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Measuring the impact of Sustainable Procurement

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Sustainable Public Procurement (SPP) Challenges

- Public buyers have a high workload.
- SPP may require high knowledge of local laws and technical aspects.
- Economic impact of sustainable criterion in SPP may not be assessed.
- Sustainable criteria are sometimes too complicated to be implemented.
- Suppliers may not be prepared to comply with sustainable criteria.
- Lack of coordination among public departments.
- Price is not considering all costs behind products and services.

Studies assessing economic impact of SPP

Central America

Costa Rica (CRI)
Guatemala (GTM)
México (MEX)

South America

Argentina (ARG)
Brasil (BRA)
Chile (CHI)
Colombia (COL)
Ecuador (ECU)
Perú (PER)
Uruguay (URU)

Caribeann

Bardados (BRB)
Trinidad y Tobago (TTO)
República Dominicana (DOM)

LEVEL 3: LIFE CYCLE COST

LEVEL 2: TOTAL COST OF OWNERSHIP

LEVEL 1: PURCHASE

Acquisition
Cost

+

Usage cost

+

Disposal cost

+

Cost of
environmental
or social
externalities

Life Cycle costs
(CCV)

Car
Example:






Level 1: Price + charger

Level 2: Usage, maintenance
and repair.

Level 3: Health and GHG
externalities.




General results

Product	Country	Environmental Criterion	CCV Level	Results local studies	How is it applied?
	Costa Rica	1) Light Efficiency. 2) Useful life.	Level 2	Fluorescents are 77% cheaper than incandescent. LED is 89% cheaper than incandescent.	Compulsory under national standards
	Chile	1) Light Efficiency. 2) Useful life.	Level 3	Fluorescents are 27% cheaper than incandescent. LED is 70% cheaper than halogen.	Compulsory under national standards
	Perú	1) Light Efficiency. 2) Useful life.	Level 2	 Estimated savings of \$0.16 USD per month for every Led Light.  In public lighting, cheaper between 29% and 52% with LED lights	Compulsory
	Colombia	1) Removal and final disposal	Level 2	Estimated saving of 1.34% of total property ownership. \$70 USD per 2,235 lights.	It is Voluntary and is promoted.

General results

Product	Country	Environmental Criterion	CCV Level	Results local studies	How is it applied?
PC 	Chile	Energy star certification	Level 3	Savings of \$43.66 USD / unit (CTP) in 4 years. Savings of \$54.50 USD / unit (level 3) in 4 years.	Voluntary. It is promoted by public office certification (Green state)
Printers 	Chile	Energy star certification	Level 3	Savings of \$2.02 USD / unit (CTP) in 4 years. Savings of \$2.32 USD / unit (level 3) in 4 years.	Voluntary. It is promoted by public office certification (Green state)

General results

Product	Country	Environmental Criterion	CCV Level	Results local studies	How is it applied?
Cars SUV diesel 	Chile	Euro 6	Level 3	More expensive in \$511 USD / unit per 100,000 km, Level 3. Savings of \$151 USD in externalities (health)	Voluntary. Promoted by guidances and public office certification (Green state – Estado Verde)
Car Pickup diesel 	Chile	Low CO2 emissions	Level 3	Cheaper in \$1,635 USD / unit per 100.000 km.	Voluntary. Promoted by guidances and public office certification (Green state – Estado Verde)
Electric cars 	Chile	Electric propulsion	Level 3	There are many aspects to consider. Car cost, rechargeable stations and technical knowledge	Voluntary. It is promoted by MINENERGIA and electromobility platforms. Example JUNAEB
	Colombia	Electric propulsion	Level 2	Economic financial benefits of \$1,20 millions of USD.	Voluntary.

General results

Product	Country	Environmental Criterion	CCV Level	Results local studies	How is it applied?	
single-use plastics	Chile	Reusable in coffee breaks services.	Level 2	Service cost is the same for most cases.	Voluntary. Promoted by guidances and public office certification (Green state)	
	District or Municipality in México	Reusable	Level 2	Savings of 1,42 USD for every 300 ceramic plastics usage vs EPS disposable plates.	Compulsory	
Paper	Chile	Sustainable Forest certifications (SFC)	Level 1	SFC paper is cheaper: <ul style="list-style-type: none"> Letter: \$0,17 USD / unit. Legal: \$0,09 USD / Unit. 	Voluntary. Promoted by guidances and public office certification (Green state)	
		Recycled (50%)	Level 3	Price is more expensive (\$0,03 USD / unit). At level 3 is cheaper (\$0,01 USD / unit)		
WC		Costa Rica	Water Efficiency	Level 2* *Price not included	Savings of \$6.694 USD in 10 years (, \$669 USD anually).	Voluntary.

