

DBM-PS Support to Green Public Procurement Program Strategic Planning 2020-2022

I. Objectives

- a. To continuously adapt the Green Public Procurement (GPP) specifications to Commonly-used Supplies and Equipment (CSEs) aligned with the context of Part 6¹ of the Philippine Development Plan (PDP 2017-2022);
- b. To innovate CSEs that will promote inclusiveness among its stakeholders; and
- c. To fully support and encourage sustainable consumption and production.

II. Legal Bases

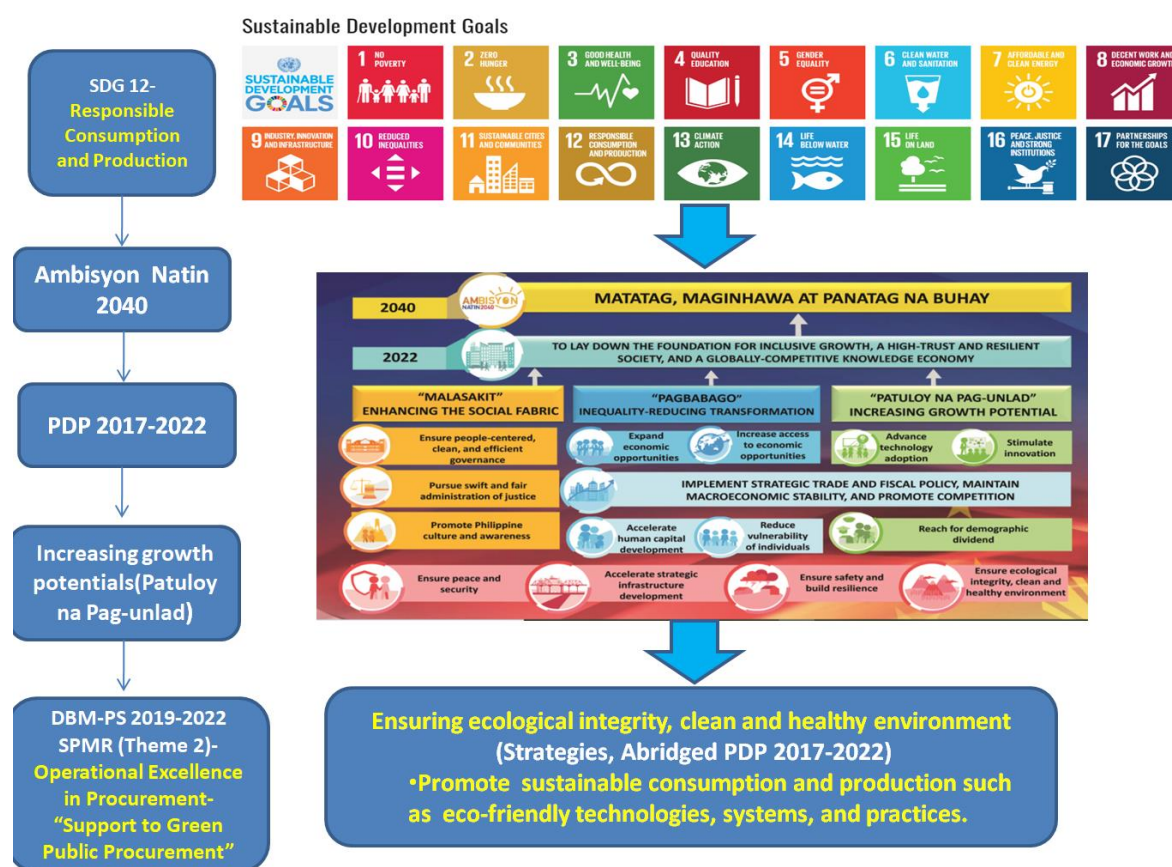
Listed below are the legislative initiatives which serve as a baseline of the organization to implement GPP:

