

# GreenGov Symposium

*The Greening of American Procurement,  
A Transnational Perspective*

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# Agenda

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- **UK procurement context**
- **Pan government approach to supplier Greenhouse Gas Emissions**
- **Where next?**

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- **UK procurement context**

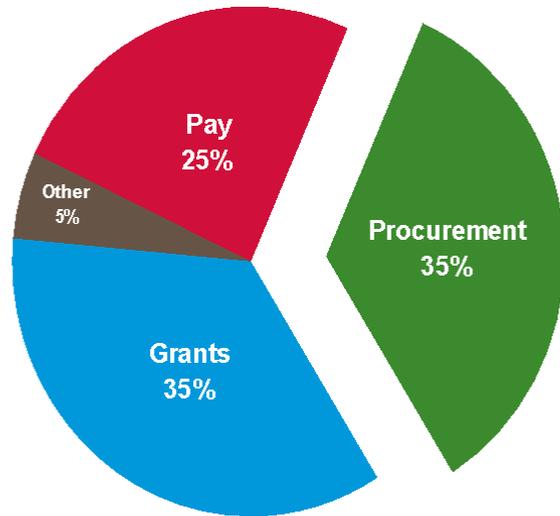
- **Pan government approach to supplier Greenhouse Gas Emissions**

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# UK procurement context: a burning platform

Good procurement is needed now more than ever, and is increasingly being seen as a strategic asset



- Global economies in decline
- UK Government has a deficit of £156 bn
- Total public sector expenditure is £641bn<sup>1</sup>
  - Pay = £158bn
  - Grants = £227bn
  - Procurement = 221bn
    - **Central Government is £60bn**

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# UK procurement context: strong leadership

It will be fundamental to supporting the UK Government's stated priority, to tackle and reduce the deficit

*---What is different?---*



**The Rt Hon Francis Maude  
Minister for the Cabinet Office  
and Paymaster General**

- A Minister who sees **Procurement** as fundamental to **driving value for money**
- Efficiency and Reform Group (ERG) created and a Chief Operating Officer appointed
  - implement and operate a mandated centralized approach to commodity procurement
  - renegotiation of contracts with top suppliers
  - improved transparency: contracts and data
  - support achievement of 10% CO2 reduction
- A willingness to **listen to and learn** from others, from the **Public and Private sectors**

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# UK context: the greenest Government ever

**Government procurement also has a key role to play in building a low carbon, sustainable economy and must lead by example**

## *---Example Areas of Focus---*

- Improve the energy efficiency of the Government estate by 10% by May 2011
- Buy more sustainable products and services
  - Embed in commercial and through life processes
  - Government Buying Standards
- Work with suppliers to improve the sustainability of their operations



**Leverage spend to shape markets and drive innovation**

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# Project example: greenhouse gas emissions reporting

For the last 3 years, government has invited a number of its suppliers to participate in the Carbon Disclosure Project (CDP)

## ---CDP---

- An international not-for-profit organisation
- Hosts the largest registry of corporate climate change information in the world
- Annual information request on behalf of investors to corporations
- From 2007 CDP asked climate change related questions of suppliers on behalf of procurers
  - Initially this was in the private sector for companies such as Wal-Mart, Google, IBM
  - From 2008 this also began in the public sector with departments of the UK Government.



# Project example: greenhouse gas emissions reporting

**GHG emissions reporting is indicative of our ambition to adopt a more co-ordinated approach to supplier engagement and sustainable supply chains**

