

LOGISTICS CLUSTER ENVIRONMENT COALITION (WREC)

GREEN PROCUREMENT MARKET ASSESSMENT TOOLKIT

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**Global Logistics
Cluster**



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Introduction

“A green procurement market assessment is a process that supports procurement and logistics officers evaluate the availability of green goods and services in the market where they operate”

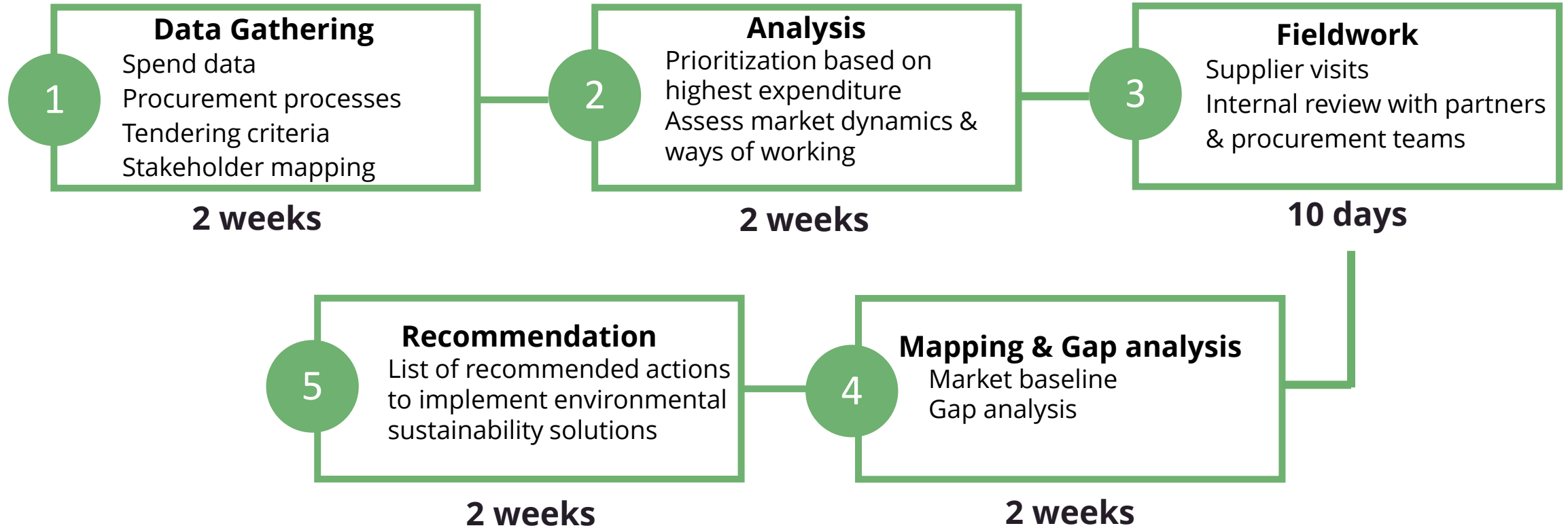
Needs Addressed

- Identify and **validate environmental sustainability gaps** in the market
- Engage with suppliers to understand challenges and opportunities
- **Raise awareness** of teams in country-office on environmental sustainability
- Support **donor requirements**
- Drive **cross-sector collaboration**

Benefits Achieved

- Validate environmental sustainability **adoption in the market**
- Set **market baseline**
- Identify **recommendations and solutions** to be implemented
- Build a green procurement **action plan**

Green procurement market assessment process



The steps of the process are to provide a **clear path and structure** of what needs to take place to conduct a green procurement market assessment in your country office. Each step has examples to guide you through the process.

Step 1 - Data Gathering



The objective of this step is to gather all **relevant information** that will allow you to have a high-level understanding of the context in the country in scope (e.g., spend, processes, policies)

What

- ✓ **A 12-month expenditure** report including: category of expenditure, supplier name, date of purchase order, value of purchase request, location and description of goods or services.
- ✓ **Procurement process** of the market or country
- ✓ **Stakeholder mapping** to understand who needs to be engaged
- ✓ Examples of **tendering documentation** to assess if environmental requirements have been included
- ✓ **Environmental sustainability policy** (if existent)
- ✓ Overview of any environmental activities that are in place

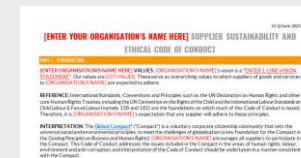
How

The information should be collected via the **local procurement and/or logistics team in the country office** through interviews and/or working sessions.

