

Sustainable Public Procurement

Guidance Note – November 2025

Sustainable Public Procurement (SPP) refers to the process by which organizations acquire goods, services, and utilities in a way that achieves value for money on a whole life basis. It is a powerful policy tool that deliberately integrates economic, social, and environmental sustainability considerations into the public procurement cycle. By leveraging their immense purchasing power, which represents between 20% to 30% of GDP in most nations (UNEP, 2022), governments can drive market shifts and contribute meaningfully to addressing what the United Nations Environment Programme describes as the “triple planetary crisis” of climate change, biodiversity loss, and pollution.

In particular, the following elements are associated with Sustainable Public Procurement:

1. **Three-Dimensional Life Cycle Approach:** SPP requires procurement entities to strike an appropriate balance between the three pillars of sustainable development: economic, social, and environmental criteria, ensuring they are addressed throughout the purchasing process.
2. **Life Cycle Costing (LCC):** The procurement decision shifts emphasis from the lowest initial purchase price to achieving Value for Money (VfM), which includes incorporating the whole Life Cycle Costing (LCC).
3. **Market Transformation:** Governments, as the largest buyers, utilize their purchasing power as a lever for change to drive demand towards new and innovative products and services with a lighter environmental and social footprint.
4. **Socio-Economic Objectives:** Public procurement is used as an opportunity to address critical socio-economic issues, such as human and labour rights, gender inequality, and local economic development.

5. **Process-Wide Application:** The integration of sustainability criteria must apply at every stage, from the initial definition of needs and specifications in the tender document to the screening of suppliers for compliance and the final management of contracts.

Sustainable Public Procurement has therefore evolved into a comprehensive approach that goes beyond environmental considerations, aiming to secure optimal use of public funds while ensuring that suppliers, contractors, and procured goods and services contribute to broader economic, social, and environmental outcomes.

Development in Lebanon

Lebanon's engagement with Sustainable Public Procurement (SPP) evolved gradually over nearly two decades, shaped by broader global sustainability agendas and by domestic policy developments. Early national efforts were largely declaratory, expressing broad alignment with global commitments such as the Millennium Development Goals (MDGs) in 2000 and, later, the Sustainable Development Goals (SDGs) adopted in 2015. However, these ministerial declarations and inter-ministerial initiatives remained conceptual frameworks rather than instruments translating sustainability principles into procurement practice.

Before the promulgation of Public Procurement Law No. 244/2021, Lebanon's legal and regulatory procurement framework did not reflect sustainable development objectives. Existing laws, many of which had remained unchanged for decades, lacked provisions promoting environmental or social considerations in procurement processes. As a result, SPP implementation was scattered and depended primarily on the initiative of individual contracting authorities. These isolated actions, such as procuring energy-efficient goods or using recycled materials, were driven by organizational awareness rather than by national policy mandates. At the systemic level,

no horizontal sustainability objectives were embedded in procurement legislation, tendering procedures, or evaluation criteria. Guidance documents also offered limited direction on integrating environmental or social standards, reflecting both a lack of institutional awareness and the predominance of more urgent political, economic, and social challenges on the national agenda.

Despite these limitations, Lebanon progressively strengthened its commitment to the global sustainability agenda. The country endorsed the 2030 Agenda for Sustainable Development in September 2015 and subsequently signed the Paris Agreement on Climate Change in April 2016. Ratification followed in March 2019 through Law No. 115/2019, and the instrument of ratification was deposited at the United Nations in February 2020. In 2017, the Council of Ministers established a National Committee on the SDGs to coordinate national efforts, promote awareness, integrate SDGs into national programs, and support the preparation of the Voluntary National Review (VNR) submitted to the United Nations in 2018. This report documented Lebanon's early steps toward achieving the SDGs, including SDG 12 on sustainable consumption and production.

Lebanon's more targeted involvement in the global SPP agenda began earlier, however. In 2009, the country was selected as a pilot nation for the implementation of the SPP Approach developed by the Marrakech Task Force (MTF) in collaboration with the United Nations Environment Programme (UNEP) and the United Nations Development Programme (UNDP). This initiative placed Lebanon among the early adopters exploring institutional pathways for SPP implementation. In 2010, the Ministry of Finance, through the Institut des Finances Basil Fuleihan (IOF), joined the MTF on SPP to assess national readiness and outline future actions and coordinated several foundational studies: a legal review of the existing procurement framework, a market readiness analysis identifying priority products

suitable for SPP, and a draft national action plan. These efforts represented Lebanon's first structured attempt to evaluate the integration of sustainability into procurement processes. The resulting SPP Action Plan was later incorporated into the 2015–2016 National Action Plan for Sustainable Consumption and Production in the Industrial Sector, anchoring SPP within broader national sustainability strategies.

