

## Leading City Network on Green Public Procurement

# Activity Report 2019 Busan Metropolitan City

## I. Leading City Network on Green Public Procurement

### 1 Project Introduction

The Korea Environmental Industry & Technology Institute (Contracting Entity) and the ICLEI Korea Office (Executing Agency) initiated the “Leading City Network on Green Public Procurement” project in July 2019—currently being executed hand in hand with Gyeonggi-do Province (Goyang City, Bucheon City), Daejeon Metropolitan City and Busan Metropolitan City—to help local governments acknowledge the necessity and significance of Green Public Procurement (GPP) in addressing climate change and achieving regional sustainable development, and to lay the foundation for voluntary participation.

### 2 Major Activities

- **(Consulting)** Analyze participating local governments’ green public procurement performance and prepare improvement measures
- **(Form a network)** Construct a Korean league of leading cities on green public procurement
- **(Strengthen capability)** Support activities to reinforce cities’ abilities to improve green public procurement
- **(Publicize performance)** Publicize excellent performance by local governments in green public procurement and develop best practices

### 3 Key Targets & Achievement Methods

Key Targets	1	Increase the participating local governments’ share of green public procurement by 10%p or more by 2020
	2	Form a network of local governments (Gyeonggi-do Province, Daejeon Metropolitan City, Busan Metropolitan City), professional agencies and civil societies
	3	Produce best practice materials (Korean/English activity reports, case reports, card news). Publicize performance via domestic and international networks

Achievement Methods	[WP1]	[WP2]	[WP3]
	Consultation to enhance the execution of GPP and training to reinforce capabilities	Leading City Network on Green Public Procurement	Performance management and PR activities
	Develop performance improvement targets and execution measures to achieve the objectives via consulting / expert lectures / participatory workshops	Offer a foundation for continuous exchanges and cooperation by creating a domestic network of GPP with three metropolitan cities, professional agencies and civil societies	Create and document best practices to publicize performance throughout the country and abroad

## II. Busan Metropolitan City's Green Public Procurement

### 1 General Status

- Busan is located at the southeastern most tip of the Korean peninsula and has a temperate climate with four seasons. The city vision is "Busan, a Northeast Asian marine capital where citizens are happy."
- Busan Metropolitan City consists of 15 districts and 1 county with an area of 769.89km<sup>2</sup> and a population of 3.47 million (Gender ratio: 50.8% Female, 49.2% Male). Its budget for annual expenditure is 12.5 trillion won (10.2 billion US dollars).

### 2 Green Public Procurement Policy

- Busan Metropolitan City is working strenuously to expand green public procurement within its jurisdiction through the cities' comprehensive plan for environmental preservation (2015–2024), an ordinance on green product purchase facilitation, the green product purchase vitalization plan (2016), the green public procurement expansion plan (2017), etc.
- The city introduced a "procurement screening system" in 2016, requiring the purchaser to acquire the cooperation of the Environmental Preservation team leader for purchase approval, which led to outstanding GPP performance
  - ※ Requires the purchaser to attach a statement of reasons for not purchasing green products; if there is a green product for the item to be purchased, the approval request is rejected.
- Busan is working on a public-private project based on the Busan Environment-Friendly Life Support Center, while also attempting to encourage private citizens to purchase green products and services
- Moreover, the city holds training sessions on facilitating green product purchases (3 times a year), hosts meetings for those in charge of green products on the district/county levels, and urges the teams at centers or district/county that show low green product purchases, etc. to raise awareness of green products and contribute to increasing their green purchase
- The following presents Busan's four-year green public procurement performance, which is remarkable compared to other local governments

(Units: 1 million USD, %)

[Table 1]  
Busan Metropolitan City's Green Public Procurement Status in 2015–2019

Category	Organization	Year	Total Expenses	Green Purchase Expenses	Share
1	Busan Metropolitan City	2015	112.52	40.01	35.56
2	Busan Metropolitan City	2016	97.07	46.59	48
3	Busan Metropolitan City	2017	88.04	48.17	54.7
4	Busan Metropolitan City	2018	83.08	42.95	51.7
5	Busan Metropolitan City	2019	72.46	46.82	64.6

※ Source: Ministry of Environment – Report on green product purchases by public institutions (2015–2019)

## III. Project Status

### 1 Background and Purpose of Project Participation

- Busan Metropolitan City aims to fortify its position as the Leading City on Green Public Procurement with its green public procurement rate that is the best in the country, and contribute to sustainable economic development by ensuring stable business for the pro-environment companies in the region
- The city also plans to lead the civil movement for sustainable consumption and production through increasing green purchases in the public sector by vitalizing green public procurement and creating an atmosphere for eco-friendly purchases in the private sector based on the public sector's example.

**2 2019 Activities**

• **Set Key Targets and Selected Core Items**

– **Target** : 55.5% in 2019, 60% in 2020

※ 2020 target set to increase the green product purchase share by 10% compared to green public procurement performance in 2018.

– **Core Items** : Asphalt concrete, drainpipe, and chairs

※ Items that showed high expenditures but low green public procurement execution rates in 2018 were selected as core items.