Use the template below as a guidance on the **type of information required** in the expenditure report.



[Spend data template](#)



[Sustainability policy example](#)

Key Considerations

Not all the data will be available at this stage due to time constraints or other factors, this **information can be further completed when conducting the fieldwork**, for example: further details on the procurement process and ways of working between the teams in the country office.

Before conducting the fieldwork, it is **critical to have information on expenditure** and stakeholder mapping as these will shape the agenda and objectives of the field visit. It is important to be **concise with the data** and not to overcomplicate this stage of the process

Step 2 – Data Analysis



The objective of this step is to identify the **top spend categories** and suppliers in the country office to ensure the assessment is focused on the areas of expenditure with the highest environmental impact and identify gaps in processes across the organization.

What

This step is **focused on analyzing the data** that has been gathered (spend, processes, policies, SWOT) to build an initial overview of the context in the market.

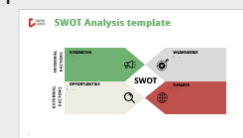
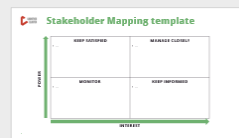
Its important to verify if there are environmental policies or practices in place to assess how mature or not the team in the market is.

How

The analysis of expenditure is to be completed with the following methodology:

- Level 1:** Category prioritization, focusing on categories that represent **80% of the total spend** in the market (e.g., construction, non-food items, etc.).
- Level 2:** **Top suppliers** representing 80% of the total spend of the top categories identified.
- Level 3:** Prioritization of the **most purchased goods and services per supplier** by reviewing the quantity per type of item purchased.

A SWOT analysis is also a useful methodology to assess how the organizations' goals, program and capacities match the framework of the environment in which it operates.



