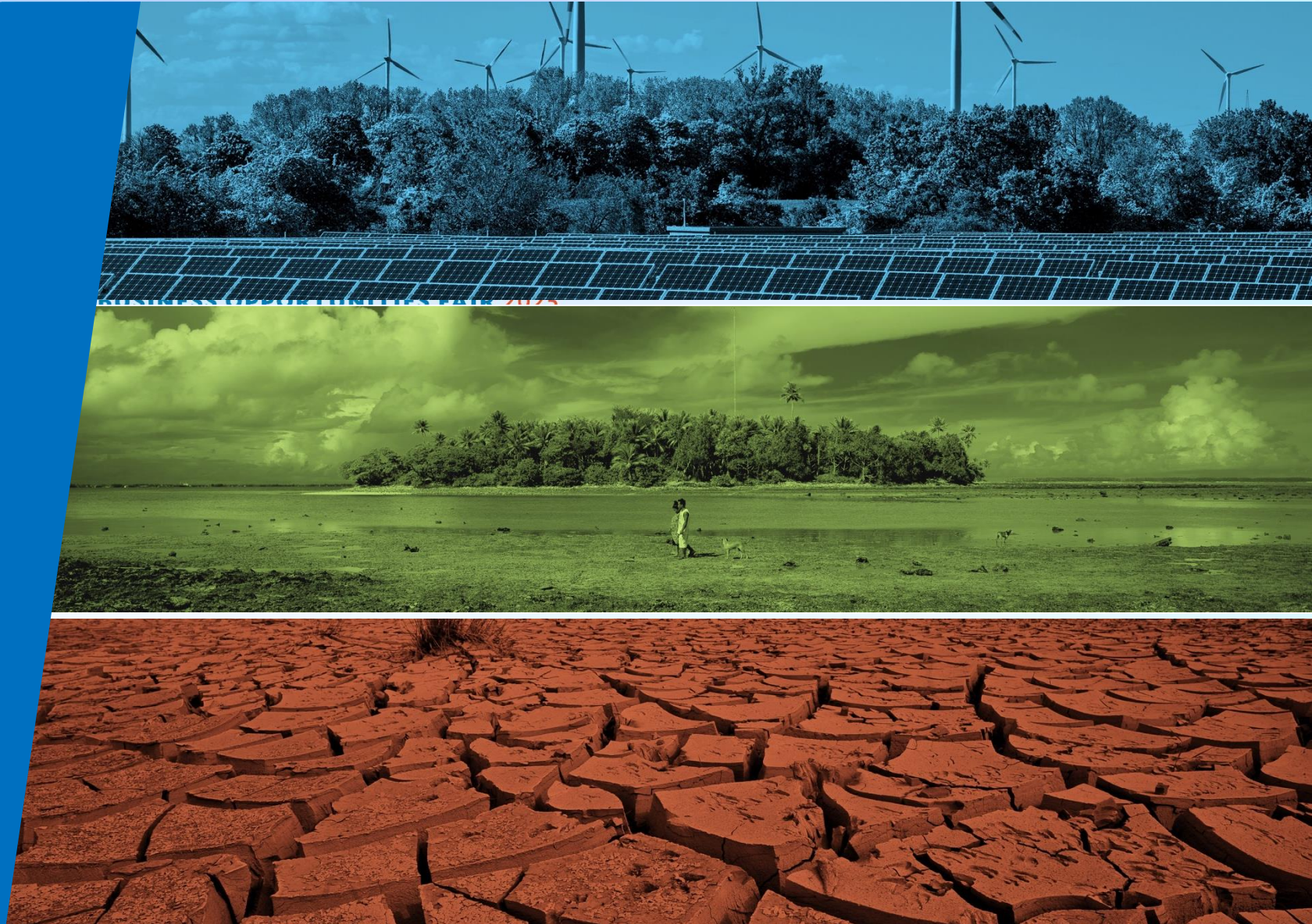


Understanding ADB's Sustainable Procurement Considerations

Oct 2025

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Sustainable public procurement

achieved through

- policy and regulation
- contract requirements
- specification
- criteria setting

informed by prioritization and
market analysis

ENVIRONMENTAL



SOCIAL



ECONOMIC



INSTITUTIONAL



It's
more than
just green



**Strategically Aligned
with Public Goods**

Amplifier of
environmental, social,
economical impacts
through market shaping

*Do good both through what is built
and through how it is built*

Sustainable procurement in ADB

Progress achieved so far

2021-
2022

ADB guidance note
on sustainable
procurement
developed

Standard bidding
document templates
updated

Staff training
initiated

Gender responsive
procurement report I
released

2023-
2024

MDBs joint statement
issued

Build4Skills Resources
published

Pilot suspp criteria + carbon
measurement
launched

Green construction materials
market research
underway

Initial DMC country diagnostic
Completed

Integration in PBL
Increased



Sustainable Procurement
Resource Hub
Launched

Focus in 2025

1. Understand carbon emission of ADB's construction projects to inform potential procurement intervention
2. Heavy construction materials market maturity assessment and industry dialogue
3. Support DMC country system strengthening in SusPP
4. Enhance guidance on social aspects of SusPP
5. Progress/ impact evaluation, monitoring and reporting
6. Strengthened collaboration and partnerships between governments, market, civil society, international organizations

SUSTAINABLE PUBLIC PROCUREMENT

Sustainable public procurement (SusPP) is a strategic framework to integrate development objectives throughout the procurement cycle.