(Unit: %)

[Table 2]  
Busan Metropolitan City's Green Public Procurement Targets

Category	2018	2019		2020 (Target)
		Target	Result	
Total Purchase Rate	51.7	55.5	64.6	60
Item 1: Asphalt Concrete	9.8	46.9	10.7	17
Item 2: Drainpipe	14.7	40.6	12.9	25
Item 3: Chairs	34	59.8	30.8	47

• **Selected Core Tasks**

– **(Build system)** Expand the use of the procurement screening system through district/county meetings (2020)

– **(Improve system)** Try to use recycled aggregates by revising the design guidelines (~2019)

– **(Attract interest of high-level officials)** Include the expansion of green public procurement as a part of the agendas at the high-level official meetings (Dec. 2019)

• **Consulting Provided to Improve Execution**

1st Consultation	2nd Consultation	3rd Consultation	4th Consultation
Jul 15, 2019 (Mon)	Sep 24, 2019 (Tues)	Nov 28, 2019 (Thurs)	Dec 16, 2019 (Mon)
Shared project direction and plans (launched briefing session)	Set GPP targets, select core items, and derive system improvement points	Wrapped up 2019 project achievements and discussed ways to increase supply in 2020	Discussed major outcomes of 2019 and joint activity plans for 2020 (performance briefing session)

**Held Local Government Meetings**

- **Date** Oct 15, 2019(Tues) 15:00–17:00
- **Venue** Busan Metropolitan City 22F Large meeting room
- **Participating Districts(gu)** Yeonje-gu, Suyeong-gu, Yeongdo-gu, Buk-gu, Saha-gu, Jung-gu, Seo-gu, Dongrae-gu, Nam-gu, Sasang-gu
- **Content** Shared the analysis and outcome of execution by item, analyzed factors that hindered or facilitated execution, derived short- and long-term goals
- **Conclusion and Implications**
  - 1) It is necessary to establish the efforts of Busan Metropolitan City headquarters and Saha-gu in adopting the procurement screening

- system and strengthening its inter-department cooperation capacity as best practices
- 2) As there is lack of information on the businesses within the jurisdiction and product performance, the headquarter website should provide such information
- 3) Green public procurement should be included as a part of the agendas at staff meetings to draw the interest of high-level officials



**Held Joint Workshop to Vitalize Local Governments' Green Public Procurement**

- **Date** Oct 25, 2019(Fri) 14:00–16:00
- **Venue** #300 COEX, Seoul
- **Participants** Approx. 100 participants including public officials from various regions including the cities participating in the project (Daejeon Metropolitan City, Busan Metropolitan City and Bucheon City)
- **Content** Shared green public procurement status in the Republic of Korea, introduced the current activities and outcomes of the Leading City Network project on Green Public Procurement, shared the best practices regarding local governments' green public procurement (Busan and Suwon), Talk4Action (Daejeon, Busan, and Bucheon)

- **Conclusion and Implications**
  - 1) Provides an ongoing forum for cooperation so that outstanding policies and cases for benchmarking from other regions could be shared
  - 2) Facilitates training to improve public officials' perception to help them come up with measures to increase voluntary green purchases



## Offered Training Sessions to Reinforce Capabilities

- **Date** Sep 19, 2019(Thurs) 14:00–16:00
- **Venue** BEXCO, Busan
- **Participants** Approx. 50 participants (those in charge of green purchases on district/county levels, directors of business branches, those in charge of purchasing in engineering/construction teams, accounting, etc.)
- **Training Content**
  - 1) Introduced the Leading City network project on Green Public Procurement
  - 2) Shared the GPP current trends and best practices from home and abroad
  - 3) Discussed ways to increase green purchases for core construction/engineering items
  - 4) Shared best construction practices in South Korea



## Produced and Distributed GPP Guidelines

- **Recycled Asphalt Concrete**
  - Definition of recycled asphalt concrete, ways to purchase, environmental and economic benefits
  - Manufacturers within Busan Metropolitan City jurisdiction(3)
  - Information on construction materials for Busan on the Korea ON-line E-Procurement System (KONEPS)
- **Drainpipe**
  - Definition of recycled drainpipe, criteria for certification, etc.
  - Manufacturers within Busan Metropolitan City jurisdiction (4)
  - Information on construction materials for Busan on the Korea ON-line E-Procurement System (KONEPS)



### 3 Core Tasks for 2020

- **(Achieve targets)** Improve purchase performance to build a leading city for green public procurement
- **(Improve system)** Apply recycled aggregates (green products) in construction design guidelines in 2020
- **(Build system)** Push for the introduction of a “procurement screening system,” which can create an inter-department cooperative system among Busan’s 16 districts/counties when purchasing items
- **(Consumer-producer communication channel)** Improve the perception of green products and develop ways to encourage their supply by establishing a communication channel among consumers and producers
- **(Reinforce inter-city network)** Share best practices on green public procurement and discuss measures to facilitate production through the participation of high-level officials

## IV. Busan’s Commitment to Green Public Procurement



In order to achieve a 60% green public procurement rate in 2020, Busan is planning to exert its utmost effort to enhance green public procurement through various activities such as reforming systems, expanding the procurement screening system to the district/county, reinforcing the education of those in charge, promotional activities!

