

Korea's Green Public Procurement & Lessons Learned

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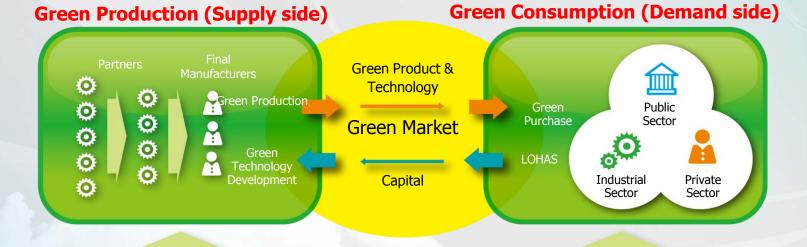
Background of SCP in Korea

Green Production Policy



Green Economy and Green Procurement Policy

- ✓ Green Production & Consumption are the key elements to drive Green Economy
- ✓ Green Procurement stimulates the demands on greener products, thereby creating a virtuous cycle of green production & consumption



Government or public entities for green economy

Green Consumption
Policy

Background of SCP in Korea



Act to Promote the Purchase of Eco-friendly Products (2005)

✓ Since 2005, public institutions have purchased eco-products

"The heads of public institutions shall purchase green products, when they intend to purchase any product" — Article 6

"The heads of public institutions shall aggregate purchase records of green products pursuant and submit such purchase records to the Minister of Environment" – Article 9

- ✓ Target Organizations: 883 government and public institutions
 (Total 38,000 institutions including affiliated organizations)
- Scope of Eco-Products: Eco-Label Products, Good Recycled mark products, Other eco-products satisfying criteria established by the MOE

Background of SCP in Korea



Good Recycled

- Certified or Meet the criteria set either by the Korea Eco-Label or the Good Recycled Mark
- Meet other environmental standards set by MOE in consultation with the relevant ministries



Korea Eco-Label

161 categories including office equipment, construction materials

2,259 companies, 14,452 products(As of July 2015)

Ministry of Environment

http://www.greenproduct.go.kr

Product groups

Number of Products

Certification Authority

Website

Good Recycled Mark

14 categories including waste paper, glass

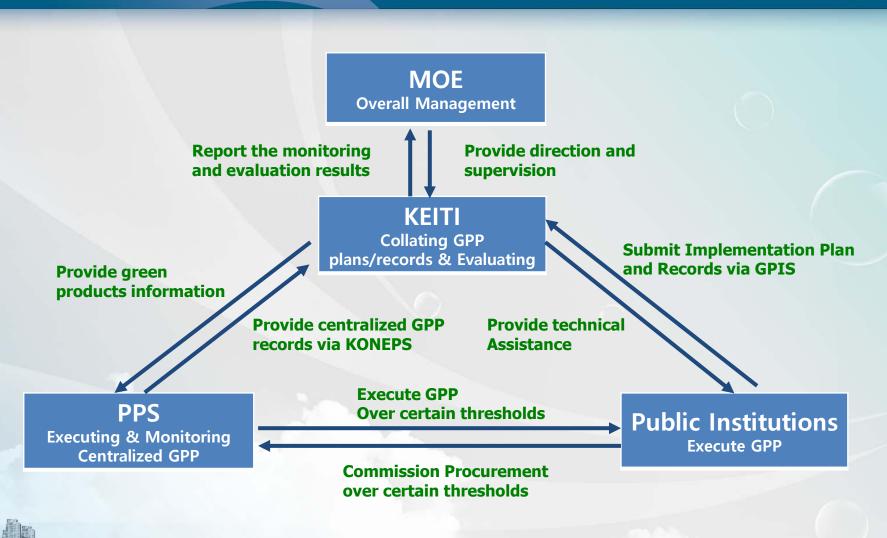
188 companies, 229 products (As of July 2015)

Ministry of Trade, Industry and Energy

http://www.gr.or.kr

Communication strategies of GPP: GPP system





Communication strategies of GPP: About PPS



General Role of PPS

Management and Operation of KONEPS

Domestic and Foreign Procurement

Contracts for the Governmment's Major Construction Projects



Stockpile and Supply of Raw Materials

Coordination and Audit of Government Property Matters

Pages on the webserver : www.pps.go.kr

Paper-Oriented Procedure

Labor-Intensive Work

Complicated Process

Demand for High Quality Development of ICT



Innovation Through Digitalization: KONEPS

*** KONEPS(2002)**

: Korea ON-Line E-Procurement System

Communication strategies of GPP: About KONEPS



Major Functions of KONEPS

A Single Window for Public Procurement

- ✓ Integrated bid information(estimated costs, technical specifications, evaluation criteria)
- **✓** One-time registration for public procurement(single repository)
- ✓ Services for all public organizations