4 pillars of sustainability

1

Environmental

- Decarbonization
- Ecosystems protection

2

Social

- Local content and participation
- Ethical supply chain

3

Economic

- Life cycle costing
- Small and Medium Enterprises development

4

Institutional

- Country systems strengthening
- Governance

Feedback or Evaluation

Include SusPP in project completion report and lessons learned

Implementation and Contract Management

Monitor delivery of sustainability priorities and report results

Contract Award

Develop contract management plan, key performance indicators and incentives

Country Partnership Strategy

Consider country and sector risks related to SusPP and identify areas of institutional support and capacity building

Project Conceptualization

Determine the key sustainability impacts and issues that the SusPP will address at project level

Strategic Procurement Planning

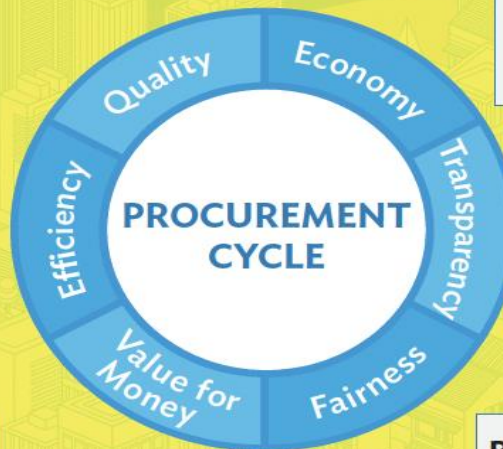
Undertake capacity and risk assessment, early market engagement, option analysis and strategy development

Bidding

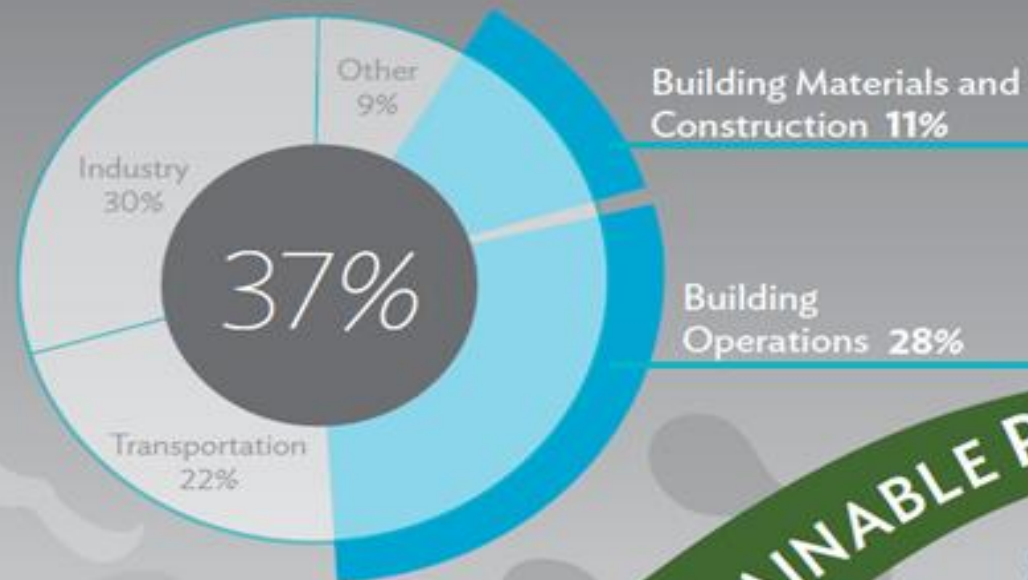
Include sustainability requirements and performance incentives in the bidding documents

Bid Evaluation

Evaluate bids against the sustainable criteria



Construction's Role in Global Carbon Emissions



Embodied carbon

refers to the Greenhouse Gases emitted during the extraction, manufacture, transportation, construction, replacement, and deconstruction of building materials, together with the end-of-life emissions.

Reducing embodied and operational carbon throughout the building lifecycle is key

Less than half of countries in Asia have mandatory or voluntary building codes or certification programmes in place.

Sustainable public procurement is a strategic framework to integrate economic, social, environmental and institutional governance development objectives throughout the procurement cycle.

(Joint Statement on Mainstreaming Sustainable Procurement by Multilateral Development Banks)



Policy frameworks and tools needed to require industry to perform Whole Building Life Cycle Assessments and report on building emission footprints

