



Llywodraeth Cymru
Welsh Government

GUIDANCE, DOCUMENT

Welsh Procurement Policy Note WPPN 06/21: Decarbonisation through procurement - Taking account of Carbon Reduction Plans

WPPN 06/21 adopts the UK Procurement Policy Note 06/21, providing further information specifically to Welsh public sector bodies to help them meet the 2030 target for a net zero public sector in Wales.

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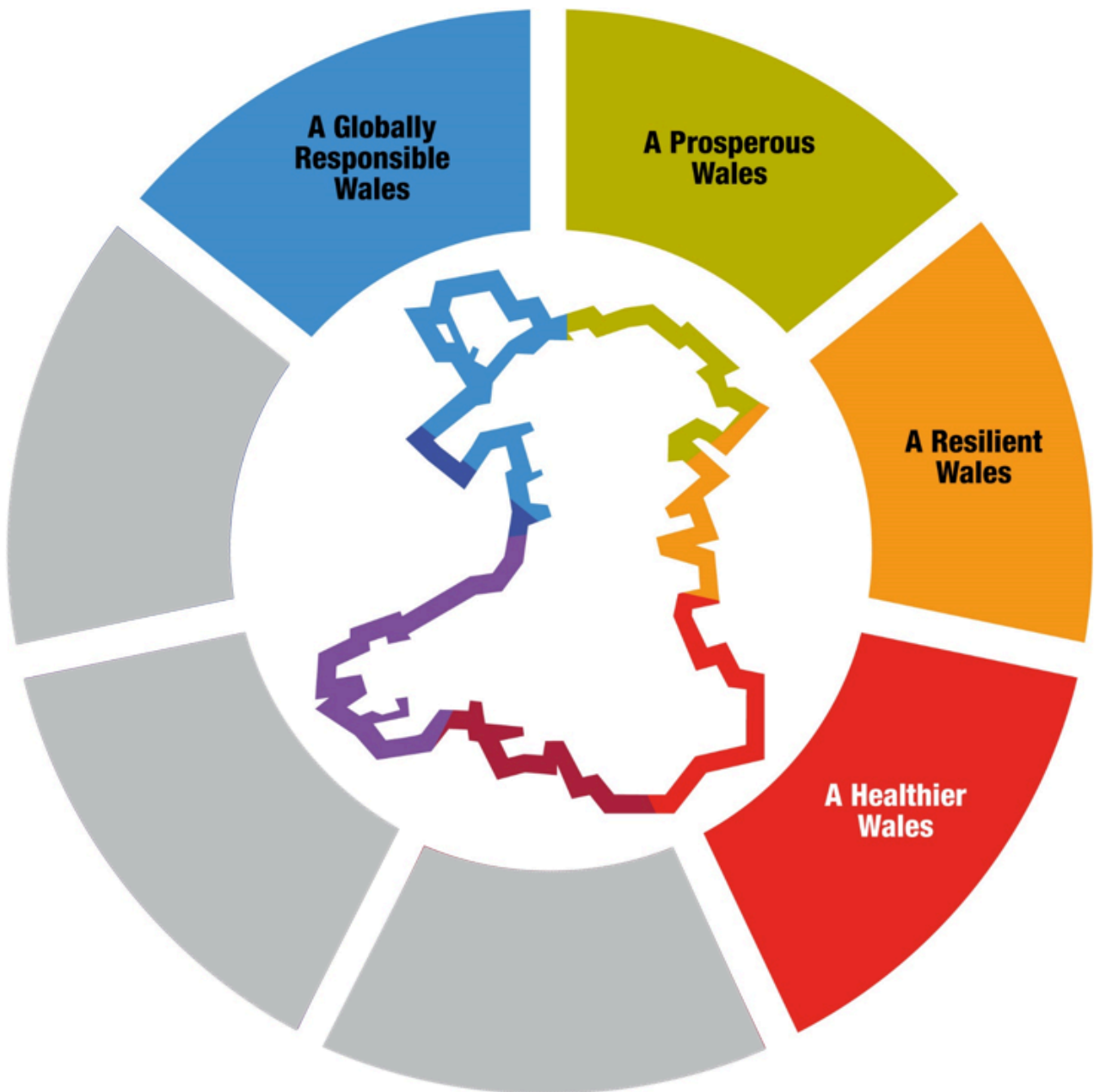
References

