



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



MINISTRY OF
ECONOMY
OF UKRAINE



CENELEC



GREEN RECONSTRUCTION OF UKRAINE

THE ROLE OF PUBLIC PROCUREMENT

25 July 2023



INTRODUCTION

Even before the outbreak of the armed conflict in 2022, Ukraine was facing various challenges, including outdated infrastructure, energy inefficiency, and environmental degradation. Now, the country has put forward a Recovery Vision that aims to capitalize on the reconstruction efforts and make sure that these are guided by and serve as a springboard for sustainability. So-called “Green reconstruction” presents an opportunity to enable a transition towards sustainable and inclusive growth in the post-conflict era. To achieve this, the adoption and effective implementation of appropriate standards is crucial.

UNIDO has joined forces with the Ministry of Economy of Ukraine, the National Standards Body (UAS) and international partners like CEN and CENELEC to conceptualize and develop a National Guiding Framework to lay the foundation for green reconstruction. As part of these efforts, a series of workshops have been organized to help exploring how standards and conformity assessment can support the reconstruction of essential infrastructure, facilities, services and their management, through green lenses, particularly applying the principles of circular economy, climate neutrality and decarbonization, inter alia.

This series of workshops provides a platform for exchanging experiences and best practices and discussing the role of sustainability standards and technical regulations in support of green reconstruction. They bring together experts from relevant international, European and national partners and stakeholders from the public and private sectors to discuss the importance of integrating sustainability issues into Ukrainian public policies (including technical regulations) prior to the post-conflict reconstruction process.

This workshop represents the second out of the series of events on this topic, as per the below plan:

- Role of standards in promoting and facilitating green reconstruction **(13 June 2023)**
- The role of public procurement in promoting sustainability **(25 July 2023)**
- Specific standards for green reconstruction **(September 2023)**
- Implications for the national conformity assessment system **(October 2023)**

*With the participation
of over 95 national and
international experts, from
governments, international
organizations, Quality
Infrastructure institutions,
associations, and the
private sector.*

SPEAKERS

OPENING

Mr. Oleksandr Pankov

**Director, Department of Technical
Regulations Ministry of Economy, Ukraine**



Mr. Steffen Kaeser

**Chief of Department of Competitiveness
Quality and Job Creation
UNIDO**



Moderator:

Ms. Rita Bratash

**Head of the communication division
UAS**



PANEL

Mr. José Augusto Pinto de Abreu

**Expert on ISO 20400, Managing Director
Sextante Consultoria**

*International Sustainable Procurement Standards
and their potential contribution to Green Reconstruction*



Ms. Samira Boussetta

**Policy Officer on Innovation, Sustainability and
Procurement European Commission (DG Grow)**

*The European Commission's initiatives to stimulate
green public procurement*



Ms. Dorina Jitaru

**Acting Counsel, Legal Transition Programme
European Bank for Reconstruction and Development (EBRD)**

*EBRD Green Cities Initiative: green procurement
pilots in Ukraine*



Ms. Natalia Shimko

**Deputy Director General
Prozorro**

Public procurement for the green reconstruction of Ukraine



Mr. Gian Luigi Albano

**Head of Division
Italian National Central Purchasing Body (CONSIP)**

*The role of demand aggregation for sustainable
public procurement: The case of CONSIP*



Ms. Svitlana Berzina

**President
NGO "Living Planet"**

Energy efficiency and green public procurement



INSIGHTS FROM THE SPEAKERS

OPENING REMARKS

Mr. Oleksandr Pankov

Director, Department of Technical Regulations, Ministry of Economy, Ukraine

- Ukraine continues to make steady progress towards European integration, sustainable development and green transition, and green public procurement is a way to achieve these goals. Standards and technical regulations are extremely important for this, since they determine the quality, safety and efficiency of products, processes and services that have a major impact on sustainable development and the environment.
- Issues related to the green economy have concentrated the efforts of a wide range of parties, which is extremely important for uniting the forces of national and international partners to develop various types of initiatives, including green reconstruction.
- The Ministry of Economy attaches great importance to the development and implementation of standards that meet the latest European requirements.