Executive Order No. 301 (March 29, 2004)	GPPB Resolution No. 15-2013 (May 10, 2013)	Philippine Development Plan (2017-2022)	GPPB Resolution No. 25-2017 (May 30, 2017)	The Philippine Public Procurement Roadmap(2017-2022)
Sec.1. Establishment of a Green Procurement in all Government Agencies...The purposes of this program are as follows: xxx ii. To include environmental criteria in public tenders, whenever possible and practicable iii. To establish the specifications and requirements for products of services to be considered environmentally advantageous xxx	Clause 7: NOW THEREFORE, for and in consideration of the foregoing, WE, the Members of the GOVERNMENT PROCUREMENT POLICY BOARD, by virtue of the powers vested on US by law, hereby RESOLVE to confirm, adopt and approve, as WE hereby confirm, adopt and approve as follows: SUPPORT the implementation of Sustainable Public Procurement and/or Green Public Procurement in Government acquisition system;	Page 42-44, Part 6, PDP 2017-2022 (Abridged Version) Ensuring Ecological Integrity, Clean and Healthy Environment. xxx Strategies xxx To improve environmental quality Promote sustainable consumption and production such as econ-friendly technologies, systems, and practices xxxx	Clause 9:...The GPPB approved the GPP list of Prioritized CSE and Non-CSE products, as follows: A. Prioritized CSE Products <ul style="list-style-type: none"> • Multi-copy Paper • Toilet Paper • Record Books • Cleaner • Trash Bag • Disinfectant Spray • Chairs • Detergent Powder • Liquid Hand Soap • LED Lights/Bulbs B. Prioritized Non-CSE Products <ul style="list-style-type: none"> • Computer Monitors, Desktop Computers and Laptops • Air Conditioners • Vehicles • Fridges and Freezers • Copiers • Paints and Varnishes • Food and Catering Services • Training Facilities/Hotels/Ve 	Page 48, 5. Stakeholder Matrix The DBM-PS is the lead agency in the practical implementation of GPP, foremost in the green procurement of CSEs, but also for guiding the green procurement of non-CSEs. It will determine the technical specifications of items that it will procure on behalf of the entire government, and it will assist to develop the green technical specifications for directly procuring entities throughout the government landscape. The DBM-PS will update the PhilGEPS which would become the majorsource of items with green technical specifications including the required means of verification. The expertise of DBM-PS staff, enhanced through in-depth

¹Page 42-44, Part 6, PDP 2017-2022 (Abridged Version) Ensuring Ecological Integrity, Clean and Healthy Environment.

			<ul style="list-style-type: none"> nues Toilets and Urinals Textiles/Uniforms and Work Clothes 	<p>training, will become a major factor for training on GPP in the Philippines through a train-the trainers model. The DBM-PS will gradually increase the scope of green purchased items, conduct sincere market surveys and regularly communicate with suppliers and manufacturers.</p>
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III. Institutional Framework



The SDG 12 or Goal 12 which “ensure sustainable consumption and production patterns have eight (8) major targets and several indicators in each target. For the purpose of this paper/program², the focus is more on Target No. 12.7. Under this target, it has one (1) indicator, to wit:

Goals and targets (from 2030 Agenda for Sustainable Development)	Indicators
12.7 Promote public procurement practices that	12.7.1. Number of countries implementing

² Program- means Green Public Procurement Program (GPP) of the DBM-PS

are sustainable, in accordance with national policies and priorities

sustainable public procurement policies and action plans.

Source: Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development (A/RES/71/313; E/CN.3/2018/2; E/CN.3/2019/2), UN

The government through the Philippine Development Plan 2017-2022 aligned with the context of Ambisyon Natin 2040, integrates the adoption of Sustainable Development Goals (SDG), specifically the SDG 12 for Responsible Consumption and Production. Being one of the member countries in the United Nations (UN) who advocates sustainability, the agreements by the parties shall be institutionalized by the government in its own country through incorporating into the plan of actions to achieve the goals. Thus, the PDP 2017-2022, includes the strategy on “ensuring ecological integrity, clean and healthy environment”, which specifically pointed out to “promote sustainable consumption and production such as eco-friendly technologies, systems, and practices”.

The DBM-PS as an implementing arm of the government for its directives to fully implement the GPP Roadmap specifically on its CSEs commits itself to adopt the technical specifications mandated by the GPPB as parameters. In this manner, the government used this strategy as a nudge mechanism that will command or drive the market to adopt environment-friendly raw materials in developing its products.

“A nudge, as we will use the term, is any aspect of the choice architecture that alters people’s behaviour in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates.” How nudge works in DBM-PS implementation of GPP on its CSEs?

Since the government is one of the biggest consumers of commodities specifically office supplies, materials, and equipment. The opportunity of the suppliers in the market to capture the government’s needs is too enticing, specifically in the DBM-PS. The organization used public bidding in all of its procurement. Based on the management report of Sales/Revenue in CY 2018 for CSEs, DBM-PS has a total growth of PhP6,522,077,381.67 (PhP6.52B). This is 18.82% higher than CY 2017, which is, PhP5,488,932,703.65 (PhP5.48B). Thus, most of the suppliers almost struggle to secure contracts in the government.

However, there are issues correlated to this. The law on procurement or GPRA have certain requirements that need to be complied by the prospective bidders, such as the proof that they have to be presented to the Bids and Awards Committee (BAC) the twenty-five percent (25%) Single-Largest Completed Contract (SLCC). This will prove their capacity to deliver and meet the needs of the entire bureaucracy. And since, most of the government contracts are high in value and quantity; only a few suppliers can join the bids. These are some of the drawbacks of public procurement. Second, the micro-small and medium enterprises (MSMEs) will not be able to join due to the highest requirements on SLCC. The impact in the local market economy is detrimental to the government’s programs on “Expanding economic opportunities in Industry and Services through Trabaho at Negosyo” .