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Well-being of Future Generations Act's well-being goals supported by this WPPN



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- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A globally responsible Wales

Points to note

- The information set out in this document is neither legal advice nor statutory guidance and is not intended to be exhaustive. Nor is it intended to override existing legal obligations applicable to Welsh Public Sector (WPS) bodies – contracting parties should seek their own independent legal advice as appropriate. Please also note that the law is subject to constant change and advice should be sought in individual cases. This document reflects the position as of June 2024.
- This Welsh Procurement Policy Note (WPPN) builds on, and is consistent with, the [Wales Procurement Policy Statement](#) and the [Procurement Act 2023](#).
- This note assumes a certain level of knowledge of public procurement. It is available via the Welsh Government website [GOV.WALES](#) and any queries should be directed to CommercialPolicy@gov.wales.
- Value thresholds stated in WPPNs are inclusive of VAT, however, please be reminded that VAT is only applicable to certain goods and services.

1. Purpose

1.1 This update of WPPN 06/21 clarifies a number of points of departure from

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PPN 06/21: Taking account of Carbon Reduction Plans (CRPs) in the procurement of major government contracts (“UKG PPN 06/21”). These relate to the application of CRPs in Wales and do not affect the underlying principles and intended purpose of CRPs.

1.2 The amendments to the original WPPN 06/21 published in September 2021 have been made following feedback from users and can be summarised as follows:

- Clarification of how CRPs should be applied under Framework Agreements and Dynamic Purchasing Systems
- To simplify the CRP process for both buyer and suppliers by strongly recommending the requirement to use the CRP template as it appears on the UKG PPN 06/21 webpage
- To publish a CRP compliance checklist to assist both buyers and suppliers to clarify CRP requirements and thereby make CRPs more efficient and effective, and
- Amend the threshold figure of £5 million (exc. VAT) to include VAT to align with other WPPNs.

2. Dissemination and scope

2.1 This WPPN has been published to assist Welsh Government departments, NHS Wales bodies, Welsh Government Sponsored Bodies, to:

- a. consider Carbon Reduction Plans as a supplier selection criterion in all procurements of £6 million and over, and
- b. encourage a risk-based approach to the use of Carbon Reduction Plans in procurements below the £6 million.
- c. This WPPN is recommended as best practice to all Welsh Public Sector (WPS) bodies.

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2.2 Please circulate this WPPN across your organisation and specifically drawing it to the attention of those in procurement, commercial and finance roles.

3. Background and guidance

3.1 Welsh Government amended the Environment (Wales) Act 2016 in March 2021 by introducing Wales's commitment to a net zero UK by 2050. In addition, we have an interim ambition to achieve a net zero public sector by 2030 as set out in '[Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector](#)' (July 2021).

3.2 The public sector in Wales currently spends around £7 billion on the procurement of goods, services and works, delivered through suppliers, service providers and contractors. More importantly, across both public and private sectors between 70%-90% of an organisations carbon footprint is in the supply chain for those procured goods and services (Carbon Trust). How these supply chain partners understand and address their own carbon footprint is a useful indicator of their readiness to work with Welsh public sector bodies to reduce emissions in the delivery of public sector contracts which is critical to achieving the WPS journey to net zero by 2030.

3.3 By introducing CRPs as a selection criteria for all bidders for public contracts valued at £6 million or over, WPS bodies can verify prospective supply chain partners are committed to working towards their own Net Zero carbon status by 2050 and assure themselves that in doing so, bidders are highly likely to be operating in ways that will assist WPS bodies to work towards the Net Zero public sector in Wales 2030 ambition, by taking actions to reduce the emissions associated with the delivery of WPS contracts.

3.4 WPS bodies are reminded that:

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- a. CRPs are only to be used as a supplier qualification pass / fail requirement.
- b. They must not be used to differentiate between suppliers as the information on a CRP relates to a prospective bidder's own carbon footprint.
- c. While the CRP requires suppliers to detail their 'Carbon Reduction Projects - Completed Carbon Reduction Initiatives' e.g. the environmental management systems or processes, they have in place and to provide examples of any carbon reduction projects or initiatives they have underway or completed under the heading of, this is for information only. How these might be applied to the delivery of a WPS bodies contract should be questioned in the tender so they can be scored against the published Award criteria for the contract opportunity in question. This will ensure that all bids are assessed on the same basis.