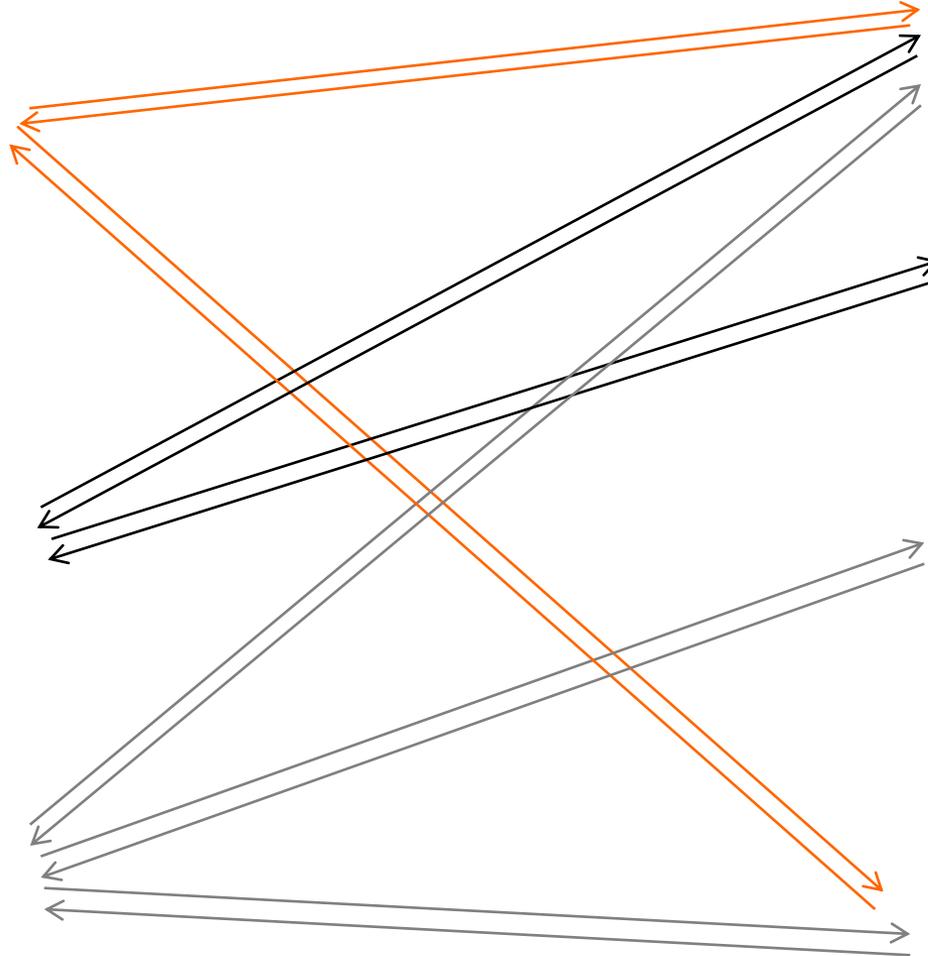
## ***---Programme Objectives---***

- Single request for data which is secure and transparent
- Drive cohesion between the private and public sector
- Provide a clear and consistent pan government message
- Leverage existing systems and mechanisms
- Facilitate conversations between departments and international Governments
- Capture how the emissions reporting process is driving business improvement



