

7. MANAGING PUBLIC PROCUREMENT

Green public procurement strategies

In addition to supporting economic efficiency, public procurement can help achieve other strategic objectives such as the green transition. Governments across the OECD are increasingly focusing on sustainability and using their purchasing power to steer their economies towards greater consideration of environmental choices and outcomes. By taking a whole life cycle approach to the purchase of goods, services and works, governments can make an important contribution to protecting the environment and tackling climate change.

Countries have been developing green public procurement (GPP) strategies and policies for more than a decade, and their adoption has substantially increased since the definition of Agenda 2030 and the Sustainable Development Goals. In 32 out of 34 OECD countries surveyed (94%) there is an active national GPP policy or framework, suggesting that GPP is widely recognised as a powerful tool to achieve the climate action goals countries have endorsed (Figure 7.3).

Indeed, 28 out of the 32 countries with a GPP policy or framework (88%) clearly refer to GPP or public procurement in national commitments on climate action and consider this government function as integral to achieving their environmental commitments. Japan mentions the national policy on GPP in its Plan for Global Warming Countermeasures and National Action Plan, and Canada cites GPP as a means to achieve net zero emissions by 2050.

To ensure alignment with global commitments on climate action, OECD countries regularly revise their GPP policies. In fact, almost two-thirds (20 out of 32, or 63%) of countries with a GPP framework have updated it in the past three years to target high-impact sectors and to move towards cleaner products more rapidly (Figure 7.3). For example, in 2021, the United Kingdom enacted a Procurement Policy Note that introduces a new selection criterion for major government contracts, excluding suppliers from the procurement process if they have failed to produce a carbon reduction plan and committed to net zero emissions by 2050.

Considering the expertise needed to define ambitious and coherent objectives in GPP policies, public procurement authorities in all OECD countries rely on other government bodies. In 29 out of the 32 OECD countries with GPP strategies (90%), the national frameworks integrate a co-ordination mechanism to design, implement and revise GPP policies (Table 7.4). In 13 of these countries (45%), ministries of environment or similar agencies formally co-ordinate GPP and broader environmental policies, thereby reinforcing the role of GPP in implementing their environmental objectives. A further 16 countries (55%) rely instead on inter-ministerial or ad hoc working groups convening different stakeholders. In the United States, the alignment between GPP and environmental policies is assigned to one of the highest levels of government,

the Executive Office of the President. In France, the General Commission for Sustainable Development, an inter-ministerial delegation for sustainable development, is responsible for steering the National Sustainable Procurement Plan (PNAD) 2022-2025.

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.

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 through public procurement policies and implementation.

A whole life cycle approach means reaching beyond the initial price tag and considering other relevant costs incurred, such as installation, operation and maintenance including the regularly reoccurring replacement, renewal of components, financing and disposal.

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>.

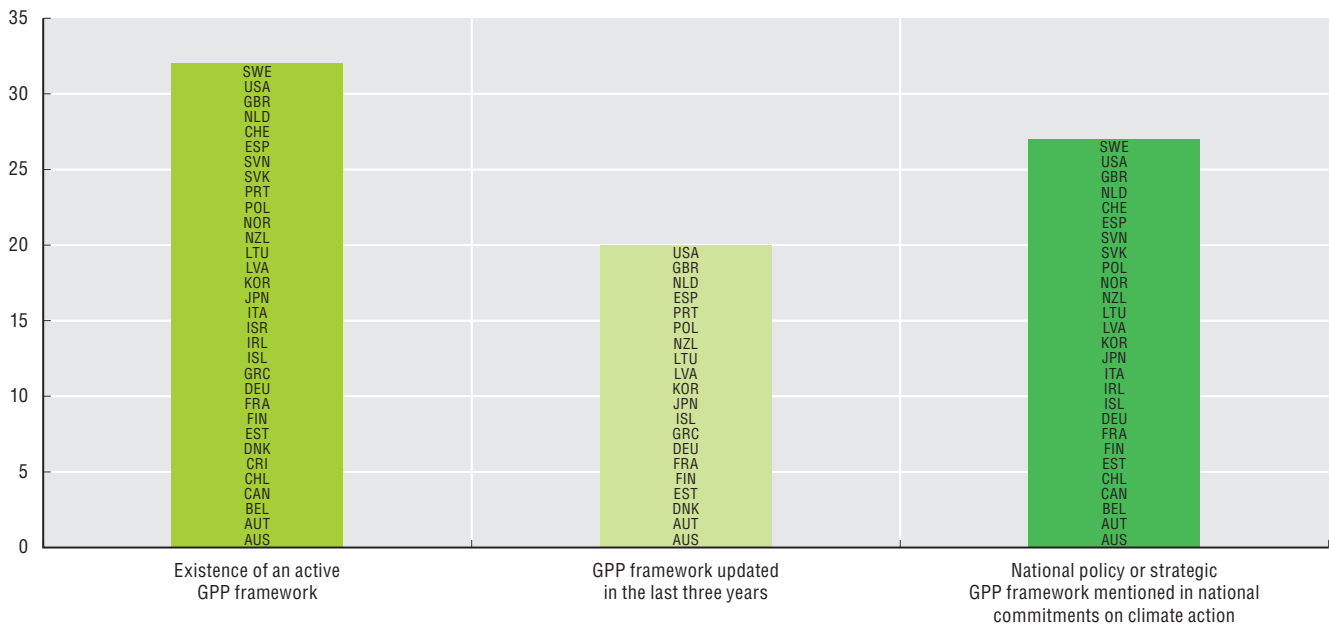
OECD (2019), *Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/1de41738-en>.

Figure notes

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

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

7.3. Green public procurement policy frameworks, 2022



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

StatLink <https://stat.link/0zlc37>

7.4. Institutional co-ordination between environmental and green public procurement policies, 2022

Country	Yes, through the Ministry of Environment or equivalent	Yes, through inter-ministerial working group	Yes, through <i>ad hoc</i> group	No
Australia	•			
Austria	•			
Belgium			•	
Canada		•		
Chile	•			
Costa Rica				•
Denmark		•		
Estonia	•			
Finland				•
France		•		
Germany		•		
Greece				•
Iceland		•		
Ireland	•			
Israel			•	
Italy	•			
Japan	•	•		
Korea	•			
Latvia	•			
Lithuania	•			
Netherlands	•			
New Zealand		•		
Norway		•		
Poland	•			
Portugal			•	
Slovak Republic	•			
Slovenia		•		
Spain		•		
Sweden		•		
Switzerland		•		
United Kingdom		•		
United States		•		
Total OECD	13	14	2	3

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

StatLink <https://stat.link/q6elfr>



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