SUSTAINABLE PROCUREMENT

CONTRACT CLAUSES
CRITERIA
SUSTAINABILITY SCORING

Triple wins



Save emissions



Save costs



Save adaptation requirements

by making key decisions at design stage

through lifecycle thinking

Decarbonizing construction is a multistakeholder effort

Policy makers

Financial investors, developers

Manufacturers, builders, waste managers

Architects, engineers, occupants

Sustainable building design
Sustainable construction practices

Green & recycled construction materials

Waste reduction

Low-carbon logistics

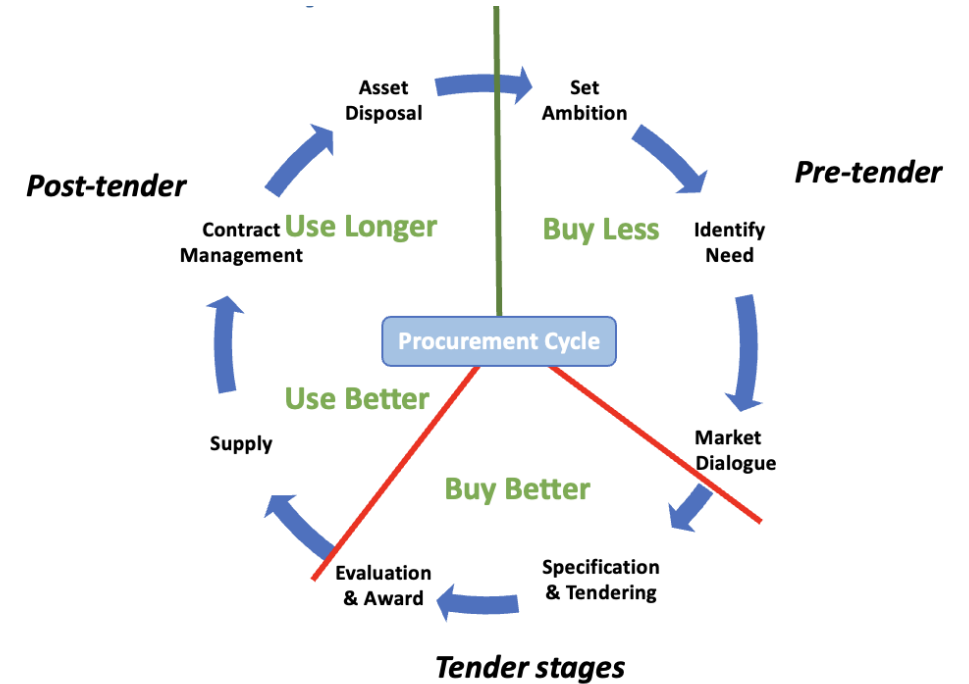
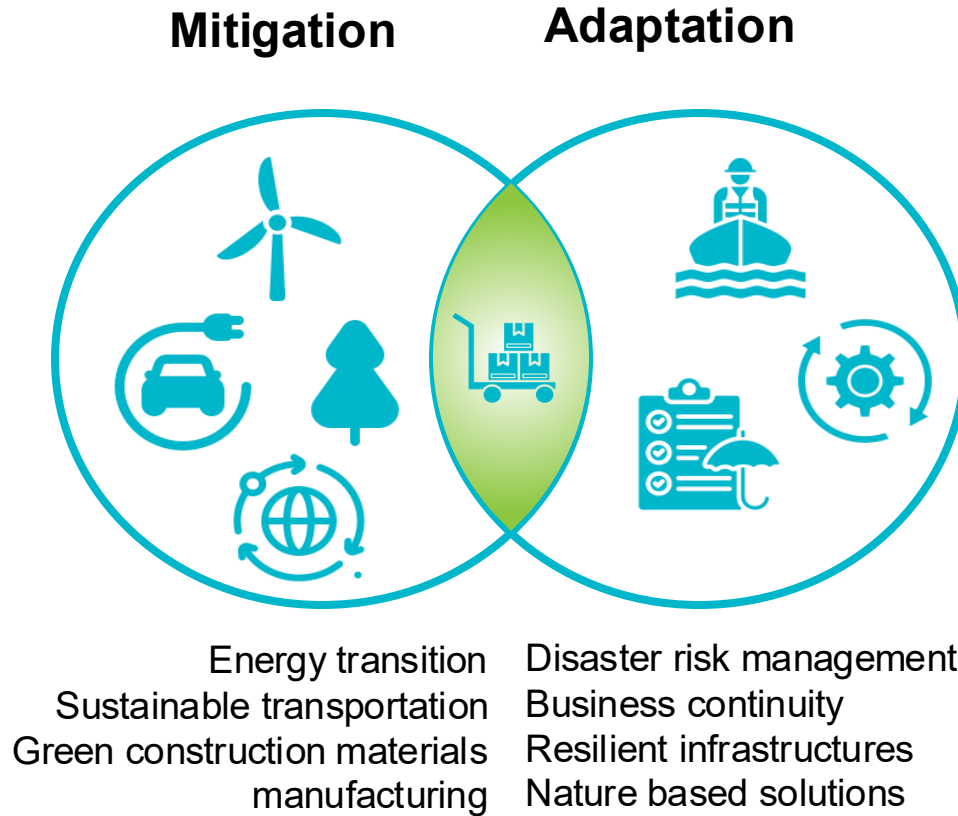
End-of-life reuse & recovery

