



The Case for Green Public Procurement in Bhutan

Achieving growth through sustainability

Pem Lama

August 2014

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A EU-funded project



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Written by Pem Lama

ABOUT GPP BHUTAN

The Green Public Procurement in Bhutan (GPP Bhutan) project is a EU-funded project under its EuropeAid SWITCH-Asia Programme. It aims to establish a strategic approach to scaling-up public demand for environmentally and socially preferable goods, services and infrastructure in Bhutan. The project seeks to promote value for money across the asset life cycle rather than simply at the point of purchase, in order to reduce the negative environmental impacts and maximize social benefits.

The GPP Bhutan project is composed of a consortium of five non-governmental organizations, namely International Institute for Sustainable Development (Project Leader, Canada/Switzerland), Bhutan Chamber of Commerce and Industry (Bhutan), Royal Institute of Management (Bhutan), Royal Society for Protection of Nature (Bhutan), and Collaborating Centre on Sustainable Consumption and Production (Germany).

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The view expressed in this paper is the sole responsibility of the author and does not necessarily reflect the views of GPP Bhutan Project Consortium. The paper presents preliminary findings on Bhutan's public procurement and initial thoughts on how it can be made more sustainable. Further research and analysis may be necessary to corroborate the recommendations made.

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ABSTRACT

This paper argues that sustainable or green public procurement (GPP) - whereby government authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle, as well as with an increased positive social impact - has the potential to drive sustainable growth in Bhutan. It points to Bhutan's various national policies and strategies that can be supported and realized through sustainable/green procurement. It also illustrates some examples and experiences of countries in the region that have moved to a more sustainable and green procurement system that Bhutan can learn from. The paper then explains the economic, social and environmental benefits of GPP in the Bhutanese context and some challenges in implementing GPP in Bhutan. Finally, it recommends some measures in the way forward in sustainable and responsible public procurement, calling for leadership and change in mindsets from political leaders and public authorities in favour of sustainable consumption and production.

INTRODUCTION

Bhutan has captured the world's imagination as a nation following a unique development trajectory. The pursuit of happiness through the Gross National Happiness (GNH) philosophy can at times seem lofty and abstract - we want our development to be equitable and sustainable while taking due consideration of our environment, our society and our culture, all under the umbrella of good governance. It may seem to be a monumental task for a small landlocked developing country. However, we can be smart and innovative about our development choices in ways that reflect the tenets of GNH.

While our GNH philosophy is unique, we are certainly not alone in the desire to realize a balanced approach to development. In fact, sustainable development is likely to influence United Nation's post-2015 development agenda to replace the Millennium Development Goals (MDGs) with Sustainable Development Goals (SDGs). Furthermore the frameworks of "Green Growth" and "Green Economy" are gaining global popularity, which promote economic growth and social development while ensuring that natural resources are not entirely depleted and continue to provide the raw inputs and services required for sustained growth and wellbeing.

Absolute sustainable living may only happen if the whole of humanity radically changes its consumption behaviours. The next best option is to pay attention to the things we buy and why we buy them. We can consider the environmental and social impacts of the goods and services we consume and give preference to buying products and services that have the least negative impact on the environment, and the most positive impact on society overall. Furthermore, "going green" has the potential to drive local socio-economic growth by encouraging locals to supply sustainable goods and services.

So where do we begin? For a small country like Bhutan, with a relatively large public sector that has significant purchasing power, changing procurement habits in favour of sustainable goods and services would have a major positive impact and set an excellent example of implementing GNH. While some argue that the cost for going green is higher since the price at the time of purchase may be more, if we were to consider the life-cycle cost and benefit analysis from a broader perspective, purchasing more sustainable goods in fact provides better value for money in the long run.

WHAT IS GREEN PUBLIC PROCUREMENT?

