

7. MANAGING PUBLIC PROCUREMENT

Assessing green public procurement

Over time, OECD countries have been implementing and developing their green public procurement (GPP) policy frameworks. Reporting systems are essential to hold administrations to account for how environmental policy objectives are being met and assess their impact.

The broad objectives in GPP policies are usually translated into more tangible obligations or objectives assigned to public procurers to monitor their implementation. Countries might establish an obligation to introduce green requirements in public tenders or set more incremental targets such as the percentage of goods or services subject to green strategies.

Indeed, 14 of 34 OECD countries surveyed (41%) have set mandatory requirements to use GPP (Figure 7.5). For example, Italy has defined Minimum Environmental Criteria (CAM) for 18 product categories which are mandatory for contracting authorities at all levels of government, irrespective of the value of the tender. A further 10 countries (29%) set targets. In the Slovak Republic, the targets for GPP are 70% of the total value and number of contracts by 2030. Further, seven countries (Austria, France, Iceland, Japan, Korea, the United States, and Germany) have adopted both mandatory requirements and targets, while three (Finland, Chile and Hungary) have neither mandatory requirements nor targets related to GPP. 7 out of 34 (21%) surveyed countries do not require public agencies to report on GPP spending or the number of contracts.

Streamlined monitoring mechanisms ease the reporting process. Currently, 14 out of 34 countries (41%) use a digital platform linked to the electronic procurement system, while others (38%) have specific reporting mechanisms (Figure 7.5). For example, Korea monitors GPP implementation across 30 000 procuring entities using a platform interconnected with all e-Procurement systems. The Netherlands collect data on GPP through a dedicated self-evaluation tool.

Of the 27 OECD countries with a GPP reporting system, 16 (59%) are collecting information on the value of procurement expenditure using GPP criteria, while 9 (33%) are only evaluating the number of tenders (Table 7.6). The scope of what is measured, however, differs widely across those countries measuring value, hindering a comprehensive assessment of GPP expenditure against total procurement expenditure. Some countries, such as Ireland, only collect data above a certain value and at central level. A few countries, including Latvia and Korea, collect comprehensive information on GPP expenditure at all levels of government.

Most countries regularly publish these data: 24 out of 27 (89%) OECD countries make their data on GPP publicly available on a website. This could reinforce trust in public institutions by showing how taxpayers' money is spent, in line with the principles of transparency and accountability.

Other than the immediate outputs of their GPP practices, such as the value or number of contracts affected, OECD countries seldom measure the outcomes of these strategies, such as impact on greenhouse gas emissions. Only 12 out of 32 OECD countries with GPP policies (38%) report on their impact and are therefore able to understand how they are contributing to meeting their sustainability goals. Japan,

for example, has developed a process to estimate the CO₂ savings generated by GPP. New Zealand, under the Carbon Neutral Government Programme, measures progress made by government agencies towards limiting global warming to 1.5 °C, including through their procurement activities.

Methodology and definitions

Data were collected through the OECD Survey on Green Public Procurement (2022) to which 34 OECD countries responded. The survey covered four pillars: *policy and strategic framework*, *public-private interactions*, *evaluation of impact*, and *capacity building and support*. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies. Results of the survey only consider national legislation, mandatory requirements to use GPP foreseen by EU directives are excluded.

Green public procurement (GPP) is the public purchasing of products and services that are less environmentally damaging when taking into account their whole life cycle. GPP is part of a broader sustainable public procurement agenda that addresses economic, social, and environmental concerns.

The monitoring of GPP refers to the mechanisms designed to assess the implementation of GPP frameworks. Reporting systems refer to the tools used to collect and gather data on spending considering GPP or number of tenders including GPP criteria.

Further reading

OECD (2022), *Life-Cycle Costing in Public Procurement in Hungary: Stocktaking of Good Practices*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/8d90f627-en>.

OECD (2019), *Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/1de41738-en>.