Water & energy efficiency

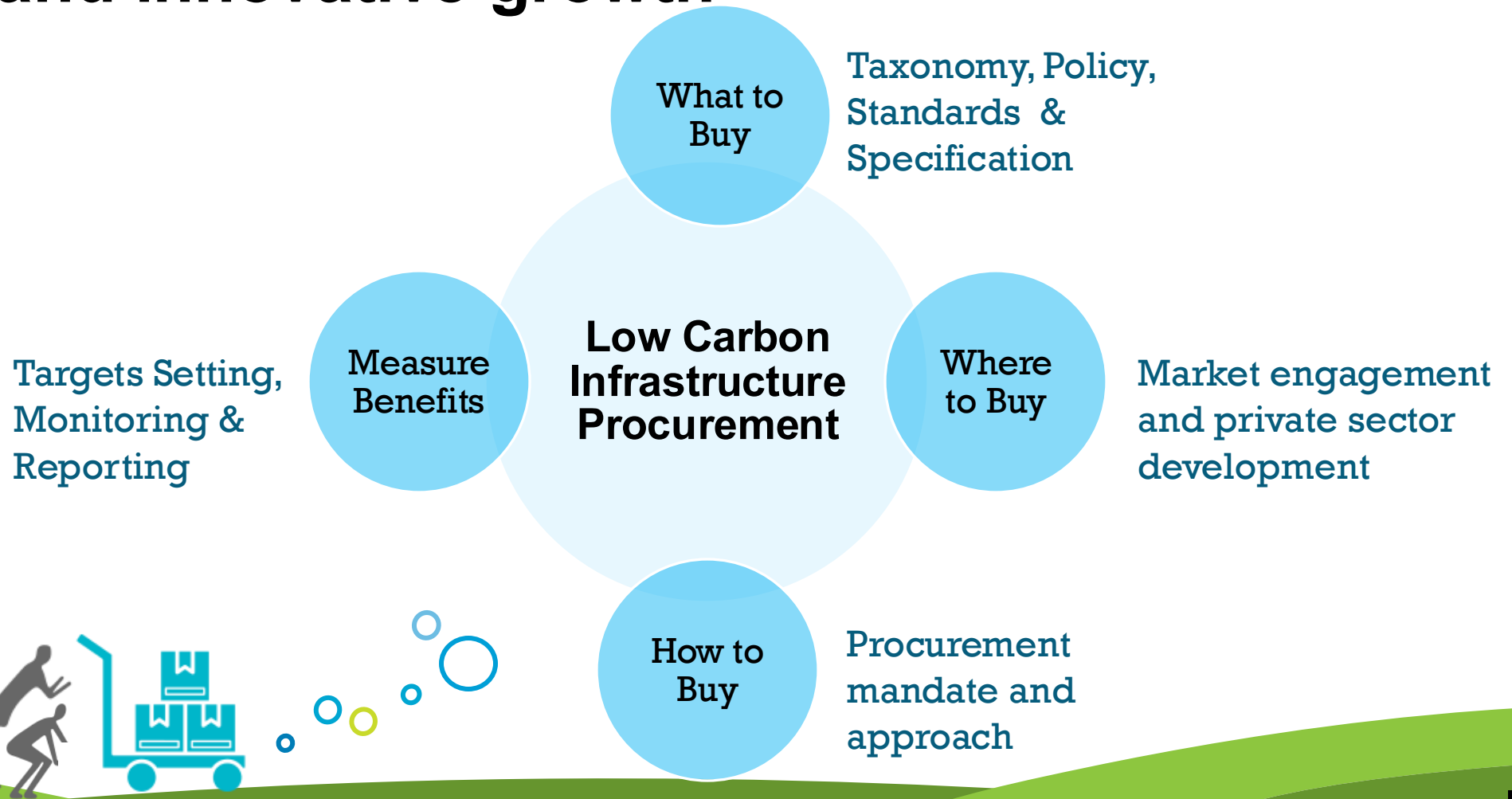
Supplier readiness and green product availability in local markets is crucial

Sustainable procurement

supports both climate and circular goals



Bringing public and private sector together towards green, inclusive and innovative growth



Examples of Low Carbon Procurement Application on ADB financed infrastructure projects

- Planning stage:
 - Country & Market Research -> SPP considerations
- Bidding stage:
 - Adopt Low Carbon Specification for Heavy Construction Materials – e.g. Concrete/Cement, Steel
 - Adopt Energy Efficient Standards for building design and plant equipments procurement
 - Pilot Carbon Reduction considerations in MPC SusPP Criteria, Carbon cost in WOL cost assessment, Circular and O&M considerations in scope setting and evaluation
- Contract Management stage:
 - Carbon Measurement reporting requirements inclusion Contract