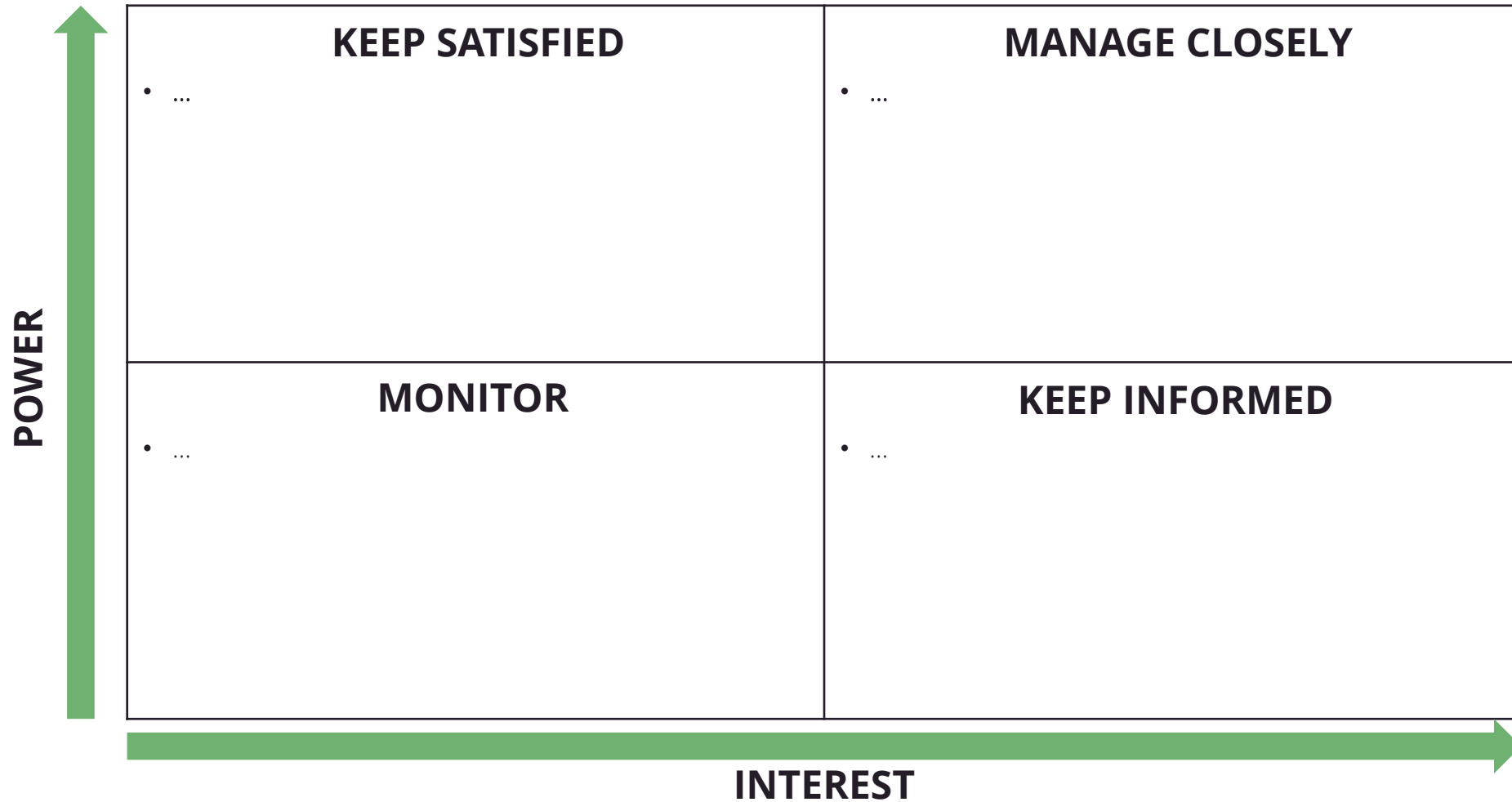
Key Considerations

It is crucial to have accurate and reliable spend data because the fieldwork is based on the prioritization exercise conducted at this step of the process.

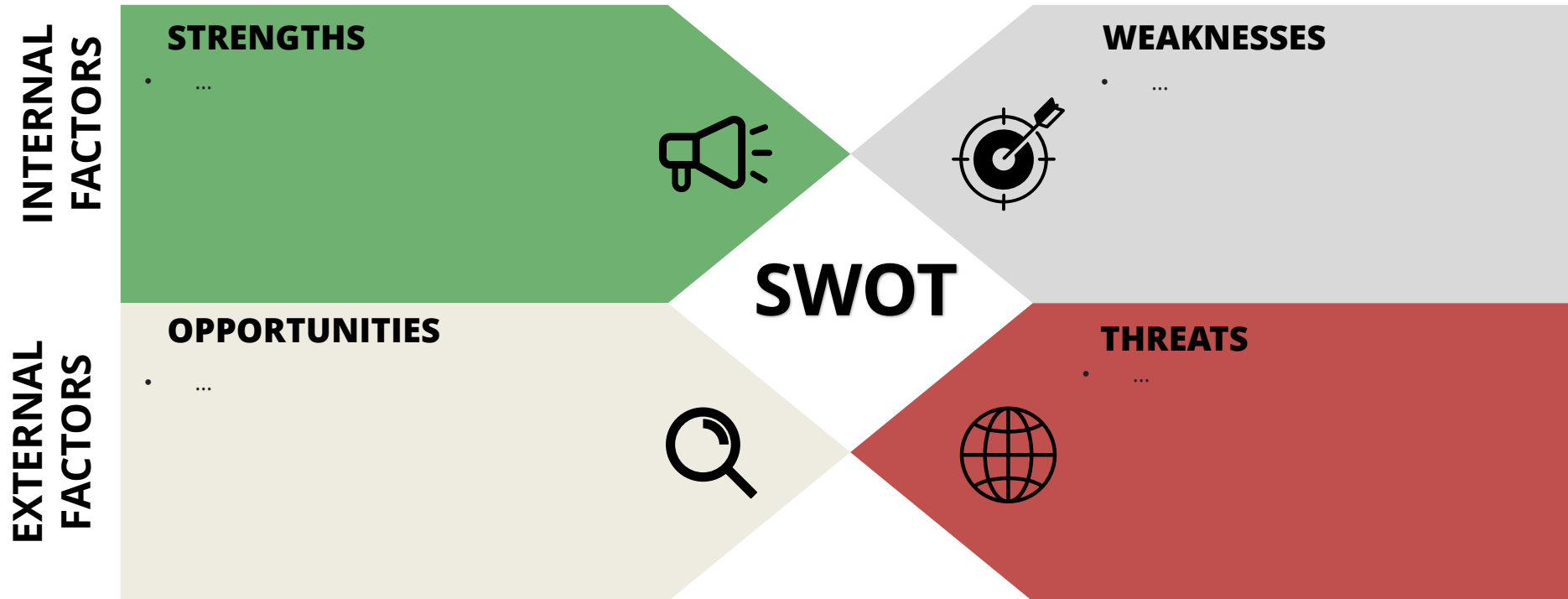
Having an initial **understanding of ways of working** and the **procurement processes** that are in place in the market will also support as preparation for the fieldwork visit and will give an initial understanding of what suppliers have been asked for or not.