4. Actions required by Welsh Public Sector bodies

4.1 Welsh Government departments and WPS bodies who adopt WPPN 06/21 should read it in conjunction with the UKG PPN 06/21 supporting guidance, departing from this only in the following regards:

- a. Making the inclusion of a Carbon Reduction Plan (CRP) or equivalent* a requirement at the selection stage of the procurement of public contracts valued at £6 million or more.

*NB In order to remain compliant with the WTO GPA agreement WPS bodies should also allow bidders, especially those from outside the UK who may already be reporting their CO₂e emissions in line with the GHG reporting protocol to submit a carbon reduction plan on a different template or report their scope 1,2 and 3 CO₂e emissions.

- b. To simplify the CRP process for both buyers and suppliers the requirement

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to use the CRP template as it appears on the [Gov.UK PPN 06/21 webpage](#) is strongly recommended. This will ensure that CRP submissions are in a consistent format that will make preparation of a CRP simpler for suppliers and give them confidence that competitors are not gaining some advantage from more elaborate submissions, and make buyer checks simpler and therefore quicker and more efficient.

- c. For contracts below £6m WPS bodies are strongly advised to take a risk-based assessment and use their discretion to apply a CRP requirement to contracts in high emission categories. The key sectors with the largest estimated emissions for the public sector in Wales are Manufacturing, Construction, Transportation and Human Health and Social Work activities. It may also be helpful to consider activities that are major components of contract delivery that might not be immediately apparent from a category or contract title e.g. energy use, product or materials transportation and distribution, waste management.
- d. Applying CRPs in Framework Agreements - CRPs may be requested either at the selection stage of the procurement of in scope framework agreements and Dynamic Purchasing System (DPS) arrangements or at the point of call-off once the arrangement is up and running if the call-off is valued over £6 million or more. NB to be able to enforce the latter, a clause to this effect should be included in the contract framework / DPS.
- e. To simplify CRP compliance checks a CRP compliance checklist has been developed to help WPS bodies check CRP submissions efficiently and effectively. It will also be useful for prospective suppliers to help them understand how and what is assessed when their CRPs are submitted. The checklist can be found on Gov.Wales page for this WPPN.

5. Legislation

- Environment (Wales) Act 2016, part 2 and Climate Change (Wales) Regulations 2021 (12 March 2021)

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- The Environment (Wales) Act 2016
- The Well-being of Future Generations (Wales) Act 2015
- The Public Contracts Regulations 2015
- The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020

6. Timing

This WPPN is effective from the date of publication until it is superseded or cancelled.

7. Welsh Government Procurement Policy Statement (WPPS) relevance

This WPPN aligns with the following WPPS principles:

Principle 6

We will act to prevent climate change by prioritising carbon reduction and zero emissions through more responsible and sustainable procurement to deliver our ambition for a net zero public sector Wales by 2030.

8. Additional information

In addition to the links mentioned in UKG PPN 06/21 on how to calculate carbon emissions, you may want to consider the following Wales specific guidance:

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- Both the Carbon Reduction Plan template and Carbon Reduction Plan compliance checklist is available on the [GOV.UK's page for PPN 06/21](#)
- [WPPN 12/21 Addressing CO2 in supply chains](#)
- [Public sector net zero reporting guide \(April 2023\)](#)

9. Contact details

If you have any questions about this WPPN, please contact:

Commercial Policy – Polisi Masnachol: CommercialPolicy@gov.wales.

10. Acknowledgements

The following publications were utilised in the preparation of this WPPN:

- [Guidance on adopting and applying the PPN 06/21 – Selection Criteria](#) (Cabinet Office June 2021)
- [Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector](#) (Welsh Government July 2021)
- [Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts](#) (Cabinet Office June 2021)
- [Wales commits to net zero by 2050, but sets out ambitions to get there sooner](#) (Welsh Government February 2021)
- [An introductory guide to Scope 3 emissions](#) (Carbon Trust, 2023)

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11. References

- **Frequently Asked Questions - Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts** (Cabinet Office June 2021)
- **Guidance on adopting and applying the PPN 06/21 – Selection Criteria** (Cabinet Office June 2021)
- **Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector** (Welsh Government July 2021)
- **Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts** (Cabinet Office June 2021)
- **Technical standard for Completion of Carbon Reduction Plans** (Cabinet Office June 2021)
- **Welsh Government Engagement Approach for Low Carbon Delivery Plan 2** (Welsh Government March 2021)

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