

Public procurement: integrating climate change adaptation

Even though it is still not certain how our climate will change in the coming years and decades, the combination of current increasing vulnerabilities and impacts together with a growing body of scientific knowledge, make a changing climate a foreseeable risk to project delivery. This can no longer be ignored, and the implications for best practice in procurement need to be taken into account. In this note we summarise why it is important to build climate resilience into procurement and how these considerations can be included in existing procurement processes to ensure long-term delivery of public projects.

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Role of government procurement

Governments can play a crucial role in building resilience to a changing climate. In many countries the public sector is one of the largest; for instance, average government expenditure in the Caribbean countries accounts for 15% of the GDP.¹

There is a significant opportunity for governments to influence the wider private sector and integrate climate resilience into public procurement resulting in a number of positive outcomes:

- Create a strong market demand for climate resilient products and services;
- Encourage the private sector to develop new skills, research and innovate in the sphere of climate change adaptation;
- Ensure that long-term public investment is sustainable and will remain 'fit for purpose' throughout its lifetime (i.e. reducing risk of having to retrofit with greater capital and operational cost implications);
- Provide greater accountability to tax payers;
- Reduce capital and operational costs and provide greater confidence on risk management to funding partners and insurance providers;
- Reduce disruption risks to the delivery of essential public services, and consequential social, environmental and economic impacts and costs;
- Enable government to act as a catalyst promoting good procurement practice.

When should you include a changing in procurement processes?²

Impacts arising from a changing climate should be considered if the answer to one or more of the following questions is 'yes':

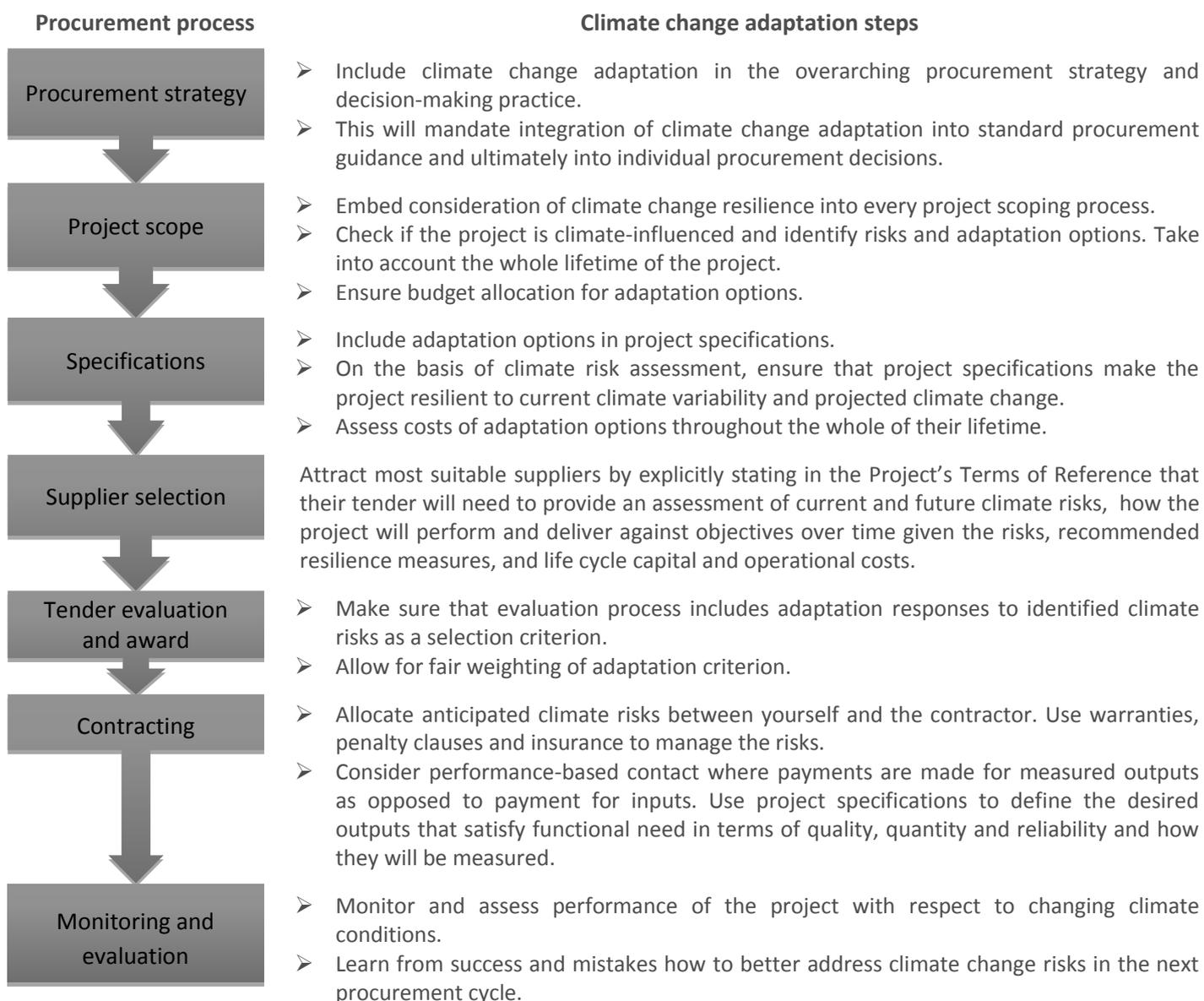
- Is the lifetime of the project 10 years or more?
- Can the project be affected by weather extremes?
- Are the capital and/or long-term operational investment costs a significant part of your annual budget?
- Once your project decision has been implemented will it be difficult to make significant changes?
- Will the project make a significant contribution to national planning objectives?
- Will the project provide essential utility and infrastructure services, critical to disaster management?