Green Public Procurement (GPP) is defined by the European Commission as "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"¹. There are various other terms that describe similar purchasing practices such as Sustainable Public Procurement (SPP), Environmentally Preferable Purchasing (EPP), Purchasing Social Responsibility (PSR)² and so on. Case (2014) summarizes the various principles to the following definition: "Green purchasing is the intentional practice of buying goods and services that generate human health, environmental, and social benefit and that are produced and delivered in ways that minimize human health, environmental, and social damage while continuing to balance concerns about the product or service's price, performance and availability." In broad terms, **green/sustainable procurement** means **assessing the cost of a product or service throughout its life cycle** (manufacturing, use and disposal) **and considering impacts on the environment** such as: the energy, water, raw materials and hazardous materials used for manufacturing; energy use and other effects during use; and impacts when it is disposed. **It also includes the social impacts** such as the wages of workers, working conditions, use of child labour, etc.

WHY DOES GREEN PUBLIC PROCUREMENT MATTER FOR BHUTAN?

To achieve economic growth, nations deplete stocks of natural resources and upset balance of our ecosystems. Whether or not we see it, ultimately we all affect the environment when we buy, use and dispose goods and services.

GPP is one effective method for our government to demonstrate its commitment to sustainable and responsible development, as economic growth and development usually come with some form of environmental and social costs. Through pursuing GPP principles and practices, our government could strengthen many of its policies, including (but not limited to):

- Bhutan's development philosophy of Gross National Happiness.
- National Environment Commission's guiding national strategy *The Middle Path*³ which solicits a balanced approach to development.
- Bhutan's 11th Five Year Plan with the specific objective of "**self-reliance and inclusive green socio-economic development**".
- The Economic Development Policy (EDP) 2010 of Bhutan that is geared towards "**green development**".
- The Cottage, Small and Medium Industry (CSMI) Policy, 2012 that has the vision "to develop a **dynamic, competitive and innovative CSMI sector in harmony with the GNH philosophy**, thus promoting employment, poverty reduction and balanced regional development".

¹ COM (2008) 400 Public procurement for a better environment.

² Carter, C.R & Jennings, M.M. (2000) use the term Purchasing Social Responsibility (PSR) in the context of businesses where purchasing managers engage in socially responsible management of the supply chain that broadly fall into the categories of environmental management, safety, diversity, human rights and quality of life, ethics, and community & philanthropy activities. Read full paper at: http://www.ism.ws/files/sr/capsarticle_purchasingscontribution.pdf.

³ *The Middle Path* identifies 1) production of hydro power, 2) self-sufficiency in food production and 3) industrial developed as three areas for achieving sustainable development and calls for a balanced approach in development with consideration for tradition & nature while developing economically and adopting technical and social changes.

Furthermore, recommendations in the Bhutan Human Development Report 2011 include “investment in **sustainable energy services and systems**” and “[promotion of] **green industry**”.⁴ Bhutan has also committed to remaining carbon neutral at the 15th session of the Conference of Parties (COP15) of the UNFCCC held in Copenhagen in 2009.

Beyond balancing growth with conservation, GPP has the potential to drive green growth and transform economic activities within Bhutan. By making a commitment to procuring green goods and services, the government can: encourage innovation, create new jobs, new industries and new markets for green goods and services within Bhutan that will ultimately contribute to revenue generation and a vibrant sustainable economy. Economic growth is high on the agenda of the current government, but currently local manufacturers and businesses can barely compete with foreign goods on price at the point of purchase. If the government can commit to purchasing greener goods and services, a huge opportunity opens up for local businesses to produce and supply goods that do not exist in the market yet.

For example, if public entities commit to buying only locally grown food for all public events (conferences, meetings, workshops, seminars etc.), it would result in a major boost in the agricultural sector in Bhutan. For example, the Market Access & Growth Intensification Project (MAGIP)⁵ in eastern Bhutan, where local farmers supply vegetable to schools, demonstrates the tremendous potential of such arrangements. In 2013, farmer groups supplied 456 tonnes of vegetables and generated approximately US\$ 111,800.00 in revenue. GPP can stimulate industry growth through the elevation of previously niche or restricted green markets into mainstream consciousness.⁶