However, despite these advancements in agenda-setting, practical implementation remained limited. In the absence of a comprehensive policy framework or institutional mechanisms, practices remained ad hoc. Contracting authorities lacked guidance, standardized criteria, or monitoring systems to incorporate environmental or social considerations consistently. Moreover, the country had no centralized system for tracking procurement outcomes related to sustainability. Consequently, while SPP featured increasingly in national strategies, its operational uptake remained minimal.

Lebanon's cooperation with UNEP continued to deepen in the following years. The country participated in UNEP's 2020 SPP data collection initiative, which assessed national progress across key dimensions such as policy development, institutional capacity, procurement outputs, and monitoring systems. This partnership was reinforced through the introduction of the 2016 SPP Action Plan, followed by the enactment of the Public Procurement Law No. 244/2021, which marked a major turning point in Lebanon's procurement reform. The law introduces principles of transparency, competitiveness, and efficiency, and it establishes an institutional framework capable of supporting SPP integration.

Further progress was documented in the 2023 guidance note "Paving the Way for Sustainable Public Procurement in Lebanon." The report highlights that Lebanon has deepened its commitment to SDG 12, particularly Target 12.7 on sustainable public procurement, by drafting

sector-specific guidelines and designing training modules aligned with UNEP's SDG 12.7.1 measurement methodology. While the guidance note acknowledges persistent gaps, particularly in institutional capacity, data availability, and enforcement, it underscores a clear transition from agenda-setting and policy formulation toward practical uptake.

Implementation Challenges

Lebanon's progress on Sustainable Public Procurement (SPP) has been slowed by several long-standing institutional, legal, and market barriers.

1. **Limited Leadership and Policy Commitment:** For many years, there was no central authority driving sustainability in procurement. National commitments to the SDGs and the Paris Agreement were not translated into binding rules, leaving SPP dependent on voluntary and fragmented initiatives.
2. **Outdated Legal Framework and Lack of Mandatory Provisions:** Before Public Procurement Law No. 244/2021, existing regulations lacked environmental or social criteria. Action plans were not enforced, and procurement systems operated without clear sustainability requirements or standardized guidelines.
3. **Weak Procurement Planning and Operational Guidance:** Public entities have long lacked structured procurement planning, updated technical specifications, and practical guidance. This makes it difficult for contracting authorities to integrate new technologies, life-cycle costing, or sustainability criteria.
4. **Institutional Capacity Constraints:** The absence of a specialized procurement function in many agencies, combined with limited training, created significant capacity gaps. SPP remained understood only by a small number of staff involved in donor-supported projects.
5. **Market Limitations and Lack of Ecolabels:** Local industries often face difficulties

producing sustainable products, and the absence of national ecolabelling systems complicates verification. Suppliers' limited readiness reduces competition and weakens incentives for greener choices.

6. **Perception of Higher Costs:** Public entities often assume that sustainable goods and services are more expensive. Combined with budget pressures and a traditional focus on lowest price, this discourages the adoption of life-cycle costing and long-term value assessments.
7. **Weak Monitoring and Evaluation:** Until recently, there was no centralized system to track the use of sustainable criteria in tenders. This lack of data and follow-up hinders accountability, prevents performance measurement, and limits evidence-based policymaking.
8. **Governance Challenges and Corruption Risks:** Long-standing issues of weak transparency and corruption in public procurement undermine trust in the system. This environment makes the consistent application of sustainability criteria more difficult and reduces supplier confidence.

Together, these challenges explain why Lebanon entered 2019 with SPP present in policy discussions but with minimal practical uptake. The persistence of legal, institutional, market, and governance barriers has kept sustainability considerations largely outside the mainstream procurement system, despite the country's early engagement with international SPP frameworks.

Emerging Opportunities

Despite these challenges, several developments between 2019 and 2024 for advancing Green and Sustainable Public Procurement in Lebanon.

1. **Legal and Institutional Frameworks:** The adoption of Law 244/2021 and the creation of the Public Procurement Authority (PPA) provide formal political backing for sustainable procurement. With sustainability embedded in the law and the

national procurement strategy, Lebanon now has a legal basis to integrate green and social criteria systematically. Implementing decrees offer an opportunity to set specific targets and make green criteria mandatory in priority sectors.

