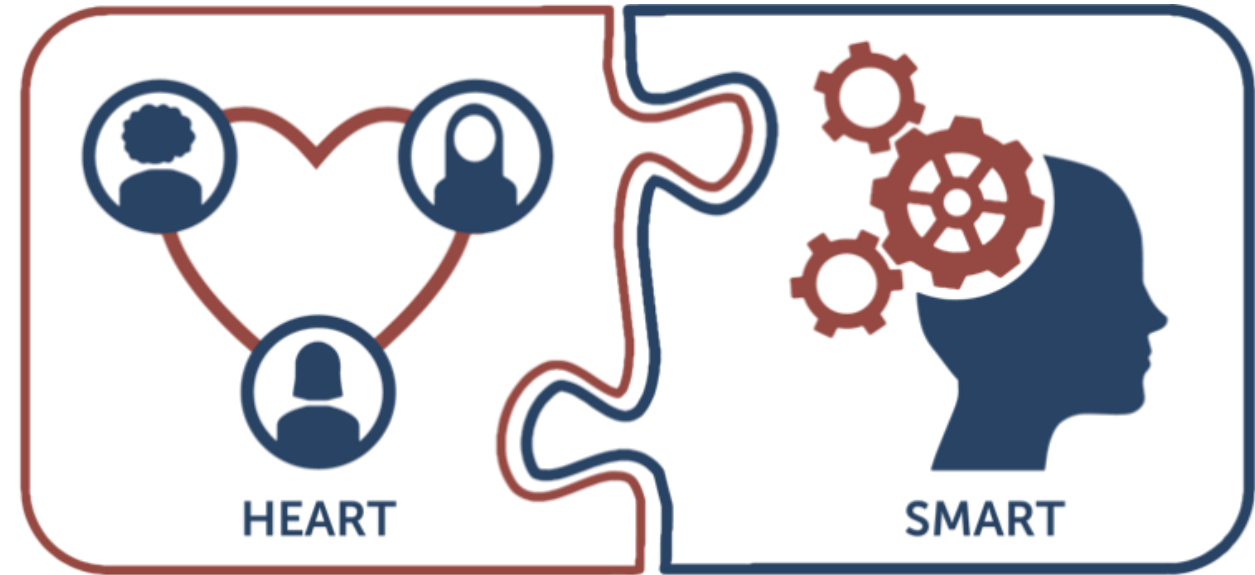


Sustainable Procurement

ADB/WTO Trade Forum 2024

Jeff Taylor
Deputy Director General
Procurement, Portfolio and Financial Management Department



Outline



Why we are doing it



What we are doing



How we can do it together





Strategic Alignment with Public Goods



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SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