Similar to the business case argued by Perera et al in *Procurement, Innovation & Green Growth: The story continues...* (2012), through GPP, our government too can: 1) help implement environmental policies and national strategies for sustainable development; 2) provide the certainty of demand to encourage investment in sustainable goods and services; 3) help improve transparency and efficiency in procurement process; and 4) reduce cost of construction and operation and maintenance of public infrastructure, services and assets. Therefore, **GPP is not only an instrument for sustainability and value for money, but also an opportunity for economic development in Bhutan by promoting sustainable public works and infrastructure and developing local green goods and service industries.**

SOME GLOBAL EXAMPLES AND EXPERIENCES

There is a growing trend worldwide, especially in Europe but also in the US and Asian countries, of the public sector moving towards some form of more sustainable purchasing. According to the 2013 UNEP report, *Sustainable Public Procurement: A Global Review*, Japan, US, Canada, Austria, Denmark, Finland, Germany, the Netherlands, Sweden, UK, Belgium, Italy and Spain are considered front runners in implementing some form of Green/Sustainable Public Procurement. As Case (2014) writes, pro-active entities around the world are looking to eco-labels and purchasing networks to make green purchasing easier and are seeing the value in international harmonization to reduce confusion about how to identify and buy greener products and services.

⁴ Bhutan’s Human Development Report 2011, *Sustaining Progress: Rising to the Climate Challenge* explores the linkages between climate change and human development in Bhutan. The report was prepared by Gross National Happiness Commission with guidance from National Technical Committee and assistance from UNDP.

⁵ MAGIP began in 2011. It was initiated by International Fund for Agricultural Development (IFAD), along with SNV and the government of Sweden with the explicit goal of improving smallholder farmers’ food security and to connect them to previously inaccessible, rural markets. Read full story at: <http://www.snvworld.org/en/procurement-for-hgsf/news/from-field-to-cafetaria-linking-farmers-with-schools-in-bhutan>

⁶ *Procurement, Innovation & Green Growth: The story continues...* (p. 8)

More relevant to the region, several countries in East Asia⁷ are promoting “social responsibility procurement” (David, 2011). They have four main types of social responsibility: 1) supporting small and medium enterprises; 2) creating opportunities for small or start-up venture firms; 3) fostering environmental sustainability through green purchasing, and environmentally sustainable construction (in the case of public works); 4) promoting work safety in site management in public works. In South Korea, 81 percent of their 2009 stimulus package of 50 trillion won was allocated to environmental and energy efficiency improvements and was targeted to generate 940,000 green jobs.⁸

In China, from 2009 to 2011, the SuPP-Urb (Sustainable Public Procurement in Urban Administrations in China) project introduced public procurement practices in the cities of Lanzhou, Qinhuangdao and Tianjin. Philipps et al (2011) write that because of the project, in 2010 there were savings in:

- electricity by 2,0360 MW
- water by 39,269 tonnes, and
- oil by 14,008 tonnes

There were also reductions in:

- waste by 34,418 tonnes, and
- CO₂ emissions by 105,749 tonnes.

To put that into context, they saved electricity equal to the monthly electricity consumption of a city of 2.2 million people in eastern China, saved water equal to monthly water consumption of an eastern Chinese city of 7.8 million people, reduced waste equivalent to industrial solid waste reduction of one year in a city of 6.25 million people in western China; reduced CO₂ equivalent to 1/40th of China’s national nitrogen oxide emissions in 2008 (Meiting et al, 2011).

India is also working on its green public procurement (GPP) policy, driven by national plans for sustainable development and voluntary commitments on climate change. The Centre of Excellence for Sustainable Development (CII-ITC) is responsible for developing the policy. Six product categories were identified for which to develop specifications: 1) public works (bricks, steel & cement), 2) electric appliances, 3) IT equipment (computers & peripherals, photocopier, telecoms), pharmaceuticals (bulk drugs), 4) paper, 5) office furniture and 6) lighting. These products are mainly characterized by their environmental impact (in production, use or disposal), volumes in use, and significant share of public spending (Joshi, 2012). In addition, a Bill on public procurement (2012) is currently put under the Indian Parliament’s consideration. Although the Bill does not explicitly mention sustainability and green procurement standards, there is room for interpretation in the Bill to support sustainable procurement. More promisingly, India’s 12th Five Year Plan (2012-17) strategy includes ensuring industrial growth with environmental sustainability⁹ and the Final Report of the Expert Group on Low Carbon Strategies for Inclusive Growth (2014) by the Indian Planning Commission recommends procurement to be done on the basis of life cycle cost rather than the lowest cost.