Fitting adaptation within conventional procurement cycle

Without the need for major process changes, climate change adaptation can fit naturally into the procurement cycle. If the potential impacts can be acknowledged as presenting a risk to implementation and future operation, then it will be possible to manage those within project risk registries and due diligence. This is an emerging area and we are beginning to see greater interest in this from all sides of the procurement process, including lawyers, investors, banks, insurers, consultants, governments and the private sector.

Embedding climate change in key stages of procurement cycle

There are a number of documents available that discuss procurement processes and climate change in more detail (please see list at the end of the document). Here we have summarised the key steps, showing how climate change adaptation can be integrated straight into a conventional procurement process:³



Sources and further reading:

Cambray, A., Howcroft, A., Retana, J., Dowden, M. and Schellekens, G. 2009. Adapting to Climate change: the role of public procurement. London: Greater London Authority.

Department for Environment Food and Rural Affairs (Defra) and Office of Government Commerce (OGC). 2010. Adapting your procurement. Using the public procurement process to help ensure public investment in buildings, infrastructure and assets will be fit for purpose in tomorrow's climate. London: Department for Environment Food and Rural Affairs.

Fievet, C. 2012. Guidance for City Procurement to Facilitate Climate Change Adaptation Pursuant to the Mayor's 2007 Executive Order. Memorandum. Cambridge, MA: Harvard Law School. Emmett Environmental Lab and Policy Clinic.

Greenhalgh, E. 2010. Procurement. Sample text on adaptation in Invitation to Tender Guidance. UKCIP Briefing note 5. Oxfordshire County Council.

UKCIP. Procurement in a changing climate. Local authority briefing paper 4 [Online]. Available from: http://www.ukcip.org.uk/wordpress/wp-content/LA_briefings/LA-briefing-Procurement.pdf [Accessed 14/05/2013].

¹ World Bank. 2013. General government final consumption expenditure (% of GDP).

² A more detailed screening matrix can be found in CCORAL <http://ccoral.inspirationaltechnologies.com/stage2/screening>.

³ Further guidance on the integration of climate change into decision-making and the tools to help you make climate resilient decisions can be found in CCORAL <http://ccoral.caribbeanclimate.bz/>.