GREENHOUSE
GAS PROTOCOL

**A new UN treaty
to address plastic
pollution**

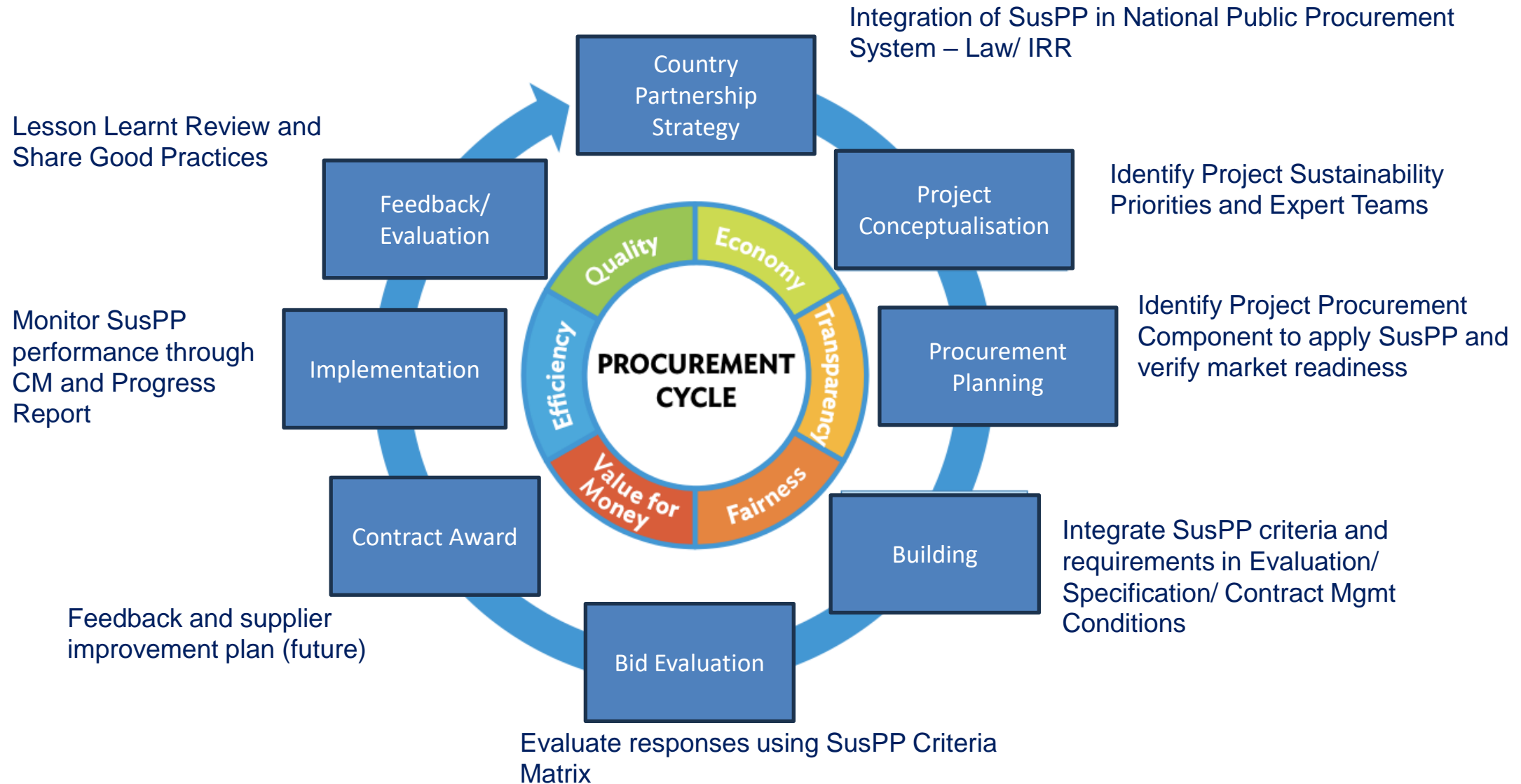
Supporting the transition to a
circular economy for plastics



ADB



Sustainable Procurement – Country & Project Level Application





Commitment to Mainstream SusPP – ADB / MDB



JOINT STATEMENT ON SUSTAINABLE PROCUREMENT INITIATIVES

By the Heads of Procurement at Multilateral Development Banks

Preamble

The Heads of Procurement (HoP) network of the Multilateral Development Banks (MDBs) was formed over 20 years ago to harmonize their operational policies and practices for the purpose of enhancing economy, efficiency, effectiveness, and fairness across all MDB financed operations. Significant progress has been made, including harmonized procurement approaches and documents. Beyond this, several MDBs have put in place harmonized approaches for mutual reliance arrangements that allow for one MDB to rely on the procurement arrangements of another, in jointly financed operations.

Building on their successful collaboration among MDBs on climate finance, Paris Alignment and mitigation and adaptation finance tracking, the HoPs in mid-2023 created a Working Group on Sustainable Public Procurement (SPP) to develop concepts, strategies and action plans for their activities. Through this, the HoPs seek to actively induce and catalyze environmental, social, economic, and client institutional sustainability outcomes, at both a national public procurement system level and within project operations procurement, as each MDB's mandate permits.

