Supporting implementation of Sustainable Public Procurement at National Level:

Insights on National Needs and Priorities of Countries

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Sustainable Public Procurement Strategic Planning Workshop
February 19, 2019
I. Relevant Philippine Development Priorities
   a. Overview of the Philippine Development Plan (2017-2022)
   b. Strategies on Sustainable Consumption and Production and Green Procurement

II. Philippine Government Procurement Framework
   a. General Principles
   b. Implementation Arrangement

III. Challenges, Strategies and Ways Forward on “greening” public procurement
   a. Existing policy and initiatives
   b. Philippine Green Public Procurement Roadmap
Vision for the Philippines by 2040

A prosperous, middle-class society where no one is poor
A healthy and resilient society
A smart and innovative society
A high-trust society.
Overall Strategic Framework

2040
MATATAG, MAGINHAWA AT PANATAG NA BUHAY

2022
TO LAY DOWN THE FOUNDATION FOR INCLUSIVE GROWTH, A HIGH-TRUST AND RESILIENT SOCIETY, AND A GLOBALLY-COMPETITIVE KNOWLEDGE ECONOMY

"MALASAKIT" ENHANCING THE SOCIAL FABRIC
- Ensure people-centered, clean, and efficient governance
- Pursue swift and fair administration of justice
- Promote Philippine culture and awareness

"PAGBABAGO" REDUCING INEQUALITY
- Expand economic opportunities
- Increase access to economic opportunities
- Advance technology adoption
- Stimulate innovation

"PATULOY NA PAG-UNLAD" INCREASING GROWTH POTENTIAL
- Accelerate human capital development
- Reduce vulnerability of individuals
- Reach for demographic dividend
- Ensure ecological integrity, clean and healthy environment

IMPLEMENT STRATEGIC TRADE AND FISCAL POLICY, MAINTAIN MACROECONOMIC STABILITY, AND PROMOTE COMPETITION
- Ensure peace and security
- Accelerate strategic infrastructure development
- Ensure safety and build resilience
Relevant Strategies under Chapter 20: Ensuring Ecological Integrity, Clean and Healthy Environment

**Targets:**

<table>
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<tr>
<th>Indicators</th>
<th>End of Plan Target</th>
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<tbody>
<tr>
<td>Employment from ecotourism/sustainable resource-based industries</td>
<td>increasing</td>
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<tr>
<td>Number of eco-labeled products</td>
<td>increasing</td>
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<tr>
<td>Total energy savings in government offices</td>
<td>increasing</td>
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**Intensifying sustainable management of natural resources**
- Enhance green spaces in urban areas.

**Expanding development of sustainable resource-based industries**
- Promote sustainable forest-based, agroforestry and sustainable fisheries and marine-based industries
- Mainstream ecosystem values into development planning
- Promote and develop ecotourism and cultural sites

**Promote sustainable consumption and production**
- **Promote green procurement in the public and private sectors**
  - Establish a sustainable market for recyclables and recycled products
  - Strengthen certification and establish information systems for green products and services
  - Strengthen Implementation of Green Jobs Act
  - Strengthen promotion, development, transfer, and adoption of ecofriendly technologies, etc
  - Intensify use of renewable energy

**Cross-cutting strategy: strongly motivating behavioral change at the national, community and individual levels regarding ENR preservation and management**
Overview of Philippine Government Procurement Framework

**Republic Act 9184**

**Government Procurement Reform Act**

*An act providing for the modernization, standardization and regulation of the procurement activities of the government and for other purposes*
Governing Principles

Transparency
- Transparency in the procurement process and in the implementation of procurement contracts

Competitiveness
- Competitiveness by extending equal opportunity to enable private contracting parties who are eligible and qualified to participate in public bidding.

Streamlined
- The procurement process shall be simple and made adaptable to advances in modern technology in order to ensure an effective and efficient method

Accountability
- System of accountability where both the public officials involved in the procurement process and the private parties that deal with government are, when warranted by circumstances, investigated and held liable for their actions relative thereto.