In Thailand, the Pollution Control Department has been implementing GPP since 2005. The Thai Government has shown a commendable commitment to GPP, which fits into their “Sufficiency Economy Principle”. Thailand is on its second Green Public Procurement Plan (G3P) from 2013-2016, the first one from 2008-2011 came into being after the Cabinet Resolution in January 2008 set the goal of increasing

⁷ The study covers Japan, Korea, Hong Kong, Singapore and Taiwan amongst the developed countries, and China, Indonesia, Malaysia, Philippines and Vietnam amongst the developing and emerging countries.

⁸ *Procurement, Innovation and Green Growth: The story continues...* (p. 75)

⁹ See 12th Five Year Plan of Government of India (p. 77-79)

government spending on environmental friendly products and services (Nuntapotidech, 2013). Thailand uses various eco-labels such as the Thai Green Label, Carbon Reduction Label, Carbon Footprint Label, Energy Label, and Green Basket Standard. In fact, the Thai Green Label was initiated by the Thailand Business Council for Sustainable Development in 1993 and formally launched in August 1994 by Thailand Environment Institute (TEI) in association with the Ministry of Industry. The number of government agencies in Thailand that participates in GPP has increased from 25% in 2008 to 100% in 2011. The quantity of GPP has also increased from 25% in 2008 to 60% in 2011. The annual expenditure in green products was 1.68 million USD in 2008 and had increased to 8.53 million USD in 2011 (see table below).¹⁰

Year	The number of governmental agencies in GPP program (%)	Quantity of GPP (%)	Annual expenditure (US\$) in green products *
2008	25	25	1.68 M US\$
2009	50	30	7.77 M US\$
2010	75	40	6.63 M US\$
2011	100	60	8.53 M US\$

Source: Thailand State of Pollution, Report 2008.

* Provided by Environmental Quality and Laboratory Division, Pollution Control Department (Thai Government).

As illustrated above, there are many examples and experiences around the globe and in the region that Bhutan can learn from and adapt to local context. The regional experiences highlighted above point to the fact that not only are there policies and implementation lessons to learn from, but the market supply (albeit limited) of green products exists. Therefore, if Bhutan were to implement GPP we would have access to environmentally and socially preferable goods and services from the region even if local supplies cannot meet the demand in the immediate term. For Bhutanese producers, it also opens up opportunities for establishing linkages with producers in the region to build capacity for production of green goods and services within Bhutan.

MOVING TOWARDS GPP: BENEFITS AND CHALLENGES FOR BHUTAN

There are huge benefits and equally big challenges for Bhutan in moving towards a culture of procuring goods and services that are environmentally and socially responsible. Political will is perhaps the most critical need for getting started. It is important that political leaders, senior bureaucrats, the government and society at large realize the importance of GPP and recognize the huge opportunities it offers as outlined below. **A common dilemma in development is balancing environmental impacts with economic growth. GPP offers a solution to this dilemma by favouring economic growth that in fact factors in environment and social considerations.** Therefore, championing GPP in Bhutan could be a very positive move even politically. Following are some important benefits and challenges for Bhutan in adopting GPP.

WHAT ARE THE BENEFITS?

Broadly, GPP can contribute positively to the economy, society and the environment. In Bhutan, arguably there are many national policies and strategies that aim for holistic development and seek to balance economic growth with environmental conservation and equitable development. However, good concrete examples of these policies and strategies in action are few. GPP has the potential to set a real example.