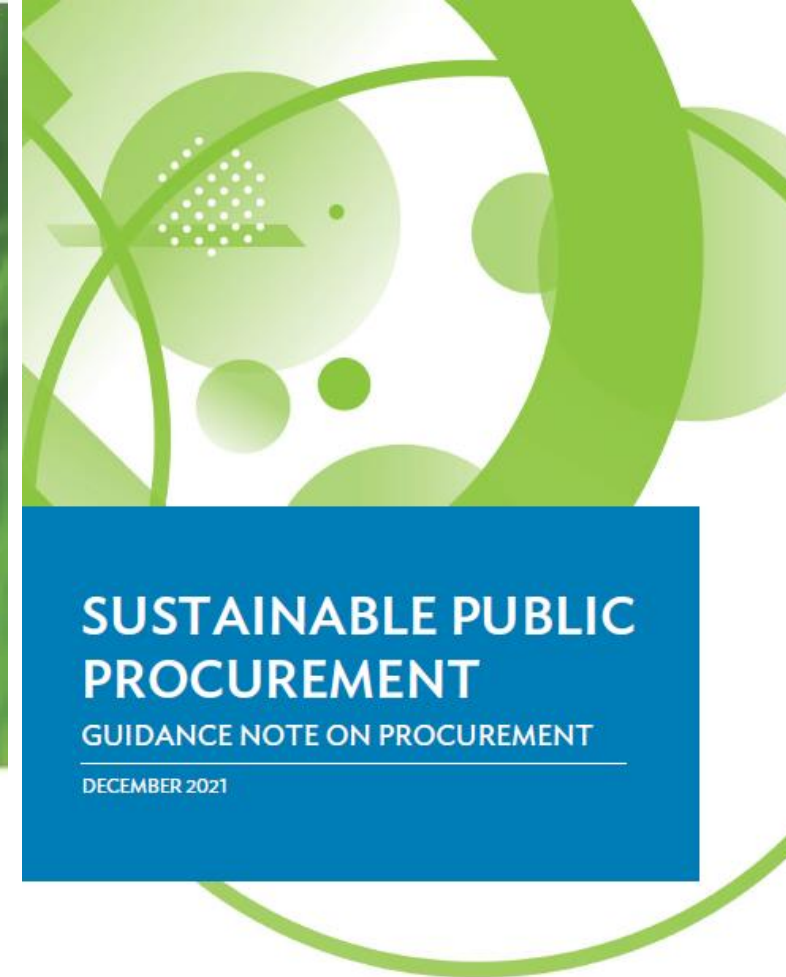
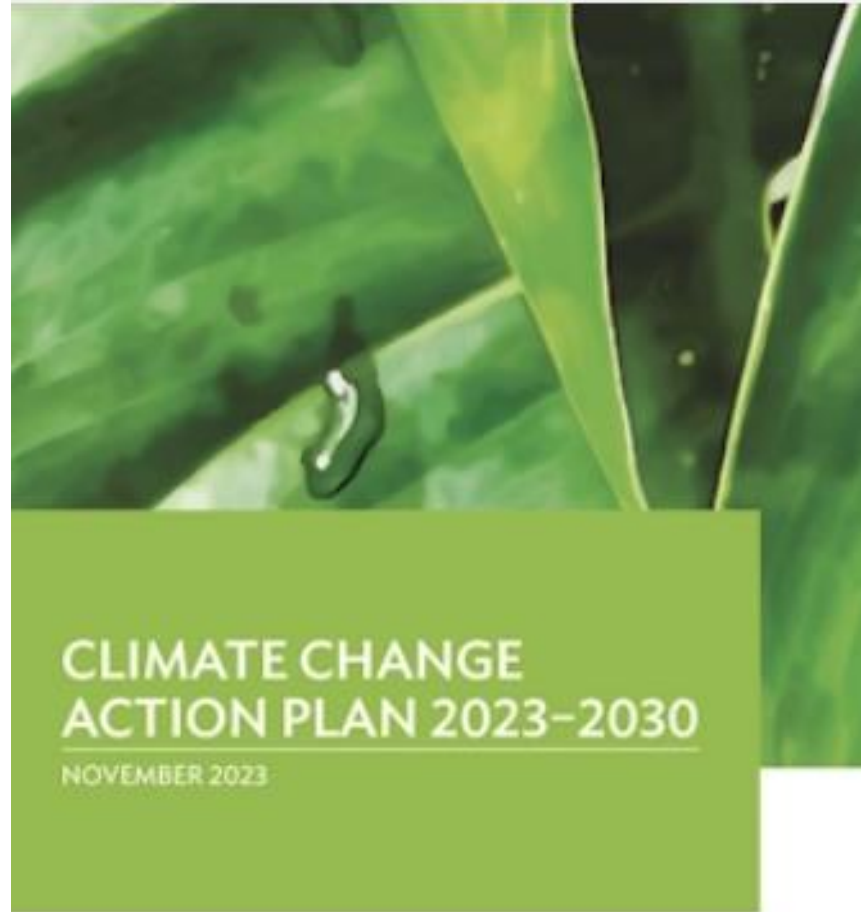
The following joint statement reflects the HOPs' collective intent on mainstreaming sustainable procurement¹.