Public monitoring
- Public monitoring of the procurement process and the implementation of awarded contracts
Implementation Arrangements

❑ Government Procurement Policy Board
(a) protect national interest in all matters affecting public Procurement;
(b) formulate and amend, whenever necessary, the IRR and the corresponding standard forms for Procurement;
(c) ensure that Procuring Entities regularly conduct Procurement training programs and prepare a Procurement operations manual for all offices and agencies of government; and
(d) conduct an annual review of the effectiveness of the Procurement Law and recommend any amendments thereto, as may be necessary

❑ Department of Budget and Management - Procurement Service (DBM-PS)
Implementation Arrangements

☐ Bids and Awards Committee (BAC)

- Each **procuring entity** shall establish a single BAC for its procurement.
- Functions of the BAC:
  - advertise and/or post the invitation to bid,
  - conduct pre-procurement and pre-bid conferences, determine the eligibility of prospective bidders,
  - receive bids, conduct the evaluation of bids, undertake post-qualification proceedings
  - recommend award of contracts to the Head of the Procuring Entity or his duly authorized representative
  - perform such other related functions as may be necessary, including the creation of a Technical Working Group from a pool of technical, financial and/or legal experts to assist in the procurement process
Issues and Concerns on Green Public Procurement

- Is the government’s spending of green public procurement prudent?
- **Costs versus value for money.** Are green products and services more expensive than conventional alternatives?
- **Readiness of suppliers**
  - Investments in *life cycle assessment* studies
  - Level of *recycled material contents* on industrial products
  - *Availability of recycled materials/inputs* of production
- **Capacity and awareness**
“Greening” Public Procurement

Executive Order No. 301 (s. 2004). Establishing a Green Procurement Program for All Departments, Bureaus, Offices and Agencies of the Executive Branch of Government

- Mandated all government departments, offices and agencies to establish Green Procurement Program to:
  - Promote the culture of making environmentally-informed decisions in government
  - Include environmental criteria in public tenders, whenever possible and practicable
  - Establish the specifications and requirements for products or services to be considered environmentally advantageous
  - Develop incentive programs for suppliers of environmentally sound products and services
“Greening” Public Procurement

2013-GPPB resolved to support sustainable and/or green public procurement (GPP)

2016-list of prioritized common-use and non-common use supplies and equipment identified for GPP

2017-GPP Roadmap Recognized and Technical Specifications of GPP Adopted
Green Public Procurement is a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.

GPP is a voluntary instrument. The government of the Philippines has decided to adopt this concept to develop the country in line with the Sustainable Development Goals agreed by the United Nations until 2030 and the UN 10-Years Framework Program on Sustainable Consumption and Production. Harnessing the immense purchasing power of the government will not only help convert the market to a greener market with substantial benefits for the environment, but also improve the socio-economy status of the nation.
Green Public Procurement

Prioritized **common-use** supplies and equipment

- Multi-copy Paper
- Record Books
- Chairs
- Trash Bags
- Detergent Powder

- Toilet Paper
- Cleaners
- Disinfectant Sprays
- Liquid Hand Soap
- LED Lights/bulbs

Prioritized **non common-use** supplies and equipment

- Computer and Laptop Monitors
- Vehicles
- Copiers
- Food and Catering Services
- Toilets and Urinals

- Air Conditioners
- Fridges and Freezers
- Paints and Varnishes
- Training Facilities/Hotels/Venues
- Textiles (Uniforms and Work Clothes)
Green Public Procurement

Capacity building and outreach strategies
✓ Training for the DBM-Procurement Service which is the usual source of common-use supplies for the government
✓ Modular training for procurement officers of government agencies
✓ Outreach to suppliers

Communication Strategy

1. GPP is a measure of prudence that will help the whole country to develop better;
2. GPP is driven by the government’s responsibility to use taxpayers’ money to create value and will actually increase value for money;
3. GPP is not alien to the existing public procurement system and is organically integrated in existing laws, rules, regulations, and procedures.
Moving Forward: Assessing Important Policy Questions

What are the positive impacts on the environment in terms of reduced pressure exerted from consumption and production of goods and services?

Is the higher government demand for green products and services changing the market towards green with effects to jobs and income?

Is there a spillover effect of the government's leading example to private corporate procurement and household consumption?

Is the increasing demand for green products and services having positive effects on prices (lower costs of green items)?

Are Philippine entrepreneurs confidently investing in the green venture?
Moving Forward

❖ 10YFP thru the **One Plan for One Planet (2018-2022)** can support in further strengthening the GPP in terms of:
   - providing technical assistance in **development of indicators** for monitoring
   - sharing of **solutions/technologies** and **best practices**,
   - support GPP initiatives for possible funding through **Trust Fund**

❖ Provide support in the conduct of **impact assessments**, relevant **market readiness studies**, and **competency review and assessment** for implementing GPP

❖ **Complement relevant initiatives** of other development partners (e.g. Advance SCP of GIZ, EU-Switch)

❖ Provide support in **assessing entry points** for implementing **sustainable/green procurement in the private sector**
THANK YOU