Voluntary,
self
assessment

Each institution decides the integration of SPP. Tools and technical support is provided (Guidances)

Example of Sustainable Purchase guidances in Chile.

Example of technical support for the purchase of electric vehicles in Colombia.

Example of environmental labels for buying more sustainable (Green State in Chile).

Compulsory

Analysis and conviction is generated at the central level, freeing the entities from the evaluation.

Example, countries energy efficiency standards.

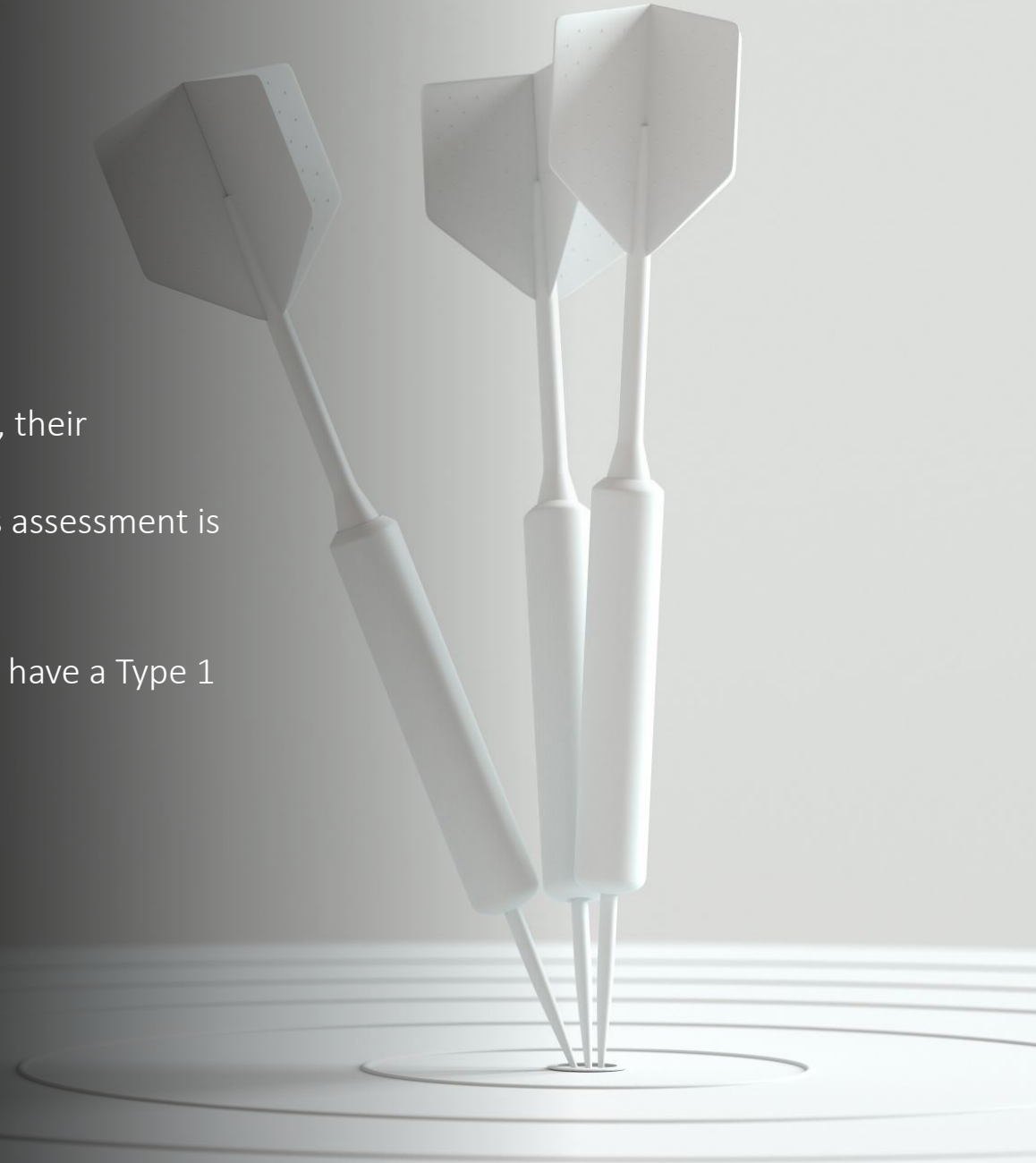
Obligatory purchase of low Emissions vehicles in Costa Rica.

Homologation process in Perú.



Conclusions

- ✓ When Sustainable Public procurement considers all costs, not just price, their applicability is easier.
- ✓ In some products economic benefits is demonstrable. In other products assessment is more complicate.
- ✓ There are limited economic assessments for SPP In Latin-American.
- ✓ Eco-Labels may be considered in SPP., however just Brazil and Colombia have a Type 1 eco-label.
- ✓ SPP has a low level of application in Latin America.





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