Goal 12: Ensure sustainable consumption and production patterns

Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities

Indicator 12.4.1: Degree of implementing sustainable public procurement policies and action plans

Institutional information

Organization(s):
United Nations Environment Programme (UNEP)

Concepts and definitions

Definition:
The indicator tries to assess the degree of implementing Sustainable Public Procurement action plans or policies through a composite index. To produce the index, countries self-assess the following main elements:
- staff dedicated to supporting the implementation of SPP
- training/capacity-building of public procurement practitioners for the implementation of SPP
- practical support delivered for the implementation of SPP
- existence of SPP monitoring system
- SPP purchase criteria and priorities
However, the above list is not complete and more details are provided in the attachment SPP “Index Methodology”

Rationale:
Public procurement wields enormous purchasing power, accounting for an average of 12 percent of gross domestic product (GDP) in OECD countries, and up to 30 percent of GDP in many developing countries. Leveraging this purchasing power by buying more sustainable goods and services can help drive markets in the direction of sustainability, reduce the negative impacts of an organization, and also produce positive benefits for the environment and society. The advancement of sustainable public procurement (SPP) practices is recognized as being a key strategic component of the global efforts towards achieving more sustainable consumption and production patterns. SPP stakeholders have long requested reliable and up-to-date information on activities and organizations involved in SPP. SDG target 12.7.1 has been approved to measure the degree of the implementation of SPP policies or action plans. Because, very few countries are able to measure the proportion of their public procurement which is green or sustainable, the methodology tries instead to assess the means and efforts countries are devoting to the implementation of SPP policies or national SPP programmes. A composite index has been developed. Countries scoring above a certain threshold will be considered as SPP implementing countries.

Concepts:

*Sustainable Public Procurement (SPP):* Sustainable Public Procurement is a “A process whereby public organizations 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, whilst significantly reducing negative impacts on the environment.” (Definition updated by the Multistakeholder Advisory Committee of the 10YFP SPP Programme)

**Sustainable Public Procurement Action Plan:** A Sustainable Public Procurement (SPP) action plan is a policy document articulating the priorities and actions a public authority will adopt to support the implementation of SPP. Plans usually/should address the economic, environmental and social dimensions of SPP, and recognise the potential for SPP to realise SDGs”. In some cases a country’s action plan may focus on a single aspect of sustainability, being either environmental (e.g. “Green” public procurement action plan), social (e.g. reference to human rights, fair trade, focus on employment of minorities, etc.), or economic (e.g. promotion of SMEs’ participation in tenders, focus on employment of minorities, etc.).

**Best Value for Money:** can be defined as the “optimum combination of whole-life cost and quality to meet the end-user's requirements”.

**Life-cycle costing (LCC):** is used to evaluate costs which may not be reflected in the purchase price of a product, work or service, and which will be incurred during their lifetime.

**MEAT:** The Most Economically Advantageous Tender criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.

More reference about the above and their contextualization can be found in the document attached “SPP Index methodology”.

**Comments and limitations:**
The index aims to measure not only SPP but also GPP (Green Public Procurement) and SRPP (Socially – Responsible Public Procurement). However, SPP, GPP and SRPP may be addressed in very different ways depending on the country. They may appear as a component of overarching policies such as Sustainable Development Strategies, Green Economy Roadmaps, etc. They may also be addressed directly with the adoption of a SPP action plan or policy, or through regulatory means, such as specific provisions in the Public Procurement legal framework.

The main issues faced during the development of this indicator are:

- Data on the proportion of sustainable public procurement is not available because there is no agreement on which products are green or sustainable and because data is very often not classified in terms of volumes and value of purchased products.

- Another limitation is related to the existence of multiple layers and components of public procurement: central government, provinces in federal countries, municipal level, public enterprises, hospitals, defence, etc. Procurement data from these different sectors are very often not aggregated.
- In addition, contracts below a certain threshold are not monitored.

As a result, and in line with the comment in the rationale section, it was decided to focus on process sub-indicators that will measure the means and efforts countries are investing in the implementation of their SPP plans, policies and programmes.

### Methodology

**Computation Method:**

Proposed index for the measurement of the implementation of sustainable public procurement (SPP) for a single country:

\[ S = P \left( A \left( B^* + C + D + E + F + G + H \right) \right) \]

Where \( S \) is the output the composite proposed index which stands for SPP and is proposed to measure the degree of implementation of Sustainable Public Procurement (SPP) in a single country. \( S \) is calculated through a series of sub-indicators which are identified with the letters from A to P.

- **P**: Administrative level(s) selected for the calculation of the index (See Options 1, 2 or 3 below).
- **A**: Existence of a SPP action plan/policy/national programme, and/or regulation mandating the implementation of SPP.
- **B^***: SPP regulatory framework and practice.
  - \(^*\) Scores for B will not add up since all levels of public procurement are normally subject to the same regulations
- **C**: Number of staff dedicated to supporting the implementation of SPP policy or SPP practitioners.
- **D**: Training/Capacity-building of public procurement practitioners on SPP.
- **E**: Practical support delivered to public procurement practitioners for the implementation of SPP.
- **F**: SPP purchasing criteria/buying standards/requirements identified.
- **G**: Existence of an SPP monitoring system.
- **H**: Percentage of sustainable purchase of priority products/services.

Three options are proposed to distinguish the administrative levels where SPP may be implemented (federal/national government vs. sub-national – e.g. regional/local – government). The chosen options will apply to the whole calculation and following sub-indicators.

The full calculations and explanation of the index can be found in the attached document “SPP Index methodology”.

**Disaggregation:**

Administrative level of the public procurement: national, provincial or local.

Additionally, countries may wish to report on the sub-categories of the SPP index which are described in the methodology.
Treatment of missing values:
Missing values will not be imputed.

Regional aggregates:
The data will be aggregated at the sub-regional, regional and global levels. For the aggregation methods, please see: http://uneptlive.unep.org/media/docs/graphs/aggregation_methods.pdf.

Sources of discrepancies:
N/A

Data Sources

Description:
Survey sent out to national SPP focal points.

Collection process:
All individual components should be collected at the same source, i.e. focal points in charge of SPP policy implementation, every two years, 2020 onwards.
Countries will need to provide evidence for most sub-indicators (policy document, procurement guidelines inclusive of sustainability criteria, enabling legislation, trainings, green contracts, etc.).

Data Availability

Description:
Data will be made available for all member states that have sustainable public procurement policies and action plans, as defined by the indicator.

Time series:
The reporting on this indicator will be biennial.

Calendar

Data collection:
First data collection: Expected in early 2020 for 2019 sustainable public procurement policies and action plans.

Data release:
First reporting cycle: 2020.

Data providers

Government SPP Focal Points
Data compilers

United Nations Environment Programme (UNEP)

References

SPP index methodology


European Commission Life-Cycle costing: https://ec.europa.eu/environment/gpp/lcc.htm

Multistakeholder Advisory Committee of the 10YFP SPP Programme from: Procuring the Future – the report of the UK Sustainable Procurement Task Force, June 2006

EU Public Procurement Registration - Most economically advantageous tender (MEAT): https://www.felp.ac.uk/content/most-economically-advantageous-tender-meat


Related indicators

Indicator 12.1.1