¹⁰ APEC Committee on Trade and Investment. 2013

Below are few examples of the many benefits in each area of the economy, society and environment that GPP can provide:

A. Economic benefits

1. Driving green growth in Bhutan

By demanding green products and services, government can help create green industries in Bhutan. The Cottage, Small and Medium Industry (CSMI) Policy (2012) states that its overall objective is "to foster job creation and enhance income generation by promoting the creation of new CSMI and improving the performance and competitiveness of existing ones to increase their participation and contribution to the Bhutanese economy." Through GPP, the Bhutanese government can directly help implement this policy. Local industries can take advantage of the fact that the supply of green products and services are limited and reap the benefits of being early entrants. Knowing that demand for green products exist can be a significant factor in encouraging and driving green growth.

2. Providing value for money

If the true cost of buying, using, maintaining and disposing a product is assessed, GPP would provide real value for money. Although costing methods and time frame of assessment are still being debated and refined, research and practical experience all over the world point to the fact that there will be cost savings for government via GPP. The Chinese example in the previous section provides a concrete example of the benefits of GPP.

3. Self-reliance

The recent Indian rupee crunch has made the Bhutanese acutely aware of our over-dependence on foreign products, especially imports from India. Policy-makers, politicians, economists, researchers, bureaucrats and the general public in Bhutan all agree that import substitution will be one important measure to manage Bhutan's trade deficits. While food products are the most apparent category identified for import substitution, there is no reason why other products that public entities procure could not be sourced from local producers. GPP is one pertinent measure towards achieving the goal of self-reliance, at least in some product/service categories.

B. Social benefits

4. Creating job opportunities and promoting entrepreneurship

Promoting local industries through GPP would also create jobs for Bhutanese. While promoting entrepreneurship has been on the agenda of government, non-government and private entities in Bhutan, the size of Bhutanese market demand is small and uncertain. Producers and entrepreneurs are rarely motivated to innovate under such market conditions. If, however, public entities can ensure a certain size and frequency of procurement, it could help entrepreneurs venture into production and supply of the goods and services that they have a market for. In addition, the research, management, audit and quality control for implementing GPP would open up a sizable employment opportunity for the Bhutanese.

5. Empowering rural communities and local producers

The opportunity for food industry, agro and forest products and traditional arts and crafts under GPP is very promising. Since this category of products is usually produced by rural residents, GPP has the potential to empower rural communities and ensure a more equitable growth and opportunity for vulnerable and disadvantaged sections of the Bhutanese society.

The MAGIP¹¹ is one concrete example of how not only can rural communities benefit from contractual arrangements of supplying vegetables to schools, but also participating local schools have can access fresh, locally-produced vegetables.

6. Ensuring better health and a brighter future

If government makes a conscious effort to procure goods and services that have the least toxic materials, produces the lowest amount of pollution (air, water, land), ensures the best possible balance of ecosystem, is organic or contains least amount of chemicals, it will indirectly improve health of the whole population. This in turn can save costs in the provision of healthcare services for the government.

C. Environmental benefits

7. Mitigating excessive waste

Waste management has become one of the most discussed topics in Bhutan in the recent years. In spite of the recognition of the problem, little has been done to address it in a practical manner. Through GPP, government authorities can choose to procure products that are durable, can be recycled, are bio-degradable or perhaps can be reused or up-scaled by the supplier at the end-of-life through a cradle to cradle business model. This can promote the uptake of extended producer responsibility (EPR) in Bhutan.

8. Ensuring sustainability and conservation

GPP has clear benefits for the natural environment. By committing to buying the most sustainably sourced products/services as well as products/services that cause the least amount of negative impact on the environment, GPP supports environmental stewardship and fosters economic growth. It also ensures long-term sustainability and availability of natural resources for future economic/human activities.

9. Reducing pollution (air, land, water)

Similar to managing waste, GPP can also help mitigate pollution. Procuring entities can set performance standards, for instance, that limit the concentrations and volumes of pollutants in emissions and effluent generated in the supply chains that provide them with goods and services.

WHAT ARE THE CHALLENGES?