“European standards are an important tool for achieving our strategic goals in rebuilding and developing our country.”

Mr. Steffen Kaeser

Chief of Department of Competitiveness, Quality and Job creation, UNIDO

- Standards play great role in embedding sustainability considerations into Ukraine’s public procurement policies and practices, particularly determining what counts as green and codifying sustainability principles, thus guiding the decision-making process in public procurement.
- Reconstruction efforts can allow Ukraine to significantly reduce its carbon footprint, minimize potential climate impact and increase energy and resource efficiency – thereby becoming a champion of such practices. At the same time, it can help Ukraine to align with the European Green Deal and subsequent European legislation as part of its EU accession efforts.
- UNIDO is fully committed to help Ukraine building back better, greener, and stronger, and will continue identifying synergies with national and international partners to contribute through complementary expertise and roles to put sustainability at the core of Ukraine’s reconstruction.

“Public procurement is the biggest buyer or client in any country and therefore has an extraordinary power. By using its purchasing power to choose goods, services, and works for green reconstruction with a reduced environmental impact, Ukraine can make important progress towards sustainability goals and become a pioneer of such practices.”

PANEL DISCUSSION

Mr. José Augusto Pinto de Abreu

Expert on ISO 20400, Managing Director, Sextante Consultoria
International Sustainable Procurement Standards and their potential contribution to Green Reconstruction

- ISO 20400: 2017 Sustainable Procurement –Guidance is a flexible framework, providing an understanding of what Sustainable Procurement (SP) is, how sustainability impacts the different levels of the procurement activity (policy, strategy, organization, process), so as how to implement SP in concrete. Sustainable procurement concerns the sustainability aspects of goods or services and to the suppliers along the supply chains.
- Sustainable Procurement Principles (SPP) can contribute to green reconstruction of Ukraine, particularly by ensuring better and more sustainable infrastructures and solutions. They should be applied to the design, the processes and the materials, encouraging and supporting innovation.
- SPP are particularly relevant to address the most actual sustainability issues (e.g. decarbonization, circularity, resources use efficiency, climate change mitigation, human rights, inclusiveness, MSMEs etc.)

“The actual application of SPP can contribute to improve energy/resource efficiency. To this end, it would be important to establish a SPP National Policy, grounded on clear priorities and goals, with Standards and regulations as key tools.”

Ms. Samira Boussetta

Policy Officer on Innovation, Sustainability and Procurement, EU (DG Grow)
The European Commission's initiatives to stimulate green public procurement

- EU public procurement policy is grounded on four main principles: proportionality, non-discrimination, equal treatment, transparency. Public Procurement as a driver for twin transition and resilience, thus promoting green and digital innovation in public procurement is a priority of EU.
- Bringing public buyers and suppliers of innovation together is essential to build a strong public procurement system built on green principles. Through the project InnoBroker, it has been established an Innovation Procurement Broker (IPB) business model, having a bridging role between need and solution, facilitating role within procurement cycle, and monitoring role for innovation achievement.

“Through green public procurement, public buyers can use their purchasing power to choose goods, services and works with a lower environmental impact, while also contributing to sustainability goals at the international, national, and local level.”