Stakeholders should be engaged in advance of the visit and meetings with suppliers and internal teams are scheduled in advance of the fieldwork visit to ensure their availability.

Stakeholder Mapping template



SWOT Analysis template



Step 3 - Fieldwork



The objective of this step is to **visit the country office** and hold internal and external meetings to assess challenges and opportunities in the market which will support in building a more comprehensive **context of the market**.

What

This stage holds significant importance as it provides the chance to collect insights about both **opportunities and challenges from internal teams and suppliers**.

The information gathered at this stage will **be instrumental in gaining a deeper understanding of the context in the market**, facilitating the development of recommendations to move forward.

How



Hold internal meetings with the program, logistics and procurement teams to raise awareness, discuss and identify challenges and opportunities to implement environmental sustainability solutions.



Hold external meetings with suppliers to visit their offices, assess the level of awareness and knowledge on environmental sustainability, and identify initiatives that might be in place. Request for further information with specific questions, using the '[Supplier Questionnaires](#)' template.

Key Considerations

Engage with your internal stakeholders in advance to ensure their availability at this stage.

Prepare key questions for suppliers in advance for the visits and request to have answers in writing as a follow up.

Be prepared for suppliers to be evasive or defensive. Explain the objectives of this assessment are to build an understanding of the context and it is not an audit.

Be clear with suppliers that **environmental sustainability is a priority** for your organization.

Step 4 - Mapping and Gap analysis



Once all information has been gathered, the following step is to **map and consolidate the challenges and opportunities** identified which will support in identifying solutions.

What

Consolidate the information gathered from discussions with internal teams and suppliers into **challenges and opportunities**.

There will potentially be common internal and external challenges as well as opportunities.

How

Capture this information in a format that will allow your internal teams to **have clear visibility** of the challenges and opportunities identified.

The answers from the questionnaires provided to suppliers should be a tool to give you visibility of the level of awareness they have on environmental sustainability (e.g., the supplier does not currently track carbon emissions).



Key Considerations

Make sure to differentiate internal vs external challenges and gaps. These will also be different dependent on the type of supplier (manufacturer or trader).

Consider that this is a high-level assessment to have an initial understanding of the context in the market.

Challenges & Opportunities template

	CHALLENGES		SOLUTIONS
INTERNAL	• ...	➔	• ...
EXTERNAL	• ...	➔	• ...

Challenges & Opportunities (Example)

INTERNAL

CHALLENGES
Limited Awareness (policy, alternatives, sustainability)
Lack of prioritization
Time and resource constraints
Forecasting optimization
Cost increases
Quality assurance and timely delivery of goods
Item specifications are not environmentally friendly



SOLUTIONS
Mandatory environmental sustainability training
Incorporate environmental sustainability across policies and processes
Embed environmental practices in day-to-day responsibilities
Improve coordination between Program and Logistics teams
If unavoidable, incorporate in budgeting of projects
Implement green tendering and supplier evaluation criteria
Advocate to ISCG alternatives and solutions identified of item specifications