It Takes A Village

Green Material
Efficiency
survey

Vietnam Tec
Standard with
EPD Adaptation

Eco-labelling,
Product List,
Procurement Regulation

Project
Implementation



**SUPPLIERS/
CONTRACTOR/
CONSULTANTS/**

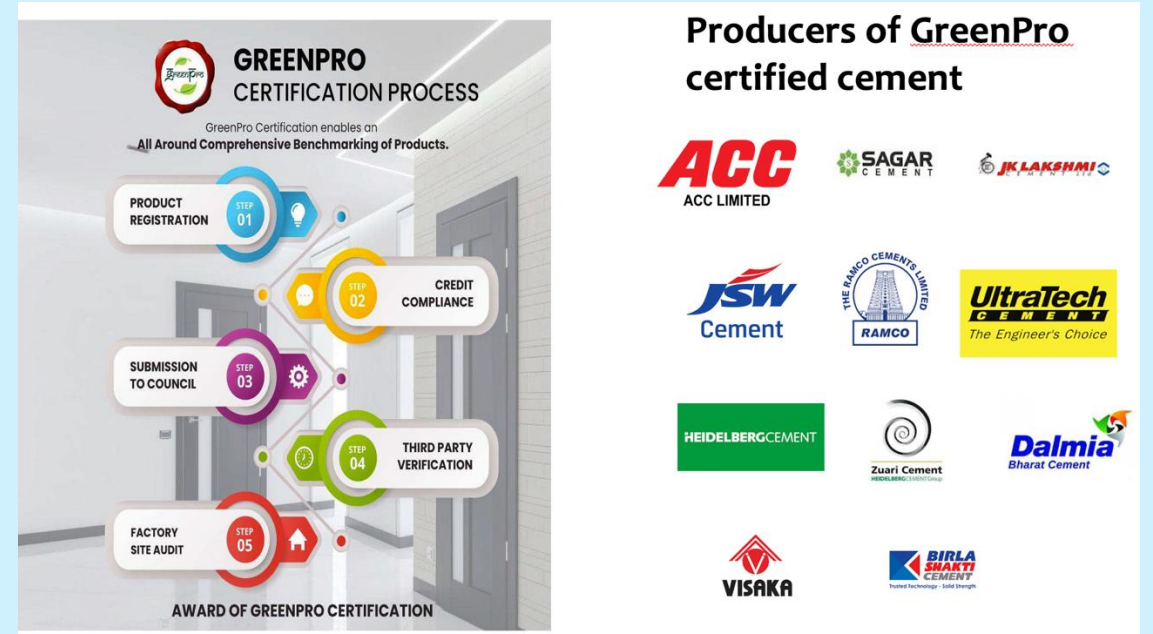
NGO & CSO



Example: Specify use of low carbon cement

India 57230-001: Sikkim Integrated Urban Development Project

- Project Cost: USD 226 million
- Implementing Agency: Urban Development Department, Govt. of Sikkim
- Project Components:
 - ✓ Water Supply,
 - ✓ Sanitation,
 - ✓ Transit hubs cum community complex, and
 - ✓ Other civil infrastructures
- **Mandatory use of low carbon cement (PPC) stipulated in the Section 6 of the Bidding Document, monitored and reported through QPR**



Types of cements and relevant Indian standard specifications

Sr. No.	Type of Cement	IS Code No.
1	Ordinary Portland Cement (OPC) (OPC33, 43, 43S, 53 & 53S)	IS 269:2015
2	Portland Pozzolana Cement (PPC)	IS:1489-2015 (Part-I): Fly ash
3	Portland Pozzolana Cement (PPC)	IS:1489-2015 (Part-II): Calcined Clay
4	Portland Slag Cement (PSC)	IS:455-2015
5	Composite Cement	IS:16415-2015
6	White Portland Cement	IS: 8042-2015
7	Sulphate Resisting Portland Cement	IS:12330-1988
8	Super Sulphated Cement	IS:6909-1990
9	Low Heat Portland Cement	IS:12600-1989
10	Hydrophobic Portland Cement	IS:8043-1991
11	Rapid Hardening Portland Cement	IS:8041-1990
12	Masonry Cement	IS:3466-1988
13	Oil Well Cement	IS:8229-1986
14	High Alumina Cement	IS:6452-1989

Example: Measuring carbon emission in construction stage



Institutional high-rise (32 floors, 90,774 m²)

ADB Loan 4437-IND: GIFT-City Project, India

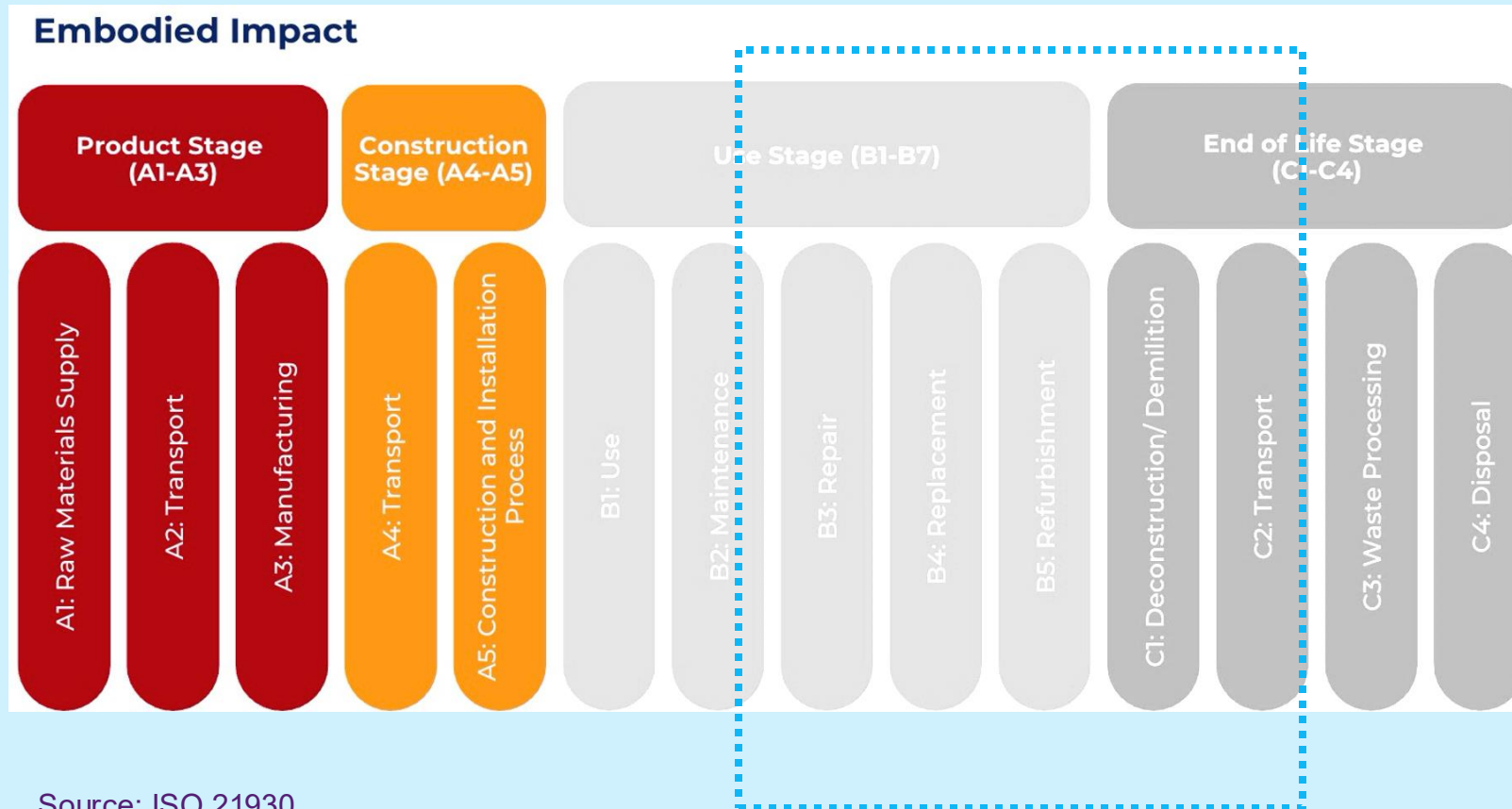
Pilot period: (September 2024 – March 2025)