While the benefits of GPP are many and quite significant, it is also important to anticipate potential challenges of integrating elements of GPP into the public procurement space in Bhutan. Few of the challenges are highlighted below:

1. Lack of explicit GPP legal, policy and regulatory framework

Currently, there is no dedicated law or policy on public procurement in Bhutan, let alone one on green/sustainable public procurement. The Procurement Rules and Regulations (PRR 2009) is the main guiding document – used by all government entities across Bhutan in their procurement of goods, works and services. While the PRR 2009 does not explicitly feature consideration for green/sustainable goods and services, the open interpretation of certain provisions of the PRR 2009 does allow significant space to incorporate evaluation criteria beyond “lowest price”, such as a provision for local Bhutanese content, and a consideration for ensuring the highest quality of

¹¹ See footnote 5.

product and service provision. In her briefing note, Turley (2013) recommends that performance-based evaluation of tenders can open up opportunities for resource and energy efficiency. Similarly, there is room for procuring agencies to include certain environmental and social criteria in the bidding documents.

One may argue that one of the challenges is to figure out how to express green/sustainability criteria in monetary terms and award the contract to the lowest evaluated bidder so it is indeed the best value for money. However, we must note that PRR 2009 states that *lowest price is only one of the factors of evaluation*, which means there is room for non-monetary considerations where monetization is not possible. An important question becomes *how* to go about incorporating GPP/SPP considerations in the space provided in the PRR 2009.

2. Lack of adequate knowledge and capacity

As reflected in many other countries' experiences, lack of information and knowledge about GPP/SPP, limited technical capacities to evaluate environment and social criteria, lack of clear and common definition of green/sustainable products and services, and limited interest from stakeholders could be important challenges to overcome for Bhutan. Since GPP is an evolving concept even in the global context, differing opinion, varying approaches and changing methods and definitions may be confusing and hard to navigate.

3. Budgetary constraints in the immediate term

While GPP actually *saves* money if we evaluate the cost over the life-cycle, it could drive up the cost at the point of purchase in many cases. Procurers and auditors usually concern themselves with the initial cost at the time of purchasing due to strict public accounting and budgetary rules that operate on an annual fiscal year basis. The extra cost can be a significant deterrent, especially if auditors, procurement officers and their supervisors/managers do not have the adequate knowledge, capacity, tools and legal clarity to realize the benefits of procuring green/sustainable products, works and services.

4. Scarce supply of green/sustainable goods and service

Since the concept of GPP is relatively new, the availability of green/sustainable goods and services in the market is limited, even in the developed world. In Bhutan, main sources of imports are India, Thailand, China and Bangladesh. Fortunately, all countries except Bangladesh have taken initial steps towards GPP/SPP. With support from the World Bank, Bangladesh had recent reforms in their public procurement mainly to improve efficiency, transparency, and accountability but has not made significant moves towards GPP/SPP. While the global and regional supply of green/sustainable goods and services are definitely on the rise, insufficient supply and/or lack of quality assurance for green/sustainable goods and services is one challenge to be mindful of.

RECOMMENDATIONS: MOVING TOWARDS GPP IN BHUTAN

Keeping in mind the benefits and challenges listed above, the way forward for Bhutan in green public purchasing could begin with a mix of direct and indirect measures as follows:

1. Through policies, laws and regulations

Creating favorable laws and policies to implement GPP will be one critical step to move towards green purchasing by public entities. The introduction of a Public Procurement Policy and a Public Procurement Act that integrates GPP could be one important way to implement green/sustainable procurement procedures, which would provide explicit policy and legislation supporting green/sustainable procurement. In addition, interpretation of existing laws, rules and

policies – which generally reflect best international practice –in a manner that supports procurement of green/sustainable goods would be another approach to press on for green public procurement.

2. Through education and capacity building

Educating procurers, managers, senior officials, suppliers/producers and the general public would be essential for implementation of GPP. An appreciation for sustainability and understanding about the benefits of buying & selling green products and services would be necessary to change the mind-sets of all stakeholders.

3. Through supporting producers and suppliers of green products and services

Enabling conditions such as access to finance, technical assistance, guarantees and certainty in demand would be needed to allow local producers and suppliers to build their capacity to supply green goods and services.

