OECD Governments Agree to Take the Lead on Buying "Green"

OECD governments are to lead efforts to buy more environmentally-friendly goods and services, with a view to encouraging businesses and households to follow similar purchasing policies. A Recommendation by the OECD Council, which groups representatives of the OECD’s 30 member countries, cites concrete steps that governments should take to "Improve the Environmental Performance of Public Procurement".

This Recommendation, the full text of which is available at http://webdomino1.oecd.org/horizontal/oecdacts.nsf/linkto/C(2002)3 follows the endorsement by OECD Environment Ministers in Paris last May of a series of environmentally-preferable practices in the context of public procurement policies outlined in the OECD's Environment Strategy for the First Decade of the 21st Century. It emphasises the need for OECD governments to ensure that "green" public procurement is consistent with their competition policies and procurement laws and their international obligations and commitments through trade agreements and multilateral environmental agreements.

Public procurement, or the purchase of goods and services using public funds, covers a range of sectors where environmental issues are important, from the construction of highways and buildings to the supply of power, water and sanitation services and the use of vehicles. Excluding the cost of salaries, public procurement expenditures accounted for between 5% and 18% of GDP in OECD countries in 1997. Buying "green" at government level can help significantly to improve overall environmental conditions. Equally importantly, environmentally sound public procurement can yield indirect benefits. By "kickstarting" markets for more innovative and environmentally-friendly goods and services, public procurement may encourage businesses to following the governments’ lead.

Some OECD countries have already begun to promote greener public purchasing, for example through information targeted at procurement officers and the use of environmental pricing and other related financial tools in the evaluation of investments. The OECD Council Recommendation urges governments to build on these efforts by providing appropriate policy frameworks and support. Among other things, it recommends establishing appropriate procedures for the identification of greener products; government-wide information, training and technical assistance to facilitate implementation; and the development of indicators to monitor and evaluate programmes and policies. OECD Environmental Performance Reviews, undertaken periodically in OECD member countries, will assess the implementation of these steps. The Secretariat of the OECD will also support national initiatives, for example by co-ordinating the development of appropriate performance indicators and means of evaluation.

For further information, journalists are invited to contact Helen Fisher, OECD’s Media Relations Division (tel. [33] 1 45 24 8097 or helen.fisher@oecd.org).

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