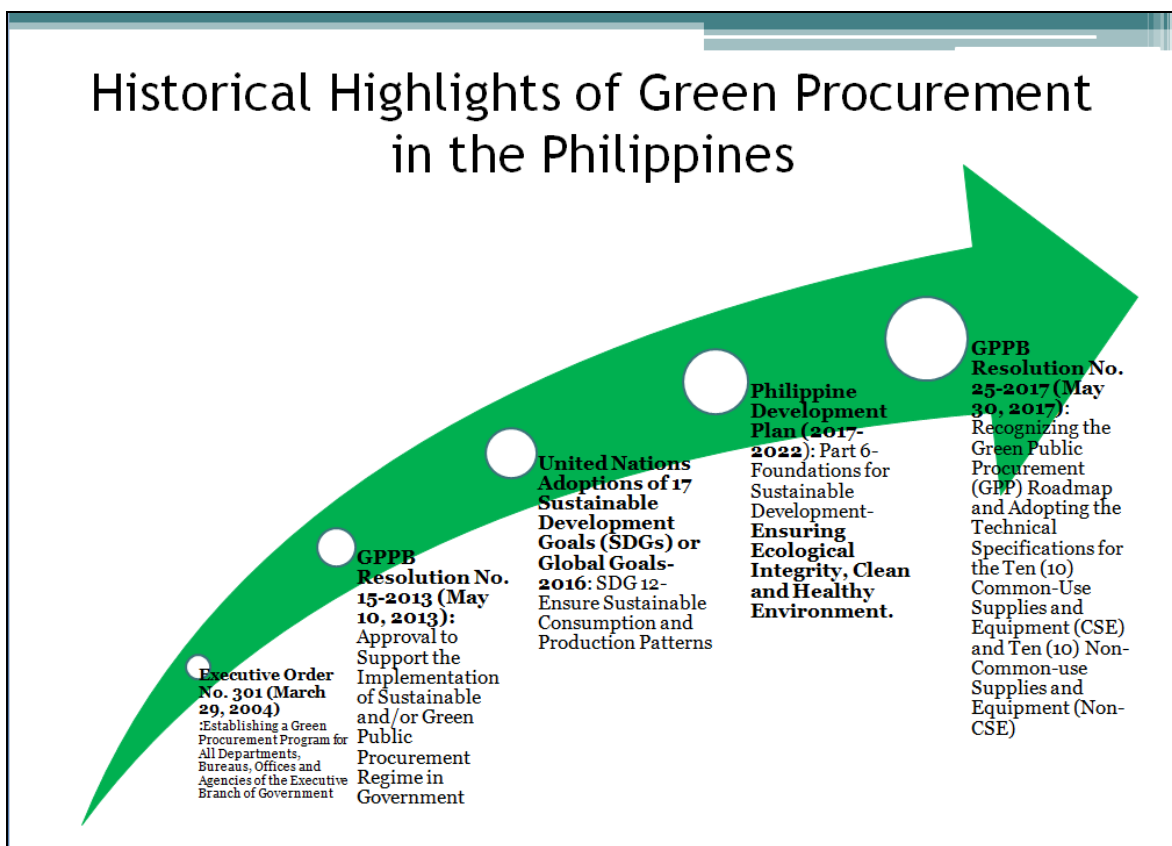
With regard to GPP adoption, the GPPB already addressed the issue on market readiness through its gradual implementation, which started to ten (10) CSEs and NCSEs items. They are optimistic that “GPP will have a spill-over effect on the

private sector and support economic development through GPP as a market incentive that will empower and encourage SMEs to produce green products; a steadily increasing green demand of the government will create confidence to venture into the green business.”

The promising impact of GPP implementations of the government will lead to hope that even if we are part of the emerging economies, we will be able to achieve sustainability by influencing the market.

IV. Historical Highlights

The PS drive to make innovative change in implementing GPP was derived from the Philippines initiatives to have a clean and healthy environment aligned to the global context of sustainability.



V. Accomplishment/s

Presently, PS implemented sixty percent (60%) of required ten (10) CSEs as specified in the Philippine GPP Roadmap 2017-2022.

For the NCSEs, thirty percent (30%) is also implemented thru the massive effort of the organization to have eco-friendly products. Although, this is not the primary mandates, as a procuring entity for a particular project, PS encouraged end-user to adapt GPP specifications as support to government initiatives.