Digitalized Processes from Order to Payment

- ✓ Encompass the entire procurement process on a real-time basis
- ✓ Promote the e-shopping mall

Enhanced Transparency of Public Procurement

- ✓ Publicized procurement information(utilized it)
- Diminished the possibility of corruption

Communication strategies of GPP: Cooperate with PPS

KEITI





Korea Environmental Industry & Technology Institute

Communication strategies of GPP: Eco-friendly Bidding

PPS Green Products Bidding Notice: construction materials

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공고명	축장 합덕리 진입도로(시도6) 재생아스콘 구입 본 공고는 지문인식 전자입찰제도가 적용되오나 미리 지문보안토큰에 지문정보를 등록하여야 합니다.								
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[입찰집행 부가정보] 지명경쟁명단 하라며, 영소기합 광광구매 왕합장모(www.smpp.go.k/)에서 확인 가능한 경우에는 제출한 것으로 갈음합니다.

- 단, 팩스 미제출 및 위 사이트에서 중소기업 및 이스필르콘크리트 직접생산업체로 확인되지 않는 업체는 낙찰자선정 대상에서 제외됨을 알려드립니다.
- 다. 「건설폐기물의 재활용촉진에 관한 법률 시행령」제3조의2에 따른 제품 [아스팔트 콘크리트 제품(아스팔트콘크리트 제조용 순환골재를 25% 이상 사용한 제품)]으로 다음 각 호의 어느 하나에 해당되는 제품을 직접 생산할 수 있는 업체
- 1)「자원의 절약과 재활용촉진에 관한 법률」제33조 및 「산업기술혁신 촉진법」 제15조에 따라 재활용제품의 품질인증 대상품목으로서 인증을 받은 제품
- 2) 「환경기술개발 및 자원에 관한 법률」제17조 제1항에 따른 환경표지의 인증을 받은 제품
- 3) 「중소기업제품 구매촉진 및 판로지원에 관한 법률」제15조 제1항에 따른 성능인증을 받은 제품중 위의 1기또는 2)의 인증기준을 충족하는 제품
- 라. 본 입찰은 「지문인식 신원확인 입합」이 적용되므로 개인인증서를 보유한 대표자 또는 입찰대리인은 국가행합전자조달시스템 전자입찰특별유의서

Eco-labeled construction materials

제10조 제1항 제6호 및 제7호의 절차에 따라 예외적으로 개인인증서에 의한 전자입찰서 제출이 가능합니다.

※ 전자입찰 이용안내 : 조달청 콜센타 (☎1588-0800)

3. 입찰방법 및 낙찰자 결정밥법

- 가. 본 입찰은 **제한경쟁입찰** 및 **총액입찰**로서 **계약이행능력 심사대상** 입니다.
- 나. 낙찰자 결정방법은 "중소기업자간 경쟁제품 중 물품의 구매에 관한 계약이행 능력심사 세부기준[중소기업청 고시 제2011-22(2011.7.1)]』에 의거 예정가격 이하로서 <u>낙찰하만율(84.995%)이상 최저가격으로</u> 입찰한 <u>자 순으로 계약이행</u> 능력을 심사하여 종합평점이 88점 이상인 자를 낙찰자로 결정합니다.

Communication strategies of GPP: Monitoring System

KEITI

Monitoring System(Green Desk) operated by KEITI

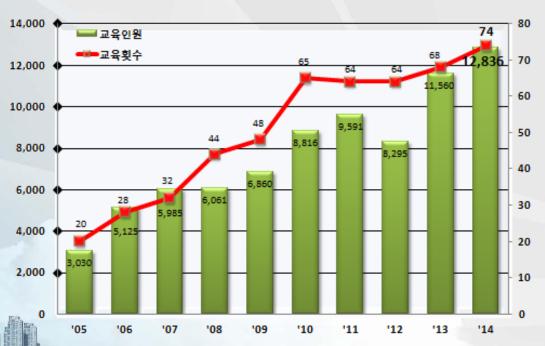


Communication strategies of GPP: Training Programs



Green Procurement Training

- Regular trainings are held for procurers at public institutions
- 78,159 people have attended the session during the period between 2005 and 2014.