Ms. Dorina Jitaru

Acting Counsel, Legal Transition Programme, EBRD

EBRD Green Cities Initiative: green procurement pilots in Ukraine

- EBRD developed EBRD Green Cities to build a better and more sustainable future for cities and their residents. This project adopts a four-intervention approach to help cities achieve sustainable local development with a reduced carbon footprint: (i) designing a Green City Action Plan; (ii) facilitating green infrastructure investment; (iii) promoting green finance; (iv) carrying out capacity building activities.
- EBRD supported the technical cooperation project Prozorro Digital Tenders and Contract Management for Municipal Street Lighting Energy Efficiency Saving Contracts (ESCO), designed to support kick-start energy efficiency reforms in public sector of Ukraine with the help of innovative online evaluation tools used for ESCO tendering and monitoring. The project also aimed at producing an evidence-based monitoring of energy efficiency criteria deployment in national public procurement, by developing and adopting an Open Data tool for reporting on energy efficiency outcomes of selected goods purchased by the public sector in the country.
- Similarly, EBRD promoted the project Prozorro Digital Toolkit for Sustainable Public Procurement – Green Online Shopping for Prozorro Marketplace, particularly focused on increasing the visibility of new legislation on energy efficiency and green procurement among public bodies and encourage sustainability of commonly purchased goods; improving the understanding of the complex energy efficiency evaluation; implementing online tools that simplify the ‘green’ procurement and allow for popular use of environmental-friendly technical standards and award criteria; establishing an analytical tool to track the performance of ‘green’ procurement.

“In most of the countries where the EBRD invests, the energy sector provides the best opportunities to improve energy efficiency and reach climate change goals. Green public procurement plays a fundamental role in this sector.”



Ms. Natalia Shimko

Deputy Director General, Prozorro

Public procurement for the green reconstruction of Ukraine

- 2022 was a testing year for both the Prozorro system and all public procurement in Ukraine. Indeed, in 2022, more than 2 million procurements were made, out of which about 35% were conducted through Prozorro. In 2023 the number of procurement carried by Prozorro increased to 75%.
- The most frequently procured categories of goods include food, fuel, medical equipment and construction works.
- Ukraine's reconstruction is being carried out including with the support of international partners. For instance, the Prozorro system has been improved thanks to the recommendations and expertise of the World Bank, which is currently using the system for its operations. In this way, we want to ensure transparent and efficient use of funds for Ukraine.

“The Prozorro system shown its stability and resilience during attacks, power outages and the absence of the Internet. There was not a single day when the system did not work.”

Mr. Gian Luigi Albano

Head of Division, CONSIP

The role of demand aggregation for sustainable public procurement: The case of CONSIP

- CONSIP has implemented a comprehensive approach to Green Public Procurement (GPP) by identifying areas of intervention and eco-goals, and by selecting the most appropriate criteria to achieve eco-goals on energy (e.g. generating energy savings, promoting the use of renewable resources and green fuels), on health (for instance, promoting the use of vehicles with low environmental impact, and reducing the use of hazardous substances in goods and services production), and on waste (e.g. Promoting at-source waste separation and valorization, and promoting recycled products/materials).
- The Italian Public Procurement regulation is grounded on three main pillars: (a) In selecting the best-value-for-money tender criterion, public entities may adopt an evaluation approach based on products life cycle; (b) Minimum Environmental Standards in public procurement procedures are mandatory; (c) Reduced bid securities for bidders with specific environmental certifications.

“Sustainable public procurement is not a one-organization journey! The system should work as a whole to reach substantial results.”

Ms. Svitlana Berzina

President, NGO "Living Planet"

Energy efficiency and green public procurement

- Among Living Planet main priorities is the adaptation of environmental requirements to various goods and services recommended by the European Commission. Green procurement is an essential element particularly to achieve the goal of implementing a circular economy model in accordance with the Green Deal.
- The new Law of Ukraine on Energy Efficiency address the topic of procurement applied to energy-consuming products in construction, with relevant references to standards and labeling.
- Ukraine has basic environmental standards that can be applied in public procurement. There is also an environmental labeling program based on the EU model - Ecolabel EU.

“Environmental labeling standards are an EU recommendation and help to distinguish green products.”



Event organized with the contribution of:



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Eidgenössisches Volkswirtschaftsdepartement EVD
Staatssekretariat für Wirtschaft SECO



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

United Nations Industrial Development Organization

Vienna International Centre
P.O. Box 300, 1400 Vienna, Austria
Telephone +43 1 260260
www.unido.org