



SUSTAINABLE PUBLIC PROCUREMENT (SPP): OBJECTIVES, ILLUSTRATIVE PRACTICES AND EMERGING TRENDS, DRAWING ON THE SPP WORK OF UN ENVIRONMENT

Farid Yaker
SPP Programme Officer, UN Environment
Farid.yaker@unep.org

WTO SPP Symposium, Geneva,
22 February 2017





UN Environment SUSTAINABLE PUBLIC PROCUREMENT GROUND PROJECTS

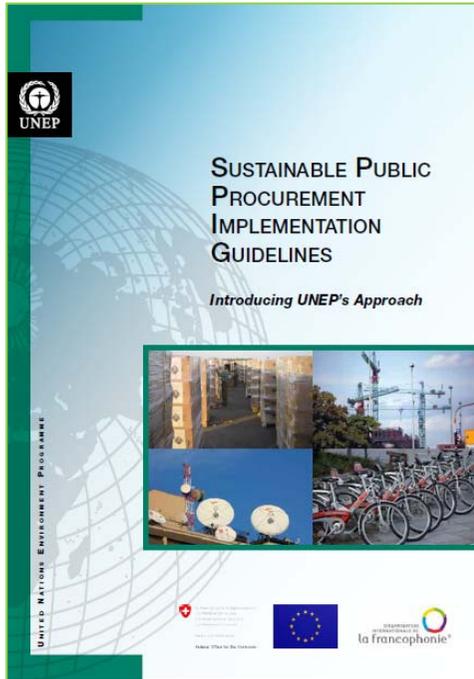


Image Copyrights: Shutterstock



Assisting 16 governments through the UN Environment Sustainable Public Procurement and Eco-labelling & EaP- GREEN Project Countries (2013-2017)

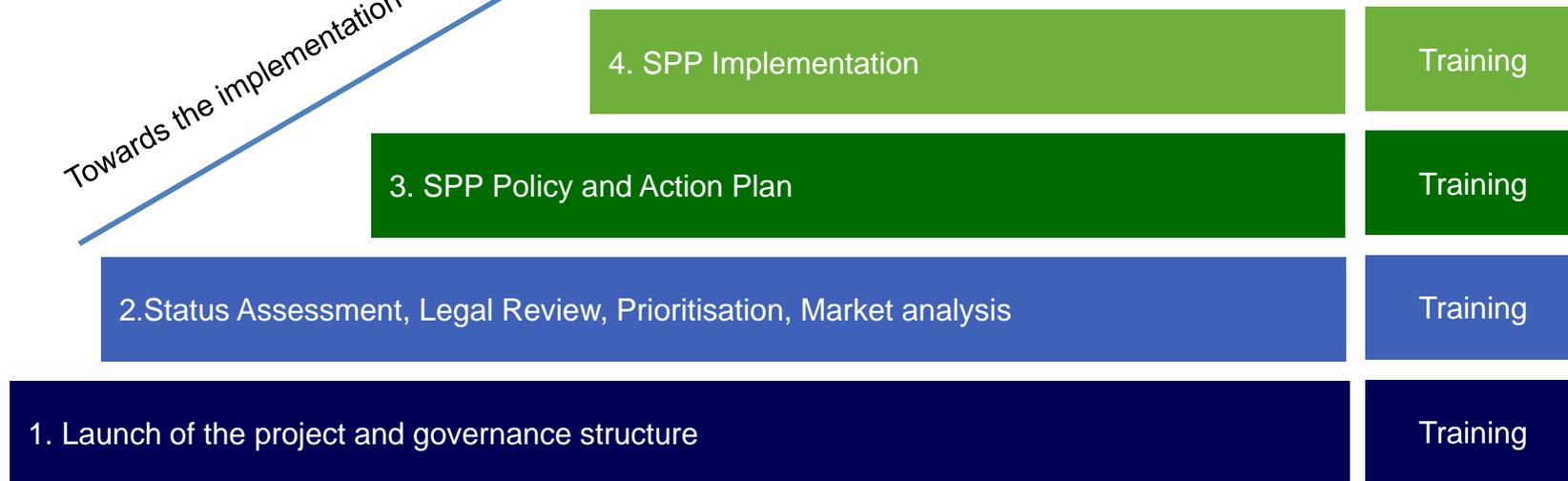




The UN Environment SPP Approach

The **Guidelines of the UN Environment SPP Approach** incorporate the lessons drawn from the testing of the MTF Approach to SPP that UN Environment rolled out in 7 pilot countries from 2009 to 2012.