EXTERNAL

Lack of environmentally sustainable alternatives in the market
Lack of Government law enforcement (eliminating SUP)
Beneficiaries' awareness
Limited recycling facilities for single use plastic items
Limited coordination across the sector on environmental sustainability requirements



Collaboration with suppliers to identify solutions
Government advocacy through the ISCG ¹
Environmental sustainability training across learning centers in camps, engage with other agencies in the sector
Reduce or eliminate the use of SUP ²
Standardize environmental policies across National Societies and other agencies in Bangladesh

¹ISCG: Inter Sector Coordination Group

²SUP: Single use plastic

Step 5 - Recommendations



The objective of this step is to provide **recommendations that will support building an action plan** to address internal and external challenges and gaps identified.

What

As the outcome of this assessment, recommendations should be identified by the team involved in conducting the review.

These recommendations are defined to **address the challenges identified** and to **implement the opportunities**.

How

Recommendations can be proposed once the context and reality of the market has been identified. There will be a difference between those **addressed to suppliers and the internal teams** of the organization.



Key Considerations

It is important to identify **realistic recommendations** and address all areas of the supply chain operation.

Recommendations will need to be reviewed and discussed internally to agree on an action plan and implement these.

Small changes will lead to big results, prioritizing recommendations will support in having an effective action plan.

Gaps & recommendations for suppliers' (template)

COMMON SUPPLIER GAPS



Awareness & Knowledge



Policies & Certifications



Decarbonization plans & targets



Circular Economy & Reverse Logistics



Optimization models









Waste Management

GAPS & CHALLENGES

RECOMMENDATIONS

Gaps & recommendations for suppliers (example)

COMMON SUPPLIER GAPS

GAPS & CHALLENGES		RECOMMENDATIONS
	Awareness & Knowledge	Lack of awareness and knowledge on sustainability
		Environmental sustainability trainings are not provided to employees
	Policies & Certifications	Environmental policies are non-existent or limited
		Global and local environmental certifications are not in place (e.g. ISO 14001, Ecovadis, etc...)
	Decarbonization plans & targets	Decarbonization targets are not set
		Carbon footprint is not being measured
		Public carbon emission reduction targets have not been set or communicated
	Circular Economy & Reverse Logistics	Reverse logistics initiatives are limited
		No use of circular economy principles across their supply chains
	Optimization models	Limited energy efficiency initiatives in place
	Waste Management	Waste management facilities are limited and not optimal (use of landfill or dumping sites, open fire burning)
		Standards or policies are not in place across all suppliers

Support suppliers with training available on environmental sustainability

Request suppliers to include it in their **internal employee training** programs

Share **examples of policies** with suppliers and your organizations' expectations, set a deadline to have it in place

Assess possible certifications that are achievable with suppliers which should support their decarbonization plan

Establish an action plan with each supplier so they begin measuring their current carbon footprint and establish reduction targets. The HCC can be used for this purpose.¹ Targets **should be aligned** IFRCs and BDRCs own targets.

Assess opportunities with suppliers of take-back schemes of materials or items when they reach their end-of life

Assess opportunities to **reuse end of life materials** or products

Assess opportunities to **implement solar energy** and build an action plan with suppliers

Reduce unnecessary materials & packaging, establish appropriate waste management processes

Request suppliers to **review current waste management practices** and build an action plan to make them environmentally sustainable

Gaps, challenges and recommendations for suppliers' (template)

	GAPS & CHALLENGES		RECOMMENDATIONS
MANUFACTURERS			
TRADERS			

Gaps, challenges and recommendations for suppliers' (example)

	GAPS & CHALLENGES		RECOMMENDATIONS
MANUFACTURERS	Focused on mass production and low-cost items		Leverage buying power across the sector to standardize environmental needs and drive manufacturers to prioritize it
	Lack of prioritization of environmental practices		Assess opportunities to reuse end of life materials or products
	No use of circular economy or reverse logistics principles		Reduce or eliminate unnecessary secondary packaging and use of Single-use plastics
	Unnecessary use of harmful materials or packaging		
TRADERS	Limitation to make changes of goods provided since they are not the manufacturer		Look for traders with environmentally sustainable solutions in the market. Identify improvements in packaging, transportation and waste management.
	Lack of prioritization and awareness of environmental practices		Leverage buying power across the sector to standardize environmental needs and drive manufacturers to prioritize it
	No processes in place to take back goods provided		Support with training and supplier orientation.
	Limited motivation to implement environmentally sustainable solutions		Assess opportunities to reuse end of life materials or products
			Implement supplier scoring mechanisms that consider sustainability as a core requirement








