State of Play of Sustainable Procurement in Indian Railways – Strategy to Lead the change

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Who we are?

The Third Largest Railway Network!

- 63,974 route Kms
- 12,000 Passenger Trains per day
- 7,000 Freight Trains per day
- 23 million passenger every day
- 2.65 million tons of freight traffic every day
- 1.34 million employee
- Annual revenue base of $21.2 Billion
India committed to reduce the emissions intensity of its GDP by 20 - 25% by 2020 in comparison to the 2005 level
Public Procurement as a tool

Government

Regulatory Power

Purchasing Power

Market

Greener, Innovative & Sustainable Path

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Two Key Benefits

◆ De-coupling of Growth from Resource Use

◆ Leapfrogging Using Cleaner Technology
Legal & Institutional Framework in India

• General Financial Rule (GFR), 2005
• Delegation of Financial Powers Rules, 1978
• The Government initiative
  - Star rating for appliances introduced in 2008
  - Vehicular emission norm - the Bharat IV in place
  - The Energy Conservation Building Code (ECBC) 2006

• Regulatory measures indirectly impacting Sustainable Purchasing
  - Hazardous Wastes (Management and Handling) Rules, 1989
  - Ozone Depleting Substances (Regulation) Rules, 2000
  - The Batteries (Management and Handling) Rules, 2001
  - E-Waste (Management and Handling) Rules, 2011
Current Status of SPP in India

- Need for effective market-based approaches
  (Approach Paper to 11th Five year Plan)
- Pressure point of sustainability issues- NGO, Consumers, Media, Market
- Present GFR clueless
- SPP- Very new concept, not much known to many
- A Committee headed by Member, Planning Commission is looking at framing guidelines on GPP
- India included in Phase - II of UNEP SSP Initiative
- Draft Public Procurement Bill, 2012
- About 224 products reserved for procurement from SMEs
Indian Railways can be India's principal and foremost response to the challenge of Climate Change.
Initiative at Indian Railways

- Energy efficiency as a key strategy to achieve a low carbon path
- Replacement of 1.4 million ICLs with energy efficient CFLs (90,000 tones of CO$_2$ per annum)
- Procurement of Linen and upholstery only from KVIC & ACASH
- Setting up of 72 MW capacity windmill plant
- Provision of solar lighting systems at 1000 manned level crossing gates
- Procurement on only 3-star rated accredited electrical appliance
- Phasing out of old generation refrigeration gas such as CFC-12
- Boron free coolant in Diesel Locomotives
- Introduction of three-phase regenerative braking technology on electric locomotives & EMUs
- 200 remote railway stations as “Green Energy Stations”
- Acceptance of SMS on mobile phones as proof of valid reservation (1.48 MT of CO$_2$ equivalent)
- Commissioning of two bio-diesel plants in 2012-13
Our Action Plan...

• **Short Term:**
  - Make SPP an aim of Indian Railways
  - Issue Policy Guidelines on SPP
  - Start in phased manner; Identify five-ten products

• **Long Term:**
  - Capacity and resource building
    - Institutionalise SPP mechanism
    - Information, Communication and Training
  - Creation of market for green products
    - Have dialogue with vendors

Prioritise actions on GPP
Build capacity and capability
Work with vendors
Thank you for your kind attention!