most countries around the world, it has always been to play for the market towards a similar, more resource-efficient economy. It can leverage demand for more sustainable goods and services, which otherwise would be difficult to market. Green purchasing therefore sends a strong stimulus for eco-innovation.

To be effective, green purchasing requires the inclusion of clear and verifiable criteria for products and services in the public procurement process. In this exercise, you will examine how a simplified version of a tender for the construction of a new girls' hostel at IIT Madras could be made more sustainable and identify criteria that do not only consider economic aspects based on which the proposals could be evaluated.

Case study: Construction of New Girls Hostel at IIT Madras

Please read the table described in table 1. Complete the table by using the templates (table 2, table 3) in order to capture your results.

Table 1: Structure of exercise

Part	Task	Time
1	Write down products or services that need to be procured to construct the girls hostel at Madras IIT (table 2).	10 min
2	Specify how sustainable aspects could be included in the tender example and specify them accordingly (table 3).	40 min

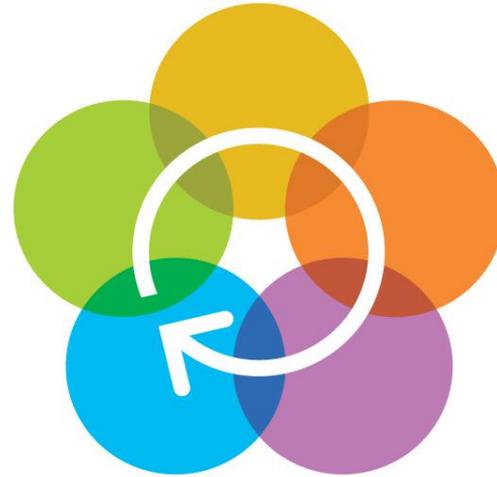


Summary



Take-home messages:

- Public Procurement can be a powerful tool to aggregate and leverage market demand for more resource efficient and circular products, and thus for eco-innovation
- Clear criteria need to be defined in order to evaluate tender proposals on a equal, transparent basis
- Green/sustainable/circular considerations can be included at each step of the tender process
- Guidance document on GPP criteria developed by the European Commission are available online



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