4. Through advocacy and public awareness

General awareness about sustainability, GPP and the business case for GPP could help influence procurers, public authorities and suppliers to move towards GPP. One of the most important catalysts for moving towards a society that produces and consumes in a manner that is environmentally and socially responsible is the change in attitudes by individuals that is reflected in their official positions.

5. Through absorbing the extra cost of procuring green in the initial implementation stages

Since GPP may result in added cost at the point of purchase, this may be a major barrier for public authorities operating with annual budgets. It may be worthwhile if the government can investigate some instruments to absorb the extra cost or write-off the added cost in the pilot stage of the project. One example would be multi-year accounting frameworks. At the end of the pilot stage, the cost savings, economic growth and all the social and environmental benefits outlined above can be assessed. If implemented properly, assessment would hopefully show the benefits, which would be reason enough to build the case for procuring green across all public entities.

ONE SIZE DOESN'T FIT ALL

Green purchasing amongst public entities is an increasing trend all over the world. Closer to home and perhaps more relevant to Bhutan, countries like India, China and Thailand are also moving towards greener manufacturing and purchasing greener goods and services. However, it is very important for Bhutan to be mindful that the policies and interventions must be adapted to the local context. While we can hold the long term vision of completely integrating into the global “green standards”, it would be more advisable to identify the small, incremental changes that Bhutan can start making towards “greening’ in the initial immediate future.

ABOUT GPP BHUTAN

With the implementation of the Green Public Procurement in Bhutan (GPP Bhutan) Project, we are taking the first step towards greening public procurement in Bhutan and our economy at large. GPP Bhutan project is has consortium of five non-governmental organizations from Bhutan and abroad, namely International Institute for Sustainable Development (Project Leader, Canada/Switzerland), Bhutan

Chamber of Commerce and Industry, Collaborating Centre on Sustainable Consumption and Production (Germany), Royal Institute of Management (Bhutan) and Royal Society for Protection of Nature (Bhutan).

Funded by the European Union (EU) under its EuropeAid SWITCH-Asia Programme, the 3.5-year (2014-2017) project aims to implement GPP practices in Bhutan, enabling the procurement cycle to be used as a driver for green growth. It seeks to: i) increase the positive environmental, social and economic multipliers of public consumption; ii) provide an incentive for sustainable production among suppliers, particularly CSMEs and disadvantaged groups; and iii) build demand-side and supply-side capacities to write and respond to GPP tenders.

Over the next 3 years, the GPP Bhutan project will be implemented in four phases: 1) establishing project basis through a situation analysis of the current public procurement system, 2) capacity building of procurers and suppliers, 3) piloting of GPP tenders, and 4) institutionalisation of GPP practices.

- The first phase will embed environmental and social criteria across the public procurement cycle to enable it to function as driver of cross-sectoral green industrial development, and make state consumption a model for private consumption.
- The second phase will build capacity at the state-market interface, training both procurers and suppliers on how to set up, respond to, evaluate and implement GPP tenders and bids for products, services and infrastructure projects.
- Then, the third phase will apply the updated and customized public procurement materials and make use of the newly-built domestic capacity in order to carry out and mentor six real-time pilot tenders.
- Finally, the fourth phase will institutionalise capacity-building and knowledge-exchange, with the help of a physical and web-based knowledge platform and curricula for modular trainings, and the inclusion of GPP in procurement course(s) at the RIM. This final phase will integrate all lessons learned from phases 1-3 to ensure the long-term implementation and “greening” of public procurement in Bhutan.

CONCLUSION

The GPP Bhutan project hopes to be the catalyst for embedding sustainability into the consumption and production habits in Bhutan. Ultimately, it will be up to the public sector and the society at large to take the idea forward and exhibit our commitment to sustainability. In all countries that are making the move towards GPP/SPP, public authorities have demonstrated commitment to the idea of GPP and pioneered its implementation. Bhutan’s case will be no different. In fact, given the reverence for public authority and the commitment to rule of law in Bhutan, public authorities & policy-makers may be the only ones who can champion GNH at very practical level by driving green growth through green procurement. At a time when public sentiment towards implementing GNH is met with much scepticism in Bhutan, GPP may just be one very practical tool for realizing GNH.

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