Gaps, challenges and recommendations for internal teams (template)

INTERNAL GAPS

GAPS & CHALLENGES		RECOMMENDATIONS
<div> <div>1</div> <div>8</div> </div>	<div>  <div>Awareness & Knowledge</div> </div>	
	<div>  <div>Policies & SOPs</div> </div>	
	<div>  <div>Resources</div> </div>	
	<div>  <div>Decarbonization plans & targets</div> </div>	
	<div>  <div>Advocacy & collaboration</div> </div>	
	<div>  <div>Optimization Opportunities</div> </div>	
	<div>  <div>Waste Management</div> </div>	

Gaps, challenges and recommendations for internal teams (example)

INTERNAL GAPS

GAPS & CHALLENGES			RECOMMENDATIONS
	Awareness & Knowledge	Lack of awareness and knowledge on sustainability	Establish mandatory environmental sustainability trainings for all staff. There is a wide range of free open online trainings which can be used.
		Environmental sustainability are not mandatory across teams	
	Policies & SOPs	Environmental sustainability is not part of logistics and procurement SOPs and manuals	Incorporate environmental sustainability criteria across BDRCS strategy plan and logistics manual
		Lack of environmental sustainability in the BDRCS' Supplier Code of Conduct	Incorporate environmental sustainability requirements in the supplier Code of Conduct
		Tendering criteria does not include environmental requirements	Reassess the current tendering criteria at a category level and include environmental sustainability requirements
	Resources	Lack of time and resources to drive environmental action	Advocate for funding to cover the cost of 1 FTE to support in building an action plan per supplier and begin the implementation of these activities. Duration based on available funding.
	Decarbonization plans & targets	Decarbonization targets are not set at a country level by IFRC or BDRCS	Requirement needs to be set as a priority at a Management level Establish an action plan to begin measuring their current carbon footprint and establish reduction targets. The HCC can be used for this purpose. ¹
		Carbon footprint is not being measured	
		Public carbon emission reduction targets have not been set or communicated	
	Advocacy & collaboration	Item specifications are not environmentally sustainable	IFRC & BDRC leadership to advocate with national coordination bodies (ISCG²) alternatives and solutions identified with suppliers to change specifications. Reduce as much as possible.
		Limited coordination across the sector on environmental sustainability requirements	Standardize environmental policies and needs across National Societies and other agencies in Bangladesh
		Lack of Government enforcement of environmental policies	IFRC & BDRC Leadership to advocate to RRRC³ via the ISCG² to enforce existing Governmental environmental policies & increase waste management infrastructure .
	Optimization Opportunities	Lack of forecasting coordination	Improve coordination between Program and Logistics teams to optimize forecasting and ensure environmental needs are considered.
		Limited energy efficiency initiatives in place	Implement the use of solar energy where possible (warehouses, offices)
	Waste Management	Waste management facilities are limited and not optimal (use of landfill or dumping sites, open fire burning)	Reduce unnecessary materials & packaging , establish practices to reuse materials and recycle as needed.

Lessons Learnt



- Secure buy-in from the country office team and **availability** to support the process
- **Accurate data is essential** (data gathering and analysis) to have an effective outcome
- **Ensure availability of relevant stakeholders** during the fieldwork
- **Engage with suppliers to explore alternative opportunities**
- Look to **identify the root causes of the challenges and limitations**
- **Drive cross-sector coordination and collaboration of environmental standards** to increase the demand in the market



Photo credits: Paola Robert.WFP/LogCluster

How to get involved



Reach out and ask questions – we have are here to support!



Sign up to our mailing list to receive monthly updates on resources and events:

global.wrec@wfp.org



Tell us more about initiatives you or your teams are working on in sustainability – we are always looking to showcase best practices in the sector

THANK YOU!

**WE'RE EXCITED ABOUT WHAT THE
FUTURE HOLDS, TOGETHER!**