



Recommendation of the Council on Improving the Environmental Performance of Public Procurement

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Background Information

The Recommendation on Improving the Environmental Performance of Public Procurement was adopted by the OECD Council on 23 January 2002 on the proposal of the Environment Policy Committee. As a contribution toward implementing the OECD Environmental Strategy for the First Decade of the 21st Century which was endorsed by the OECD Council at Ministerial level in May 2001, the Recommendation is intended to provide guidance for Adherents as they seek to improve the environmental characteristics of public procurement. Notably it recommends that Adherents take greater account of environmental considerations in the public procurement of products and services by developing greener public purchasing policies.

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Recommendation of the Council on Improving the Environmental Performance of Government [C(96)39/FINAL];

HAVING REGARD to the Resolution of the Council on Improving the Environmental Performance of the Organisation for Economic Co-operation and Development [C(96)40/FINAL];

HAVING REGARD to the support for the use of green public procurement practices as expressed in the OECD *Environmental Strategies for the First Decade of the 21st Century*, which was adopted by OECD Environment Ministers and endorsed by the OECD Council at Ministerial level in May 2001;

RECOGNISING the importance of governments in demonstrating leadership in progressing toward sustainable development;

MINDFUL of the commitments made by Member countries in 1992 at the UN Conference on Environment and Development to review and improve government procurement policies in order to move towards more sustainable patterns of consumption and production;

NOTING that as a means to improve the environmental performance of public procurement, public authorities in a number of Member countries apply policies and practices which seek to encourage procurement officers to purchase products and services which are less environmentally-damaging (hereafter "greener public purchasing policies");

NOTING that greener public purchasing policies constitute a significant element of product-related environmental policies adopted by some Member countries;

NOTING that the scale of government purchases is such that greener public purchasing policies can contribute to the development and diffusion of products and services which are less environmentally-damaging;

NOTING that greener public purchasing policies can result in more cost-effective procurement practices;

RECOGNISING the need to preserve market openness and to apply the principles of transparent and competitive processes and non-discrimination among potential suppliers;

CONSIDERING that measures to improve the environmental performance of public procurement should not constitute unnecessary obstacles to international trade;

CONSIDERING that the use of relevant international standards, as well as equivalence and mutual recognition arrangements, could result in enhanced co-ordination amongst Member countries' greener public purchasing policies, and thus could have beneficial environmental and economic effects;

RECOGNISING that greener public purchasing policies depend for their efficiency and effectiveness upon: the use of appropriate methods to account for the environmental costs of products and services including, where appropriate, environmental impacts throughout the lifecycle; co-ordination between procurement, budget, environment and other relevant government officials; co-ordination with other environmental policy measures such as economic instruments (e.g. tradable permits and environmental taxes), performance standards, and information-based measures (e.g. demonstration projects and eco-labels); and, the prevention of false or misleading claims of environmental quality;

CONSCIOUS of the need for Member countries to tailor implementation strategies for greener public purchasing policies to fit their individual institutional, social, economic and environmental needs and priorities;

On the proposal of the Environmental Policy Committee:

I. RECOMMENDS that Member countries take greater account of environmental considerations in public procurement of products and services (including, but not limited to, consumables, capital goods, infrastructure, construction and public works), in order to improve the environmental performance of public procurement, and thereby promote continuous improvement in the environmental performance of products and services.

II. RECOMMENDS to this effect that Member countries should:

1. Develop greener public purchasing policies in ways which are consistent with Member countries' competition and other relevant national policies, and with their international obligations and commitments;

2. Take the following concrete steps to ensure the incorporation of environmental criteria into public procurement of products and services including, where appropriate, environmental impacts throughout the lifecycle, while ensuring that transparency, non-discrimination and competition are preserved:

- a) Provide the appropriate policy framework to incorporate environmental criteria into public procurement of products and services, along with price and performance criteria;
- b) Introduce financial, budgeting, and accounting measures to ensure that public procurement policies and practices consider the environmental costs of products and services;
- c) Provide information, training and technical assistance to officials involved in the public procurement and use chain, including those who set the performance criteria of products and services, those who are responsible for procurement, and those who use the products and services;
- d) Make information and tools that facilitate greener public purchasing available to all levels of government;
- e) Disseminate the information needed to facilitate and encourage greener public purchasing decisions, as well as the results and benefits derived from their adoption;
- f) Establish procedures for the identification of products and services which meet the objectives of greener public purchasing policies;
- g) Encourage the development of indicators to measure and monitor progress made in greener public purchasing;
- h) Assess and evaluate greener public purchasing policies in order to ensure that they are economically efficient and environmentally effective.

III. INVITES the Environment Policy Committee to:

1. Support efforts by Member countries to develop and apply efficient and effective greener public purchasing policies, for example through the collection and dissemination of information on "best practices" and the development of appropriate indicators;

2. Monitor, assess and report to the Council in 2005 on Member countries' implementation of this Recommendation and on any barriers to further progress.

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