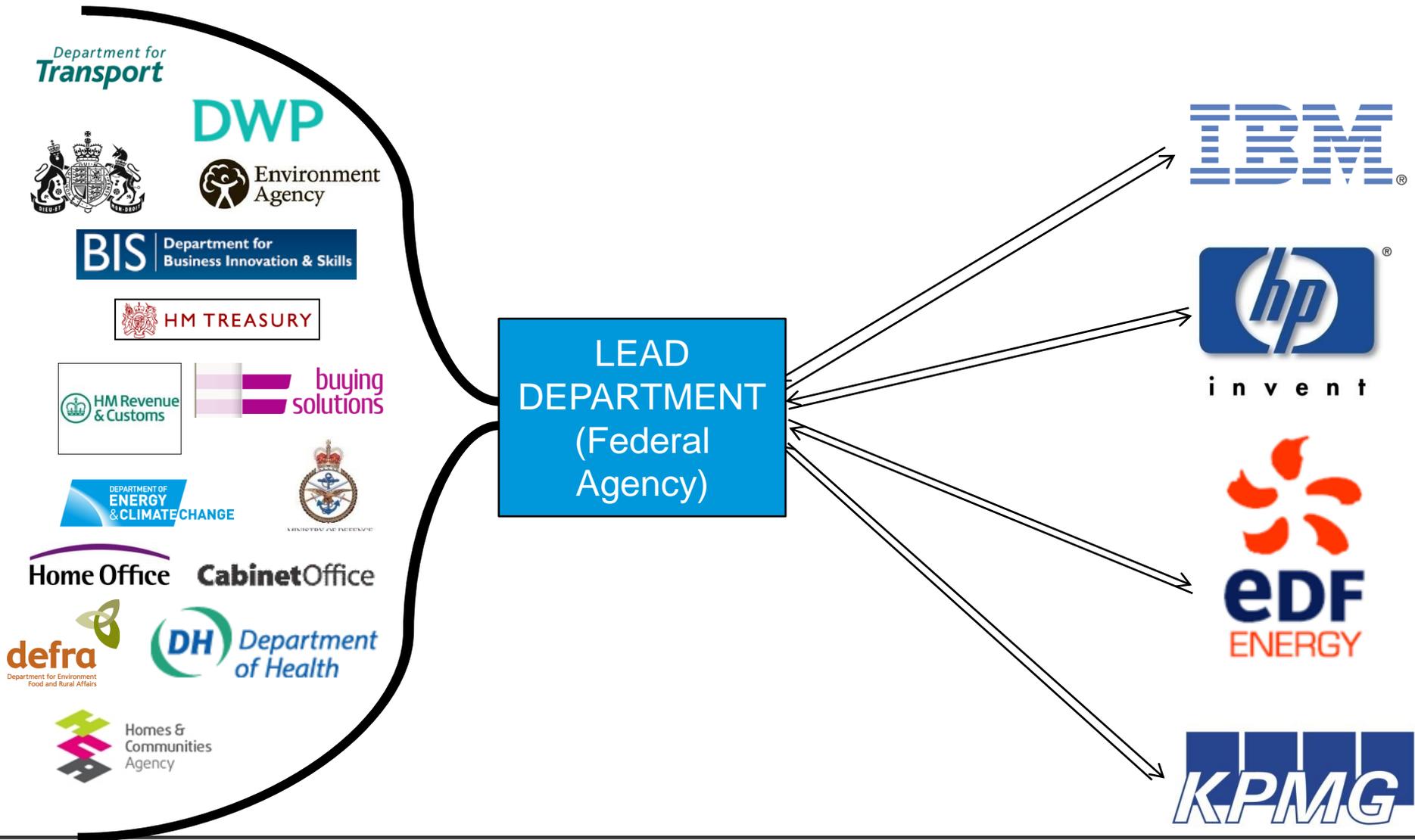
**Work with suppliers to disclose emissions, achieve a reduction in their carbon footprint and plan for adaptation**

# Project example: 2008 data flow



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# Project example: 2009 and 2010 data flow



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# Project example: CDP challenges and successes

**In 2009, 14 departments participated, 164 suppliers responded (64%), equating to 138 million tonnes of carbon dioxide**

- Shift to a pan-government mindset embraced, .....  
but not without a fight!
- Confusion and disagreement about how ambitious government can/should be posed a risk which could have led to.....  
the lowest common denominator
- A centralised role with decentralised empowerment was crucial.....  
but hard to balance
- Building a vision that participants can get excited about has been the  
key to success

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# Where next:

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## **Sustainable procurement must become business as usual**

- Build capability
- Continue to establish standards and facilitate transparent reporting
- Improve the collaboration between the Public and Private sectors
- Encourage all organisations to understand their sustainability impacts.....environmental, social and economic
- Leverage and develop the commonality that exists between different Governments from around the world



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# Contact details:

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**For further information on ERG or to see how we can work more closely on sustainable procurement please contact:**

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