Towards the implementation of SPP





The 10YFP Sustainable Public Procurement Programme



The 10YFP was adopted at the Rio+20 Conference. It is a global framework of action to enhance international cooperation to accelerate the shift towards SCP patterns in both developed and developing countries.

It supports capacity building and provides technical and financial assistance to developing countries for this shift.



RIO+20
United Nations
Conference on
Sustainable
Development





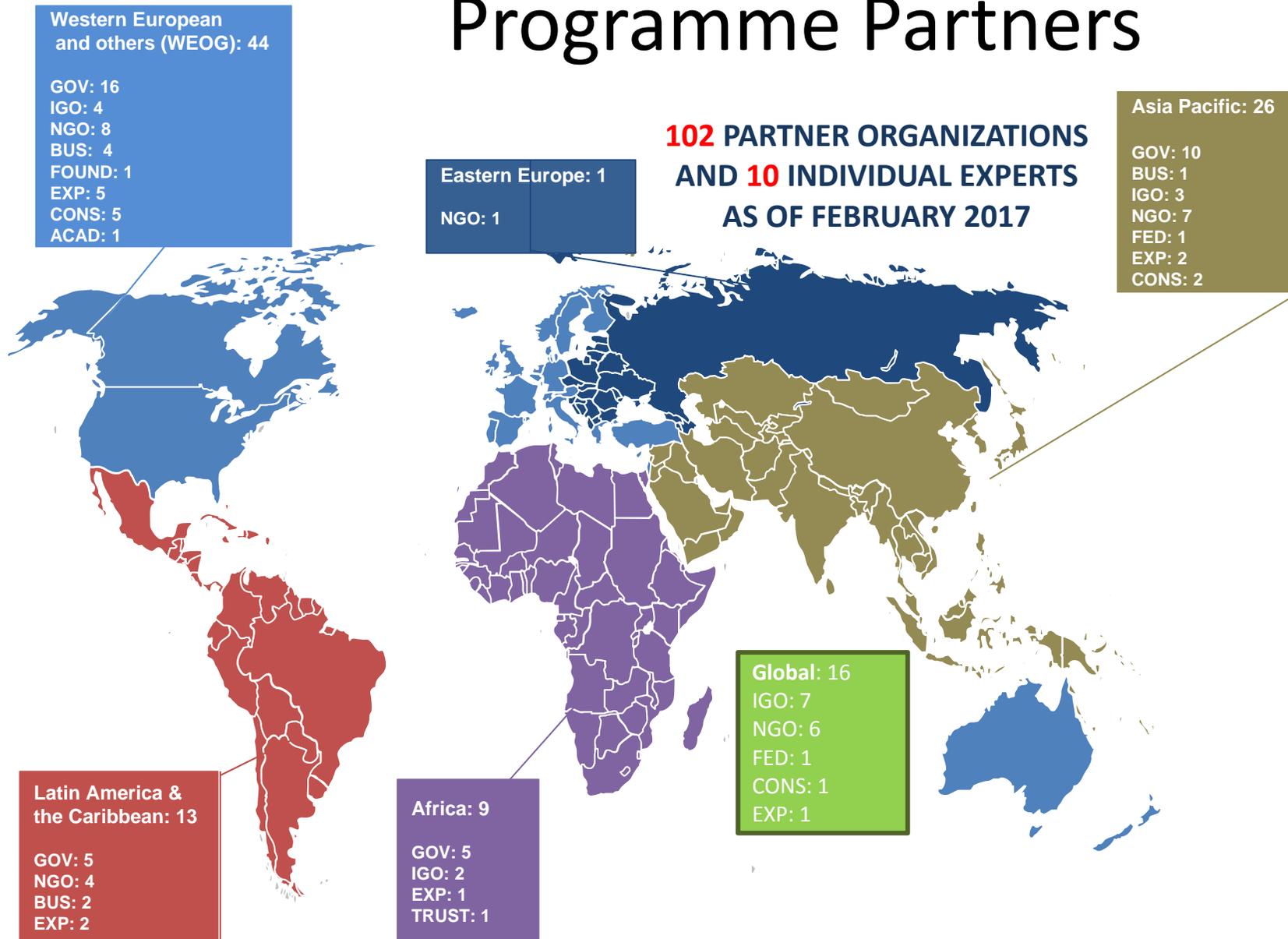
SPP PROGRAMME

Objectives

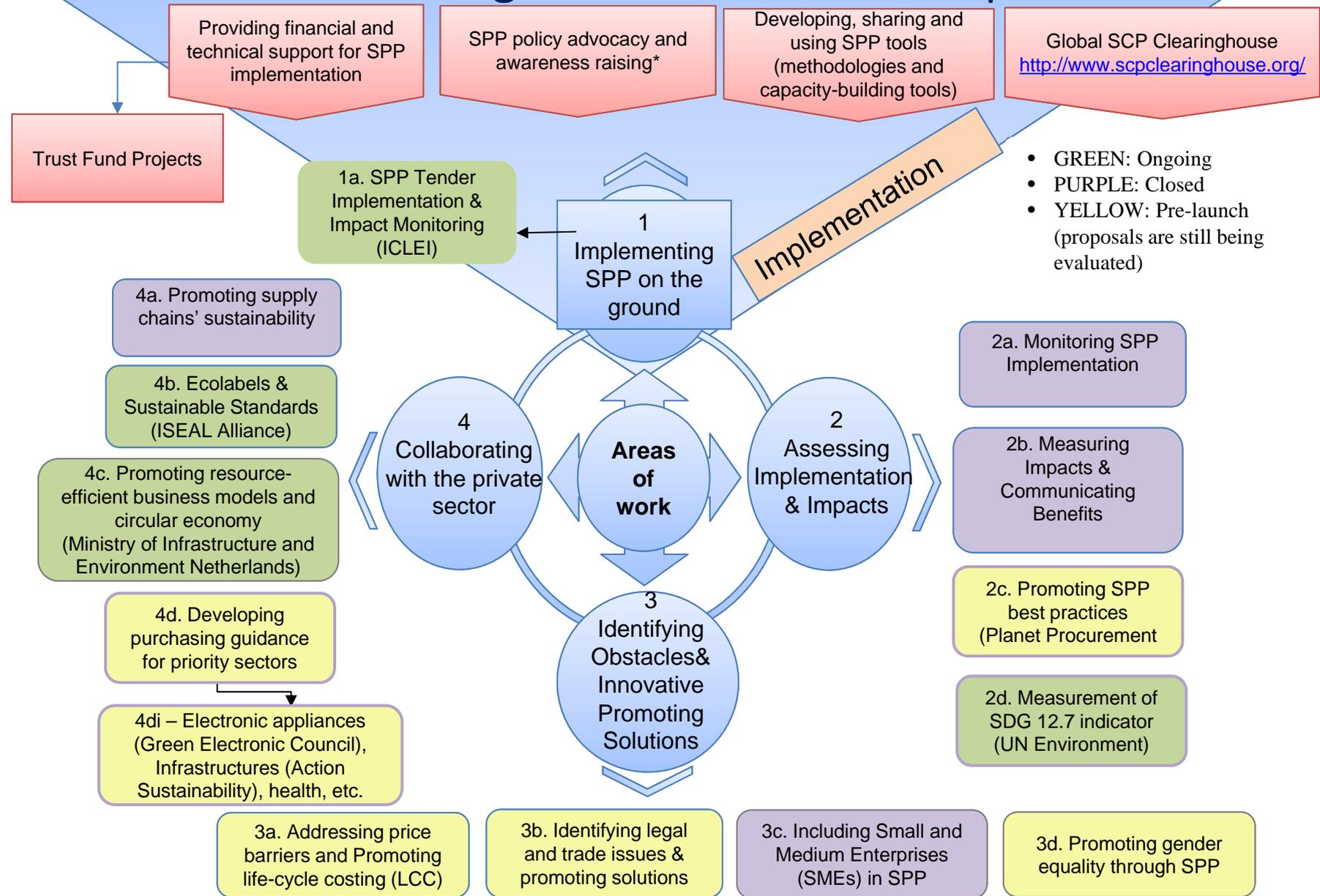
1. **Build the case** for SPP:
 - improve knowledge on SPP and its effectiveness as a tool to promote greener economies and sustainable development;
2. Support the **implementation of SPP** on the ground:
 - Better access to capacity building resources and improved coordination between SPP stakeholders.