Implemented Items (Procured/On-going)
CSEs: <ol style="list-style-type: none">1. Toilet Tissue2. Disinfectant spray, Aerosol3. Trash bag, plastic, black4. Cleaner, Toilet Bowl and Urinal*5. Detergent powder*6. LED Lights (Linear and bulb)
NCSEs: <ol style="list-style-type: none">1. Desktop computers and Laptops (mid-range and ultra-portable—now CSEs)2. Motor vehicles3. Air-conditioners*4. Photocopier* <p>*on-going</p>

VI. Challenges

1. *The Readiness of suppliers*³. Most of PS suppliers belong to SMEs/MSMEs. The change management and operational requirements take a lot of resources. Further, there is no assurance that if they would follow the requirements of PS pertaining to GPP they will be able to secure the contract.
2. *Cost versus value for money*⁴. The price of goods with GPP specifications most of the time is higher than the regular items. The cost of testing and labeling requirements adds-up to the expenditures of suppliers.
3. *Limited budgetary requirements of the end-user agency*. The increase in the price GPP specs related supplies and equipment will trickle down to the end user's capacity to spend. Thus, instead of they will be able to procure more items; it will reduce to the extent that their money can buy.
4. *Verification of green Suppliers*⁵. The mechanism on how to test the compliance of green suppliers needs a lot of technical requirements, specifically during the evaluation period. Parameters have been set, however, it requires a lot of time to be able to determine the veracity of the information provided in the Technical Data Sheet (TDS)/ Material Safety and Data Sheet (MSDS).

Further, the cost of testing is expensive. During the submission of tender/bid, the requirements to submit the report as specified in the bidding documents requires pre-testing of the product they offered. In the post-qualification stage the samples submitted need to be tested as to compliance. If the bid declared to be responsive and awarded to the winning bidder, during the contract implementation, another testing will be conducted by the Inspection Division to

³Page 28-31 The Philippine Green Public Procurement Roadmap: Advancing GPP until 2022 and beyond, s. 2017

⁴Ibid.

⁵Ibid.

validate if the set of deliveries are compliant as specified to the bid evaluation and parameters set, and good to be issued for sale to end-user agencies.

5. *Capacity and Awareness*⁶. The need to have an awareness campaign pertaining to the government GPP requirements within the bureaucracy shall be intensified for proper planning. For PS, there is a need to capacitate the technical personnel in order to have the pool of experts that will take the lead to innovate and be the leader of change to achieve sustainability.

The above issues and concerns is a good challenge to DBM-PS to be more resilient and be the game changer in implementing innovative reforms on the way government manages its supplies and equipment consumptions. This will drive the market and encourage participation to produce and consume eco-friendly goods that will reduce environmental impact since the government is the biggest consumer in the market.

VII. Target

For CY 2020-2022 targets, PS proposed to have an increase of two (2) GPP items with green provisions, as shown below:

FUNCTIONAL GROUP STRATEGY	RESPONSIBLE B/S/O	PROGRAM / ACTIVITY / PROJECT	SUCCESS INDICATOR	HISTORICAL ACCOMPLISHMENTS (If Applicable)		TARGETS		
				2018	2019	2020	2021	2022
Operational Excellence	PG / OED	Support Green Public Procurement as specified in the Philippine Public Procurement Roadmap (2017-2022)	Green provisions integrated in the technical specifications of inventory items	7	3	2	2	2

It is more practical to have an incremental target of **at least two (2) CSE items per year** to strategically manage the over-all stock level of CSEs. The GPP provisions that have been incorporated in the technical specifications of CSEs will become mandatory and will serve as the baseline for the procurement of requirements for the entire year.

VIII. Approved CY 2019 DBM SPMR

Based on the DBM SPMR approved CY 2019 Functional Group Strategy 7: Operational Excellence in Procurement the following targets should be implemented by PS, specific to the program, to wit:

⁶Ibid.



a. CY 2019 DBM SPMR: Template A

Functional Group Strategy	Responsible B/S/O	Program/Activity/Project	Success Indicator	Historical Accomplishments (If Applicable)		Targets			Resources Needed
				2018	2019	2020	2021	2022	
Operational Excellence in Procurement	DBM-PS	Support Green Public Procurement as specified in the Philippine Public Procurement Roadmap (2017-2022)	Green provisions integrated in the technical specifications of inventory items	7	3	2	3	5	

b. CY 2019 DBM SPMR: Template B

Program/Activity/Project	Success Indicator	Responsible Division	Dimension (QN/QL/T)	Historical Accomplishments (If Applicable)		Quarterly Targets			
				2018	2019	Q1	Q2	Q3	Q4
Support Green Public Procurement as specified in the Philippine Public Procurement Roadmap (2017-2022)	Green provisions integrated in the technical specifications of inventory items	DBM-PS	Qn/T	7	3	0	1	0	1

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