Figure notes

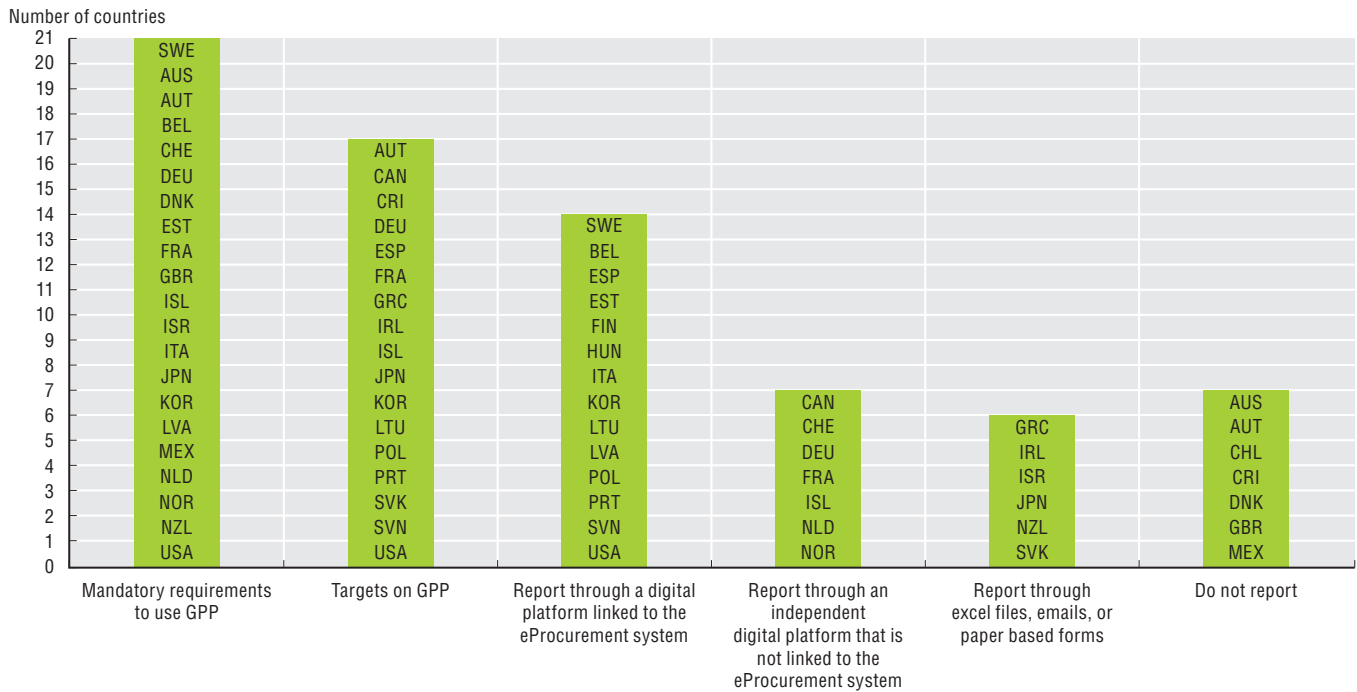
Data for Colombia, the Czech Republic, Luxembourg and Türkiye are not included as they did not respond to the survey.

7.5. Austria established a system to monitor GPP, after the closure of the data cycle for this questionnaire (end of 2022), and data on GPP is currently being collected. In addition, some federal states also monitor their own sustainability programmes. In Australia, public institutions do need to report on ecologically sustainable development and environmental performance through institutions' Annual Reports. As of April 2023, Korea monitors GPP implementation across 40 000 procuring entities using a platform interconnected with all e-procurement systems.

7.6. Mexico and Hungary are not included in the aggregated evaluation of impacts of GPP policies as they indicated they did not have an active GPP framework at the time of the survey (end of 2022). Hungary adopted a GPP strategy (2022-2027) in December 2022, after the closure of the data cycle for this questionnaire.

7.5. Reporting requirements for green public procurement, 2022

Requirements on public institutions to report on green public procurement spending or number of tenders including green public procurement criteria



Source: OECD (2022), Survey on Green Public Procurement.

StatLink <https://stat.link/9p5fbc>

7.6. Measures taken to implement green public procurement, 2022

	Available data in reporting systems	Data publicly available on a website	Aggregated evaluation of impact
Australia			
Austria			
Belgium	◇	●	●
Canada	◇	●	
Chile			
Costa Rica			
Denmark			●
Estonia	■	●	●
France	■		●
Finland	◇		
Germany	◇	●	
Greece	■	●	
Hungary	■	●	
Iceland	■	●	●
Ireland	■	●	
Israel	◇		
Italy	■	●	
Japan	◇	●	●
Korea	■	●	
Latvia	■	●	
Lithuania	■	●	
Mexico			
Netherlands	◇	●	●
New Zealand	◇	●	●
Norway		●	●
Poland	■	●	
Portugal	■	●	
Slovak Republic	■	●	
Slovenia	■	●	●
Spain	■	●	
Sweden		●	●
Switzerland	◇	●	
United Kingdom			
United States	■	●	●
OECD Total			
● Yes		24	12
■ Data on the value of GPP	16		
◇ Data on the number of tenders including GPP criteria	9		

Note: Austria established a system to monitor GPP, after the closure of the data cycle for this questionnaire (end of 2022).

Source: OECD (2022), Survey on Green Public Procurement.

StatLink <https://stat.link/Okpimh>



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