Scope: Embodied carbon assessment (A1–A5)

Goal: Test methods for integrating Whole Building LCA into ADB projects

Methodology

Emission Calculation Stages



Source: ISO 21930

Framework: Whole Building LCA (100-year reference period)

Tools & Data Sources:

- EC3 (Embodied carbon in construction calculator) default emission factors
- Project-specific EPDs (steel, cement)
- Proxy where there is no EPD
- Actual fuel consumption data
- EF from the GLEC (Global logistic Emission council) Framework

Output

WBLCA Boundary =100 years	Material	Material Quantity	Production Stage			Construction Stage				Emissions	
LCA Phase	Masterformat	Various Unit	A1 - A3			A4				A5	Total A1 - A5
Carbon Type			By EC3 (tons CO2e)	By EPD (tons CO2e)	By Average Peer EPD across Same Material (tons CO2e)	EC3 (tons CO2e)	Fuel-Based (tons CO2e)	Distance-Based (tons CO2e)	Spend-Based (tons CO2e)	EC3 (tons CO2e)	EC3 (tons CO2e)
Structure: Primary Structure Systems	Ready Mix	14,353.5 m3	5,770.1	-	5,203.4	246.3	67.2	176.6	-	64.0	12,898.51
	Rebar	2,412.3 ton	5,017.6	5,837.8	6,961.2	1,800.5	124.2	539.8	-		



MATERIAL QUANTITY



GLOBAL WARMING POTENTIAL (GWP)

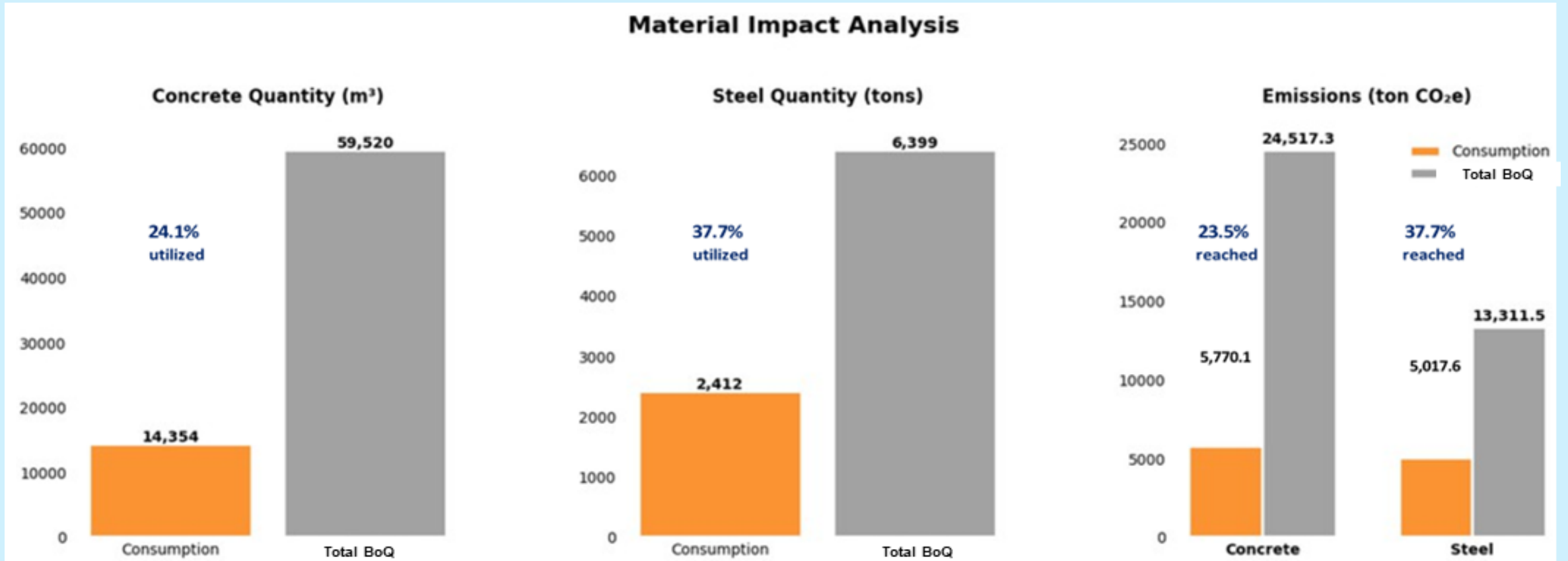




EMBODIED CARBON

kgCO₂eq

Results (to date)



- ❖ Embodied Emissions (A1–A3): 417 kgCO₂e/m² (vs Denmark's WLCA benchmark 400 kgCO₂e/m²)
- ❖ Transport (A4): Initial value was 67 kgCO₂e/t-km based EC3 default EF → Fuel-based 9.0 kgCO₂e/t-km (vs Denmark's WLCA benchmark 75 kgCO₂e/t-km)



Let us Know

**If you have a contract that would be interested
in joining this carbon measurement pilot in
2025 ?**

(short term consultant support available)

