



WSDS-ACT4EARTH *SDG Charter Roundtable*

Green Public Procurement in India and Charting Pathways for a Cleaner Future

Date: 8th July 2024 (Monday) | Time: 2:30 – 4:30 p.m. (IST)

Concept Note

About World Sustainable Development Summit

The World Sustainable Development Summit (WSDS) is the annual flagship multistakeholder initiative organized by The Energy and Resources Institute (TERI). Instituted in 2001, the Summit series has a legacy of over two decades for making ‘sustainable development’ a globally shared goal. Over the years, the Summit platform has brought together thought leaders, heads of state and government, scholars, corporates, youth groups, and civil society representatives from across the world. The Summit series has established itself as a responsible and an effective platform for mobilizing opinion-makers to drive ambition and advance pioneering actions to address some of the most relevant issues concerning sustainable development and climate change.

About Act4Earth

Act4Earth initiative was launched at the valedictory session of the 21st edition of WSDS. Building on the discussions of WSDS, this initiative seeks to continuously engage with stakeholders through research and dialogue. Act4Earth initiative has two components: COP Compass and SDG Charter. The COP Compass will seek to inspire and mobilize leadership at all levels, for inclusive transitions through ambitious and informed policies and measures which will enable paradigm shifts – towards meeting the UNFCCC and Paris goals through mitigation, adaptation and means of implementation. The SDG Charter will seek to identify gaps and suggest ways for strengthening and mainstreaming sustainable development in policy agendas for enhanced environmental, social, and economic outcomes. This roundtable is organized under the SDG Charter component.

Background

Global spending on public procurement is estimated to be about USD dollars 9.5 trillion, comprising about 12% of the gross domestic product (GDP) of OECD countries, and about 30% of developing countries. For India it amounts to 20% to 22% of its GDP which equals about USD 500 billion annually. India stands at a crossroads of choosing between business-as-usual and green approaches to its growth trajectory. Developing a green growth strategy involves stimulating the market.

Green Public Procurement (GPP) is defined as a process that allows deliberate and systematic integration of environmental goals in the procurement process of goods, services and works by public agencies. This integration includes use of technical specifications, bid evaluation procedures, standards, certification and labelling. Green Public Procurement (GPP), a sub-component of Sustainable Public Procurement in which the latter aims to achieve societal and economic goals apart from achieving environmental sustainability.

The Government of India has used public procurement as a tool to advance social and environmental goals through purchase preferences involving MSEs and mandates involving BEE Star rated appliances. Rule 153 of the General Financial Rules brought out by the Ministry of Finance, provides for purchase preference to MSEs. Rule 173 provides for consideration of environmental criteria in procurement decision-making along with mandating procurement of electrical appliances which carry the notified threshold or higher Star Rating of Bureau of Energy Efficiency.

The Micro, Small and Medium Enterprises Development Act of 2006 states that a procurement preference policy may be formulated by central or state governments for promoting and establishing micro and small enterprises (MSEs). A public procurement policy brought by the Ministry of Micro, Small and Medium Enterprises in 2012 envisaged a phased procurement approach with annual target of procurement of minimum 20% from micro and small enterprises (MSEs) in the following 3 years. Out of this, 4% procurement needed to come from MSEs owned by schedule caste or schedule tribe entrepreneurs. In 2018, through an order the percentage of procurement from MSMEs was increased from 20% to 25%. A special provision for MSEs owned by women was brought wherein 3% out of the 25% target was mandated to be procured from MSEs owned by women. To bring further transparency in the MSE-related public procurement ecosystem, MSME Sambandh portal was launched in 2017.

The Ministry of Finance in January 2013 through an office memorandum mandated that only energy efficient appliances may be procured by ministries/ departments in respect of split air conditioners, frost free refrigerators, ceiling fans, and water heaters (Ministry of Finance, 2013). Mandates around existing tools such as BEE Standards & Labelling Program, ECO Mark scheme, UJALA and green room air conditioners can be further strengthened and a phased mandate with flexibility approach can be brought in specific sectors.

With the above background, TERI is organizing an Act4Earth Dialogue on green public procurement to deliberate and come forward with solutions for strengthening India’s public procurement ecosystem.

Questions

Overarching questions for the roundtable discussions include:

[Question 1] What are the possible ways in which GPP can be further strengthened in India’s public procurement ecosystem?

[Question 2] What are some of the key challenges and barriers in implementing GPP in India’s public procurement ecosystem?

[Question 3] How can the existing policy tools and platforms be leveraged to promote GPP in India?

[Question 4] In your opinion, what are some of the good practices that can be used to promote GPP in India?

[Question 5] What role can business and industry play in promoting GPP as suppliers of public goods, services and works?

Format

The dialogue will start with a welcome address by Director General of TERI followed by the Chair’s remarks and a framing presentation by TERI. A core part of this event will be a talk by Shri Sanjay Aggarwal (Adviser, Procurement Policy Division, Department of Expenditure, Ministry of Finance) which will be followed by roundtable discussions and interactions with the experts present. The event will end with a summary and vote of thanks followed by high tea.

Agenda

2:30 pm to 3:00 pm	Registration
3:00 pm to 3:05 pm	Welcome Address <ul style="list-style-type: none"> • Dr Vibha Dhawan, Director General, TERI
3:05 pm to 3:10 pm	Introductory Remarks by Chair <ul style="list-style-type: none"> • Mr R R Rashmi, Distinguished Fellow, TERI
3:10 pm to 3:20 pm	Framing Presentation by TERI <ul style="list-style-type: none"> • Ms Ishita Srivastava, Research Associate, TERI
3:20 pm to 3:40 pm	Talk on Green Public Procurement in India <ul style="list-style-type: none"> • Shri Sanjay Aggarwal, Adviser, Procurement Policy Division, Ministry of Finance
3:40 pm to 4:25 pm	Roundtable Discussions: Expanding the Scope for Green Public Procurement in India
4.25 pm to 4:30 pm	Summary and Vote of Thanks <ul style="list-style-type: none"> • Dr Shailly Kedia, Senior Fellow and Associate Director, TERI
4:30 pm onwards	High-Tea