2. **Institutional Champions:** Dedicated agencies such as the Institut des Finances Basil Fuleihan and the PPA, along with support from ministries like Environment, Finance, and Economy, form a coalition of reform-minded stakeholders. Their expertise and advocacy can drive awareness, technical guidance, and implementation of SPP policies, while civil society and academia can provide additional support.
3. **International Support:** Lebanon can leverage donor programs and international initiatives. Agencies like the European Union, World Bank, UNDP, and UNEP provide technical expertise, training, and financial incentives for pilot green purchases. Global momentum, such as the EU Green Deal, offers further opportunities for funding and knowledge exchange.
4. **Economic and Market Potential:** Contrary to the perception of higher costs, SPP can generate long-term savings through life-cycle costing. Energy-efficient public lighting, appliances, or construction materials may have higher upfront costs but reduce operational expenses, particularly important given Lebanon's energy challenges. Government demand can also stimulate local markets: public purchases of sustainable products can encourage local businesses to innovate, create jobs, and expand production. Sectors like recycled construction materials, solar panels, and eco-friendly cleaning products could benefit directly.
5. **Market Readiness:** While some green products are not widely available locally, public procurement represents a significant share of demand for certain goods (e.g., paper, detergents, office supplies). Strategic use of government purchasing

can influence market supply, encouraging local production and adoption of sustainable products. Medium-term products like lighting and water fixtures are also responsive to SPP initiatives, suggesting a phased approach can succeed.

6. **Integration of Environmental and Social Goals:** Lebanon has ratified international environmental and socio-economic conventions, which can be reflected in procurement practices. Although past procurement focused primarily on lowest price, current regulations allow the inclusion of additional criteria. There is potential to integrate environmental standards (e.g., carbon reduction, clean production, hazardous chemical restrictions) and social objectives (e.g., fair labor conditions, SME participation) into procurement contracts.

In summary, Lebanon's opportunities lie in the combination of legal reforms, institutional champions, donor support, market influence, and cost-saving potential. By operationalizing these opportunities, the country can use SPP as a tool for environmental protection, economic stimulation, and social inclusion, creating a foundation for long-term sustainable public procurement.

The Way Forward

Advancing Green and Sustainable Public Procurement (GPP/SPP) in Lebanon now requires shifting from policy design to practical implementation. The first step is the operationalization of Law 244/2021 through a national roadmap that prioritizes realistic and high-impact areas such as energy-efficient equipment, clean transportation, and green building standards. This includes empowering the Public Procurement Authority to develop detailed model tenders, standardized environmental criteria, and key performance indicators that can guide procuring entities. Embedding GPP into national procurement training programs will also be essential to create

a new generation of officers capable of applying life-cycle costing, sustainability criteria, and market analysis in their daily work.

Implementation must be supported by strong governance. Establishing a national task force dedicated to SPP would help coordinate institutions, unify efforts, and ensure that the policy is formally endorsed by the Council of Ministers. Legislative updates may also be needed to clearly integrate life-cycle principles into procurement rules and to streamline procedures and documentation across government. A central digital portal or help desk hosted by the procurement authority could further facilitate access to product specifications, guidelines, and tools, ensuring that practitioners have consistent reference materials across the administration.

Success will depend heavily on partnership and engagement. Early dialogue with suppliers is critical to reduce resistance to change, encourage investment in green products, and ensure the market can respond to new requirements. Donors and development partners also have a major role to play, providing technical support for drafting SPP action plans, developing national standards, and creating digital tools such as life-cycle costing calculators. Financial assistance can help offset initial cost barriers, while capacity-building programs and knowledge exchanges will strengthen institutional skills and sustain reform momentum.

Lebanon can build on existing positive practices within certain public institutions that already demonstrate environmental, financial, or social benefits. Scaling these examples can foster a culture of demonstration and emulation across the public sector. Over time, monitoring and evaluation mechanisms will be needed to track implementation, measure market responsiveness, and assess the overall impact of green practices. Regular reporting through multilateral or national monitoring frameworks can enhance transparency and maintain momentum.

Ultimately, GPP represents a shift away from short-term, lowest-price thinking toward long-term investment that saves money, protects the environment, and supports economic recovery. International experience shows that even countries facing financial constraints can successfully adopt sustainable procurement. Lebanon has the legal framework, institutional champions, and reform momentum already in place; the priority now is to translate commitments into action. With sustained leadership and international cooperation, green practices can become a cornerstone of Lebanon's modernization efforts and a signal that sustainability is moving from aspiration to practice.

References

Institut des Finances Basil Fuleihan. (2015, December). *How can Sustainable Public Procurement pave the way to Sustainable Development? Policy Brief No. 2.*

InfoPro & Sofres-Liban. (2011). *Market Readiness Analysis for Sustainable Public Procurement in Lebanon.*

Institut des Finances Basil Fuleihan. (2023, September). *Paving the way for Sustainable Public Procurement in Lebanon: Policy Guidance Note.*

Institut des Finances Basil Fuleihan. (2025, June). *Green Public Procurement in Lebanon: Current State and Prospects.*

United Nations Environment Programme (2022). *2022 Sustainable Public Procurement Global Review.* Paris.