

Executive summary

Results from the OECD 2022 survey on green public procurement (GPP), carried out in 38 countries, clearly show that countries increasingly recognise GPP as a major driver for innovation. In fact, in 2022, 92% of the surveyed countries (35 out of 38) had adopted a national GPP or policy framework, and 29 of them refer to GPP, or at least to public procurement, in their national environmental commitments as a tool for pursuing sustainability goals. GPP provides industry with incentives for developing environment-friendly works, products and services, particularly in sectors where public purchasers represent a large share of the market, such as infrastructure, health services or public transportation. However, the results also highlight remaining challenges in mainstreaming green objectives in government procurement, including a lack of data on the impacts of green procurement strategies and the need to better capture the lifecycle costs and environmental impacts of goods and services procured to encourage the private sector to compete on green dimensions. Furthermore, the perception that GPP involves higher public procurement costs is still perceived by 22 countries as one of the main obstacles to a better uptake of GPP.

Key findings

Public procurement in general, and GPP in particular, is increasingly seen as a strategic government tool for achieving sustainability objectives and meeting national commitments on climate change under the Paris Agreement. In 2022, almost every OECD country responding to the survey had developed a GPP policy framework or strategy. Mexico and Hungary are the only exceptions, although Hungary adopted a GPP framework in December 2022 after the closure of the Survey.

Furthermore, governments are updating their GPP strategies to align with international and national environmental commitments and to leverage GPP's potential to mitigate the impacts of climate change. Governments clearly refer to GPP in their national environmental commitments.

GPP requires expertise in various disciplines, including environmental science, cost-benefit evaluations, procurement regulation and legal provisions governing public contracts. By developing operational tools such as “ready-to-use” GPP criteria, templates and helpdesks, OECD countries are developing practical support for public procurement practitioners in mainstreaming green procurement practices.

The survey also highlighted several examples of efforts by the public sector to more actively collaborate with the market to increase the uptake of GPP, including the development of guidance materials on market engagement; the creation of networks bringing together stakeholders from the private sector, central and local governments, and civil society organizations; and support for small businesses in the preparation of procurement documents for public sector contracts.

Nevertheless, and despite widespread recognition of the importance of GPP for environmental issues, many challenges still hinder the use of GPP to tackle climate change on a larger scale. Indeed, existing procurement policies and strategies fail to systematically harness GPP's potential to enhance citizens' trust in government's capacity to tackle climate change. While 92% of surveyed countries have set mandatory GPP requirements and targets in public procurement, compliance is not always monitored. Furthermore, while governments tend to monitor the *use* of GPP within their public procurement activities, they rarely evaluate its *impact*, missing an opportunity to better understand -- and promote -- the concrete impact of GPP on environmental factors, such as CO₂ emissions.

Governments could strengthen their efforts to apply a “green lens” to their public procurement strategies and improve monitoring and reporting frameworks for implementing GPP and its outcomes, especially in terms of environmental benefits.

Key recommendations

Develop effective reporting and monitoring systems to track GPP implementation and measure outcomes

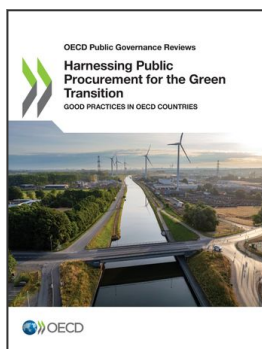
- Make it mandatory for contracting authorities to report regularly on the use of green criteria in public tenders.
- Support and facilitate GPP reporting by defining standard reporting templates, including common reporting requirements and indicators, and encourage the integration of GPP reporting into the e-procurement system to ease routine data collection.
- Develop standardised methodologies, including clear indicators and benchmark values, to measure the impacts of green procurement strategies on the environment and to assess the cost-effectiveness of GPP in achieving environmental objectives.
- Complement routine reporting and monitoring with periodic surveys and evaluations, which can help gather additional information on GPP practices, motivations, and perceptions. Conduct in-depth evaluations for certain public tenders or across products/service categories to gather insights on the barriers to the use of GPP.

Invest in the professionalisation of the procurement workforce for GPP

- Encourage the integration of environmental and climate considerations by adopting methodologies that account for the cost of environmental externalities and life-cycle costs. This approach helps overcome the perception that green public procurement is inherently more expensive and highlights the long-term economic and environmental benefits of sustainable purchasing decisions.
- Provide training and capacity building on the design and use of green criteria in public tenders, as well as on the evaluation of the environmental performance of offers at the award phase.
- Communicate effectively to a non-expert audience the advantages of GPP, especially its environmental and economic benefits (e.g., cost savings over the long run), to ensure that all stakeholders involved in the procurement system — including users, senior management, audit bodies, and citizens — understand and appreciate the benefits, thereby incentivizing its uptake.
- Share experience and promote peer-learning to strengthen existing GPP policies and tools by enhancing collaboration across contracting authorities, including in international platforms and fora.

Engage with the market to support the development of green markets and ensure that green public tenders align with private suppliers' capacities and resources

- Develop and implement effective collaboration and information strategies. This includes signaling GPP opportunities in annual procurement plans and involving the private sector in defining targets and requirements. Enhance communication on the government's GPP ambitions to ensure suppliers are informed and prepared to meet green procurement criteria are also essential.
- Engage early with the market to inform potential suppliers about GPP criteria and requirements (e.g., green technical specifications, selection, and award criteria) and provide sufficient time and information for suppliers to adapt and respond to calls for tender. In addition, gauge the market's capacity to produce and supply green products and services, and adapt GPP ambitions accordingly.
- Deepen public-private collaboration through sectoral buyers' groups to develop a shared vision and strategies.



From:
Harnessing Public Procurement for the Green Transition
Good Practices in OECD Countries

Access the complete publication at:

<https://doi.org/10.1787/e551f448-en>

Please cite this chapter as:

OECD (2024), "Executive summary", in *Harnessing Public Procurement for the Green Transition: Good Practices in OECD Countries*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/f7964375-en>

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