Global public procurement amounts to over US\$13 trillion annually (or around 15 percent of global GDP)² and can play a crucial and strategic role to support achievement of the United Nations

¹ ADB. 2021. Manila. Sustainable Public Procurement (Guidance Note on Procurement).

<https://www.adb.org/sites/default/files/sustainable-public-procurement.pdf>

² World Bank Group. A Global Procurement Partnership for Sustainable Development (An International Stocktaking of





Case Study: Laying the foundation for green supply chain

Uttarakhand Integrated and Resilient Urban Development Project - Additional Financing India – \$200 million

- Strategic Procurement Planning exercise undertaken
- Substantial GHG emissions reduction opportunity through sustainable construction materials specification.
- Market research* and assessment revealed well-defined standards for low-carbon cement and a robust ecolabeling scheme, GreenPro, in India.
- With the procurement of some **260,000 tons of low-carbon cement** instead of ordinary Portland cement, the project can reduce GHG emissions by **67,850 tons of CO₂-eq.** This translates to **\$55 million in climate mitigation financing** through the use of low-carbon cement alone.



**Source: Global Cement and Concrete Association (GCCA) Headquarters, UK and India , Confederation of Indian Industry (CII) , Survey Questionnaire with leading cement manufacturers*




Understanding Country Context and Opportunities to Amplify through Regional Cooperation

Understanding country and market context is critical to application of SusPP. ADB is preparing country diagnostic for all of ADB DMCs. These will supplement our sector and thematic related resources, inform country level support and regional knowledge initiatives.

Check out some examples via below QR Codes:





Align Country Public Procurement System with National SDG Targets Through Sustainable Procurement Policy Actions [Case Studies]



Fiji – 1st in the world to ratify Paris Agreement, 1st SIDS with 2050 Net Zero Commitment

ADB, through its *TA9427 – Supporting Public Financial Management Reform*, is supporting the Fiji Government to incorporate sustainable procurement in its public procurement framework, including promoted as a Guiding Principle in the proposed procurement regulations amendment. The TA also includes development of associated policy and implementing guidelines, tools, training and awareness raising among suppliers, contractors, government agencies and the public.



Indonesia – Launches Southeast Asia's 1st SDG Bond

ADB, through its *TA9923 – Strengthening Project Readiness, Procurement and Financial Management in Southeast Asia*, supported National Public Procurement Agency of Indonesia (LKPP) on a capacity building initiative to increase awareness of sustainable procurement among public procurement practitioners and business community in Indonesia, and is developing a new Sustainable Procurement guideline, technical reference focusing on infrastructure construction and Standard Bidding Documents update.