Use Technical Specification to promote Zero Waste & Circularity



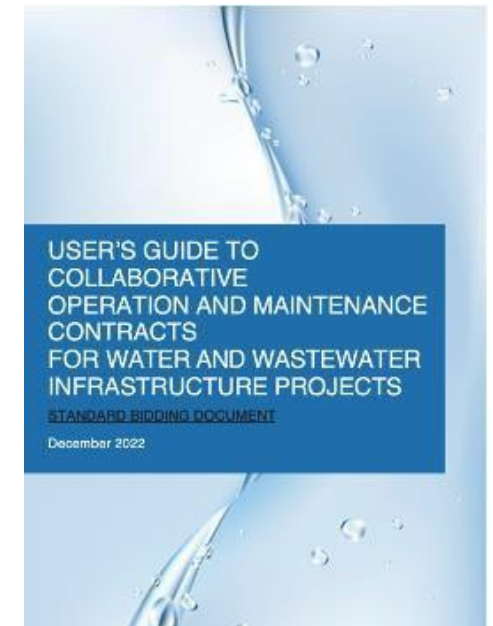
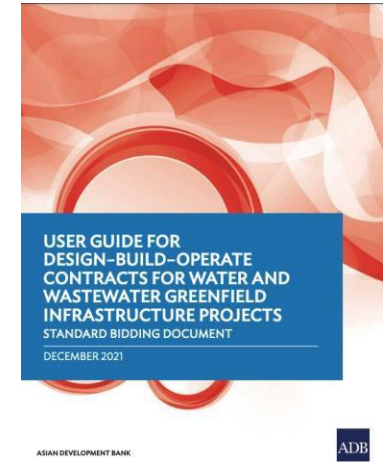
Section 3 of BD
Innovative and Sustainable Construction Methodology such as construction methods, including any measures to reduce the carbon production from construction activities, such as alternative methods for bituminous heating, alternative materials, reuse of existing materials, etc as applicable to the terrain and conditions for the project etc are included as criteria for technical evaluation

Adopt Operation & Maintenance Contract Models that Consider Long Term Asset Resilience

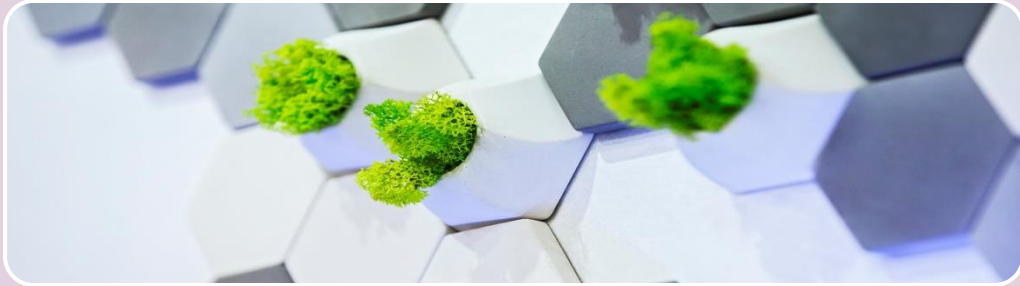


CONTRACTS INCLUDING O&M ASPECTS

- Design, Build and Operate template (2021) for water and wastewater greenfield projects template for projects with 10-30 years of O&M period handled by the same contractor,
- A new **Collaborative O&M Contract Template for water and wastewater infrastructure projects (2025)** introduces collaborative approach during a shorter O&M period to :
 - 1/ **Quickly improve** service to end users,
 - 2/ **Implement new** technology and solutions
 - 3/ **Prepare future** infrastructures investments.



Local Participation



Local Resources

- Labor/ Businesses
- Material
- Equipment



Skills Development

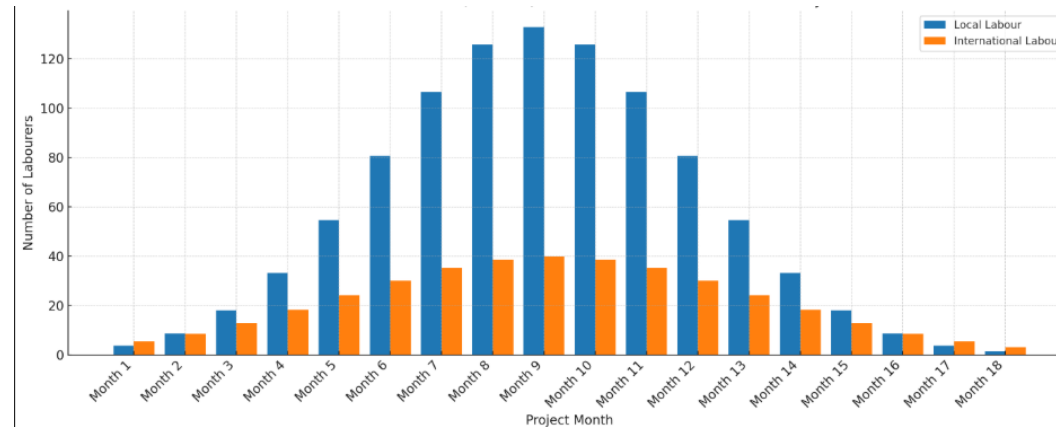
- Training
- Knowledge Transfer

Approach

Qualification Criteria

- As a minimum, **50 % of the workforce (person-days) shall be local labor**
- Applicable on 1 January 2026; transition arrangements will apply.
- Lower threshold permitted in certain situations (e.g., SIDS) if justified in procurement strategy.
- **Calculation by person days**

Required on internationally advertised contracts, recommended elsewhere



Approach

Merit Point Criteria

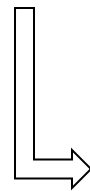
- Option to include scoring up to 15 % in MPC evaluation for:
 - Maximizing use of local resources (JV, subcontractors, materials, equipment labor)
 - Local job creation (exceeding thresholds outlined above)
 - Local skills development proposals
- **Skills Development** covers on the job training, structured trainings, knowledge transfer etc.
- **Local Partnerships** in Innovation and Technology Transfer
- **Social Value** – impact and opportunities for local communities
- ADB collaborated with GIZ the **Build4Skills** program, establishing the template for inclusion of construction traineeship in projects.