Red: Total number of trainings conducted, Green: Total number of Attendees

Communication strategies of GPP: Performance Evaluation



GPP records reflected in performance evaluation

Local Government

- 10 Provinces & 7
 Metropolitan governments
- Evaluated by Ministry of Public Administration and Security
- Indicator: GPP ratio to total spending & annual GPP growth amount
- Share out of total score : 14.5/900

Public Organization

- 117 national public corporations & government affiliated agencies
- Evaluated by Ministry of Strategy and Finance
- Indicator : GPP ratio to total spending & annual GPP growth amount
- Share out of total score : 5/100

Local Public Org.

- 39 local public corporations
- Evaluated by Ministry of Public Administration and Security
- Indicator: GPP ratio to total spending & annual GPP growth rate
- Share out of total score : 2 /100

Communication strategies of GPP: Workshop & Awards

GPP Workshops & Awards

- Workshops for public organization and municipalities in order to raise awareness on GPP and provide technical assistance
- Awards to those who deliver outstanding performances (President, Prime Minister, Environmental Minster's Awards)







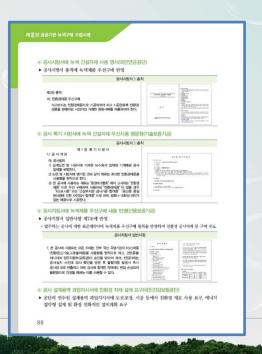
Communication strategies of GPP: Sharing Best Practice

Newsletter & Best Practice Collection

- ✓ Interviews of people in charge of green procurement at public institutions are released quarterly
- ✓ Institutions share their cases via best practice collections that have been issued since 2006







Communication strategies of GPP: Exhibition



ECO-EXPO KOREA 2015

- Date : 2015. 27 Oct ~ 30 Oct
- Venue : COEX A&B Hall(14,733m²), Seoul, Korea
- Hosted by Korea Ministry of Environment
- Organized by KEITI, The Korea Economic Daily
- Participated by 220 companies (700 booths),Visited by around 50,000 people
- Side events: Environmental Industry National Award, Green Procurement Consulting, Green
 Design Workshop, Eco-wedding etc



Result: Monitoring GPP



Korea's GPP recorded around 2.2 billion USD in 2014 which has Increased 9 times in a decade



Result: Monitoring GPP



Environmental Benefits / CO₂ equivalent emission reduction / Job creation from Green Public Procurement.

(UNIT: Million USD, Thousand TON, Capita)

INDEX	SUM	′05	′06	′07	′08	′09	′10	′11	′12	′13	′14
Environmental Benefit*	1,237	-	55	70	66	71	66	70	182	275	382
CO2 equivalent emission reduction**	4,788	108	316	495	601	620	538	544	491	532	543
Job creation***	18,264	6,532	619	4,001	1,995	379	96	36	677	2,624	1,305

- * Environmental benefits of GPP per year = environmental benefits of the 81 respective product categories x purchasing quantity
 - > Environmental benefits of product category A = (baseline of the environmental criteria of the A product category average test results of certified products in category A) x unit price
- ** 19 measured product categories: replicator, washing machine, refrigerator, TV, desktop computer, notebook computer, printer, monitor, facsimile, air conditional, Portland cement, insulation and absorbing material, floor decoration, desk, bookshelf, partition, soap, toilet paper, paper towel *** Employ inducement coefficients: 8.3 capita / million USD (Korea Bank)

Key Success Factors & Future plan



Success Factors

- Enacting the law to encourage purchase of green products
- Monitoring system in connection with PPS E-procurement system
- Evaluation of green performance
- Financial & reputational incentives

Limitations

- Staff in charge of GPP in public agencies frequently changes
- Ineffective management of indirect procurement (e.g. construction)
- Shortage of green products criteria (especially, constructer materials)

- Stimulate public demands by diversifying product groups
- Connect with external systems to monitor GP not purchase by PPS



Thank You very much!

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