



**Western Cape
Government**

Making better choices: green procurement in state-subsidised human settlements

*Phase 5 Deliverable: Unpacking green procurement for
successful implementation*

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Executive Summary

Our world is changing. The uncertainty caused by climate change, fiscal constraints, and growing social inequalities places increasing pressure on government and undermines the ability to provide services. Overcoming these risks, while taking hold of the opportunities, requires bold new ways of engaging with our environment and systems of municipal services provision. As government (municipal, provincial and national) is one of the largest consumers in the economy, those who direct this spending through service delivery have the power to shape local and national economies and the impact these have on the environment and society.

Adopting green procurement can simply be understood as better procurement rather than a new, alternate system; that is a step forward in the journey for improved procurement practices to meet South Africa's development priorities and goals. This can allow government to lead by example and use its market power to positively impact the environment and society for all citizens and future generations in the Western Cape and South Africa.

Making better choices: green procurement in state-subsidised human settlements has been developed as a resource to assist you in the implementation of green public procurement in state-subsidised human settlements for an improved environmental impact and quality of life for residents in the Western Cape. It unpacks green procurement in state-subsidised human settlements through a range of tools: a design manual for making better choices, interventions for policy, and how to operationalise green procurement in supply chain management practices.

Green Procurement is defined as 'the means that public authorities seek to procure goods, services and works with **an increasingly positive environmental impact, with associated social and economic benefits for beneficiaries, municipalities, and the national fiscus**, throughout their **life-cycle** compared to goods, services and works with the same primary function that would otherwise be procured.'

Green procurement is an essential path to be taken in the journey towards a more sustainable future. In line with the National Development Plan goal of 'Building environmental sustainability and resilience' and the Provincial Strategic Goal 4: 'To enable a resilient, sustainable, quality and inclusive living environment', the aim of green procurement in state-subsidised human settlements is therefore:

- Improved sustainable use of resources
- Increased ecological resilience
- Enable sustainable livelihoods

The principles of green public procurement over the full project life cycle therefore include:

- Reducing energy consumption

- Reducing water consumption
- Minimising waste generation
- Reducing greenhouse gas emissions
- Improving quality of life and dignity for beneficiaries (safety, health and access to services and economic opportunity)
- Providing high quality living environments and products
- Making the most of ecological service systems
- Increasing the reuse and/or the recycling of resources
- Minimising exposure to environmental risk
- Maximising quality job creation
- Maximising economic inclusion, especially for SMMEs and local sub-contractors
- Increasing multi-stakeholder collaboration
- Being appropriate to the local environmental, social and governance context

The priorities of green procurement and the approach to implementing green procurement will differ in each municipal based on its local environmental, social, political, and economic context. This guideline does however suggest that a number of steps are necessary for implementation. While these are represented as linear, it is anticipated that some of this steps will occur simultaneously or overlap. This can be expanded upon by each municipality in the Western Cape, as lessons are learnt and fed back into the processes and strategies for state-subsidised human settlements.

1

Understand the local context

- Bio-physical context: climate, energy sources, water quantity and quality, anticipated effects of climate change
 - Social and economic: culture, social assets and needs, demographics, infrastructure, economic assets, community needs
 - Local service providers – green and conventional: professional, technical, materials and goods
- Output: Status Quo document – can be, in part, drawn from IDP and SDF

2

Policy and political support

- While not a prerequisite for the implementation of green procurement, this can assist developers and allow for a greater degree of intervention for improved environmental and social benefits.
- Share knowledge of green procurement and its value with councillors and officials
 - Embed green procurement in policy and strategies
 - Prioritise green procurement principles in relation to local context
- Output: IDP, SDF and/or council backing

3

Project identification and approval

- Identify projects where green procurement can be implemented and piloted
 - Identify the appropriate green procurement design interventions for land, site layout and housing units
 - Submit project for approval in Western Cape Human Settlements Pipeline
- Output: Project Initiation Document

4

Procurement Procedure

- Identify best suited procurement procedure: Procurement Procedures; Packaging strategy; Contracting strategy; Pricing strategy; and Targeting Strategy.
- Develop specifications and Terms of Reference/Scope of Works, inclusive of desired project outcomes based on policy objectives and prioritised principles
- Develop functionality criteria for eligibility and relevant weight based on project objectives