Reward Sustainable Procurement



Up to 25% of the technical score may be allocated to sustainability aspects



Of which, up to 15% of technical score may be allocated to measures favoring local job creation and skills development



Let us Know

How should the client structure its tendering / bidding process to maximise innovation from market to advance sustainability outcome in delivery of quality infrastructure?

70–90% of lifecycle impact is locked in at design and contracting stage.

Adopt green specification

Prepare Waste Minimisation Criteria in Bidding Document

Make Use of Your Consultants

Find out local market condition to facilitate optimal use of local resources in planning stage

Introduce traineeship in construction work requirements

PATH AHEAD

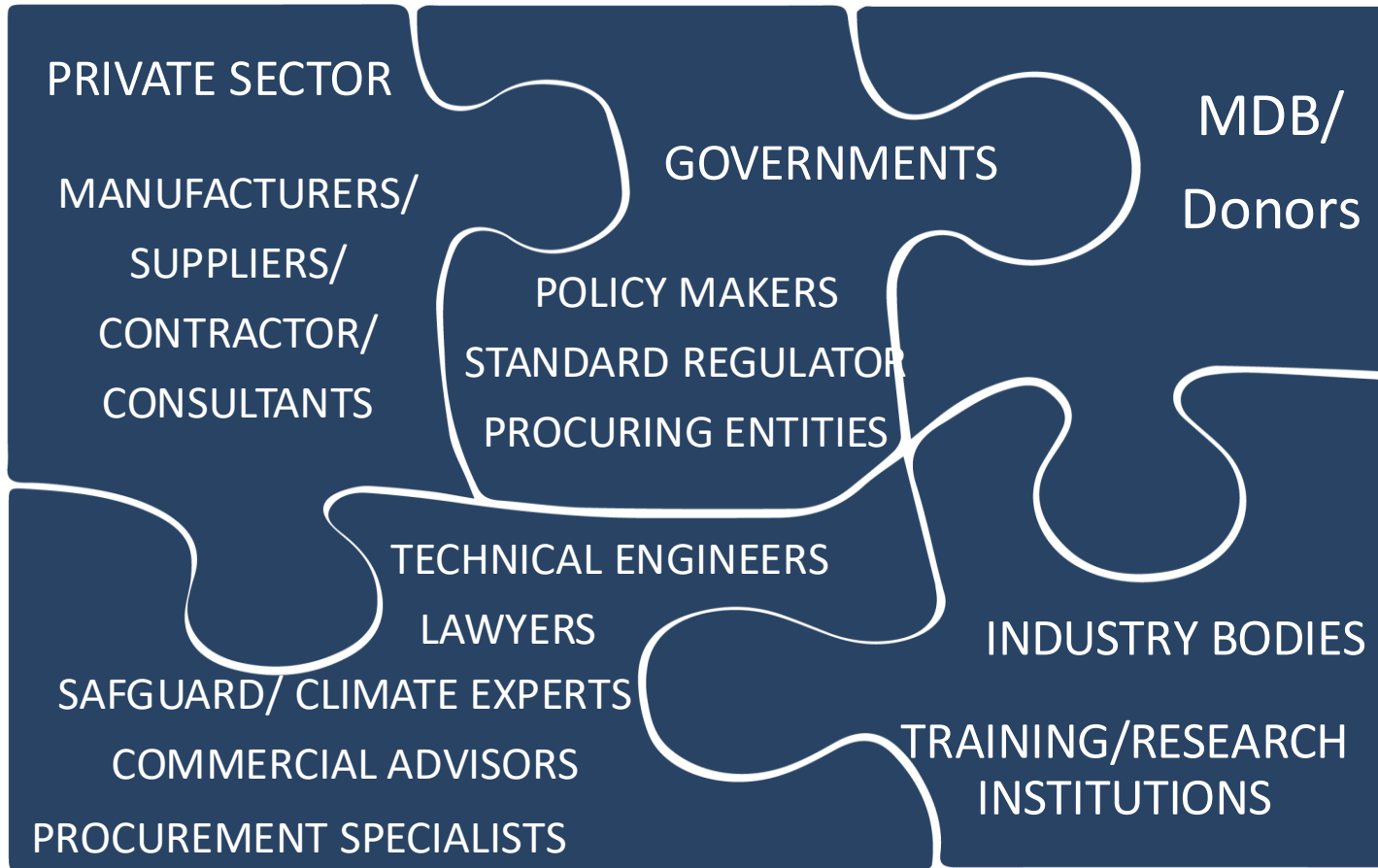
Bidding Documents

- Develop Evaluation Criteria
- Submission Forms
- Employer's Requirements
- Design PCC, KPIs

Implementation

- Contractual compliance
- Implement KPI, Financial consequences
- Monitor and Report

ACHIEVE MULTIGENERATIONAL IMPACT



IT TAKES A VILLAGE

**Let us know your thoughts on
sustainable procurement**

