

Green Public Procurement

Roughly 15 percent of global greenhouse gas emissions can be attributed to public procurement related supply chains⁷. Because of this, and the necessity for governments to make progress on achieving net-zero, green public procurement (GPP) is becoming more widely advocated, developed and practiced by contracting authorities. GPP has three mutually supportive goals:

- Combatting supply chain ignorance,
- Improving environmental performance of products and production, and
- Stimulating market demand more environmentally friendly products and production.

GPP requires collaboration and a fundamental shift in mindset from companies and governments away from procurement as a back-office function and towards a more strategic understanding. At the local level, this need not be as daunting as it may sound at first – and should not be perceived as a cost burden, but rather as a practice that creates long-term sustainable growth.

The transition to greener public procurement is a change that has been demonstrated to be a relatively simple process that can benefit all key stakeholders beyond net-zero achievements. Understanding how to commission for low-carbon outcomes will be key to local authorities having maximum impact with GPP. This will require, not only understanding how to put low-carbon evaluation criteria into procurement, but also developing a holistic mindset of what the low-carbon outcome is that is hoping to be achieved. A leading example in this space is Suffolk County Council, who have developed their own [Climate Change Commercial Ask](#).

Whilst UK public contracting authorities have previously been limited by EU directives on procurement, the latest Procurement Green Paper outlines a more flexible public procurement system for UK contracting authorities and appears to facilitate a more strategic purview of procurement and its wider implications. The green paper comes with a distinct message to authorities that they do not have to select the lowest price bid when procuring, instead insisting that authorities take a broader view of value for money that incorporates other factors. If fleshed out with local nuance, facilitated by appropriate resourcing, and awareness is spread with accompanying training, public procurement reforms have the potential to accelerate the turn towards a more strategic, greener practice.

⁷ World Economic Forum (2022) – Green Public Procurement: Catalysing the Net-Zero Economy White Paper

Green Public Procurement at the local level

Freedom from EU directives and the single market, alongside latest proposed reforms, is a pivot point and represents a critical opportunity to practice public procurement to be more strategic, leave more room for innovation, and become more attuned to the pressing need to achieve net zero. This should encourage all local procurement stakeholders to collaborate and complement each other in working towards a more mutually beneficial and environmentally friendly procurement system that is ethical and transparent. Legislatively, the potential for such a system has been opened up.

Local government has the ability to influence industries that are heavily dependent on public spending – most notably transportation, waste management services, construction, and utilities. However, engaging a complex and often-times fragmented supply chain, particularly in industries that stretch globally, is puzzling. Nonetheless, raising awareness and proliferating training on key principles – such as circularity, efficiency, and making use of renewable energy – are practices that are attainable and come with a wealth of information and support available.

The strategic turn in procurement bolstered by lessons and experiences of the Social Value Act has great potential to deliver real environmental impact at the local level. An increased awareness is developing around the need for a better understanding and management of supply chains, whether locally, regionally, nationally, or even globally, when exploring how local procurement spend can be leveraged to deliver environmental benefits and work towards achieving net zero. In acquiring such an understanding, it is crucial that discussions on the strategy and practice of procurement *and* climate action do not take place in isolation. There must be a more wholesale recognition that the strategic power of public procurement can only be facilitated by broadening the scope beyond the activity of purchasing teams alone.

Embedding net-zero goals in public procurement, alongside social value considerations, has the potential to trigger private investment and new jobs that, in aggregate, will boost local economies. Furthermore, many related short-term costs are expected to become cheaper, as new technologies and more efficient products scale up.

Overall, understanding how to commission for low-carbon outcomes will be key to local authorities having maximum impact with GPP. This will require not only understanding how to put low-carbon evaluation criteria into procurement, but also developing a holistic mindset of what the desired low-carbon outcome is, and then communicating this effectively to all stakeholders involved including contract managers, commissioners, and the supply base. A leading example in this space is Suffolk County Council, who have developed their own [Climate Change Commercial Ask](#).

Strategy and action for local Green Public Procurement

A key factor in the design and implementation of successful GPP strategies is assigning competent and well-informed staff to internal procurement function – with relevant resources devoted to their support. Acquiring these sorts of personnel need not be a recruitment process. Rather, time and resources are best invested in the design and internal proliferation of thorough training and the use of external support networks and bodies of information.

Regarding training, this ought to be thought of as having two successive stages. First, the main aim of training should be to raise awareness amongst those in a local authority responsible for procurement of the value of a more socially conscious, greener procurement system. The goal here is for those responsible to embrace a new mindset and eagerness of evaluating environmental performance alongside evaluations of social value, price, and quality. This can be assisted and facilitated by dedicated cultural and inter-organisational campaigns, involving those with a stake in respective local procurement systems.

Once this change in perspective has been accomplished, training can then move to its second phase which is learning best practice, key approaches and internalising the value of GPP across departments – solidifying a link in mindset that spans across a local authority's strategy and functionality.

Adopting external guidelines and making use of the network of support and information already out there on GPP and industry-specific supply chains should be grounded in a strong, collaborative relationship between all internal departments – particularly those most responsible for purchasing and dealing with environmental issues. Doing so facilitates the development and integration of net-zero and 'clean growth' criteria into contracts. Improving organisational and functional links between departments sets a precedent that can then be communicated outward to suppliers and respective markets.

A local authority can set a sourcing emissions standard, and other ambitious reduction targets, and, once personnel are in place and training is at an advanced stage, communicate them with – preferably local – suppliers. The standard can then be integrated into individual contracts and performance tracking made publicly available.

It is important that, in the pre-procurement stage, the market is engaged with early and that key environmental outcomes are communicated – with those who a) are local and b) have a positive environmental record being prioritised in considerations of each contract. Engaging with major and local suppliers on more of a partnership basis can also allow for the mutually assured goal of net zero to be worked towards in a more wholesale, strategic way – even outside of individual contracts. This would be part of a more fundamental shift in the mindset of a contracting authority towards genuine engagement with procurement markets to develop ecosystems of advocacy, best practice, certification, and greener industry standards.

Furthermore, contract management must be structured in such a way to track the environmental performance of each contract with ease. This includes embedding KPIs and other environmental provisions as part of a contracting authority's social value priorities.