Regional distribution of the SPP Programme Partners

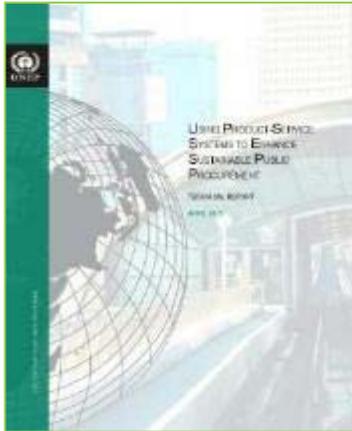


Revised 10YFP SPP Programme biennial work plan 2016-2017



Knowledge management, outreach and communication, cross-cutting research activities:
 Global Review on SPP, Global SCP Clearinghouse, websites and social networks, webinars, SPP Academic Network

10YFP SPP: SPP Programme Outputs



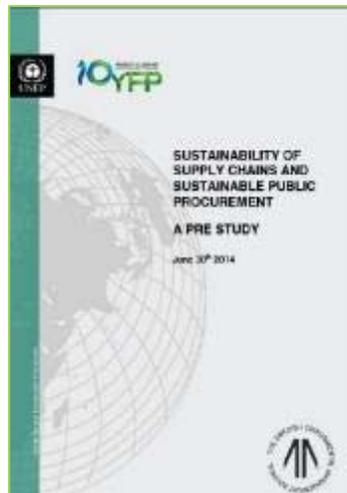
Using PSS to enhance SPP – technical report, 2015



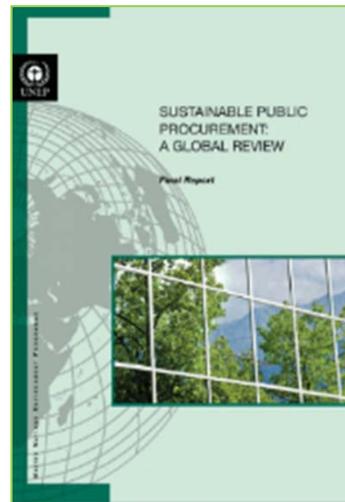
SPP Principles, 2015



- Measuring & communicating benefits of SPP
- Monitoring SPP Implementation



Pre-study on the sustainability of supply chains, 2014



SPP: A Global review 2013/2016

SUSTAINABLE PROCUREMENT?

**A HUGE OPPORTUNITY TO
PROMOTE SUSTAINABLE
DEVELOPMENT**



“ Our acquisition of goods and services creates a carbon footprint **nine times** that of our buildings and fleet, put together.”



Dan Tangherlini
Administrator
US General Services Administration

Source: Remarks for SPLC's 2014 Summit in Washington, DC



DEFORESTATION



OVERFISHING



SWEATSHOPS



**CONFLICT
MINERALS**

Source: SPLC



DISCRIMINATION

Source: SPLC

Impacts & Opportunities

Environmental

Environmental factors affect the natural systems on which life depends, now and in the future.

- + biodiversity preservation
- + climate adaptation
- + resource optimization
- + soil health stewardship
- acidification
- desertification
- eutrophication
- freshwater pollution
- greenhouse gas emissions
- habitat depletion
- human health impacts
- land use change
- marine pollution
- ozone depletion
- radiation pollution
- resource depletion
- smog
- waste
- water consumption

Social

Social factors affect the social systems on which communities depend, now and in the future.

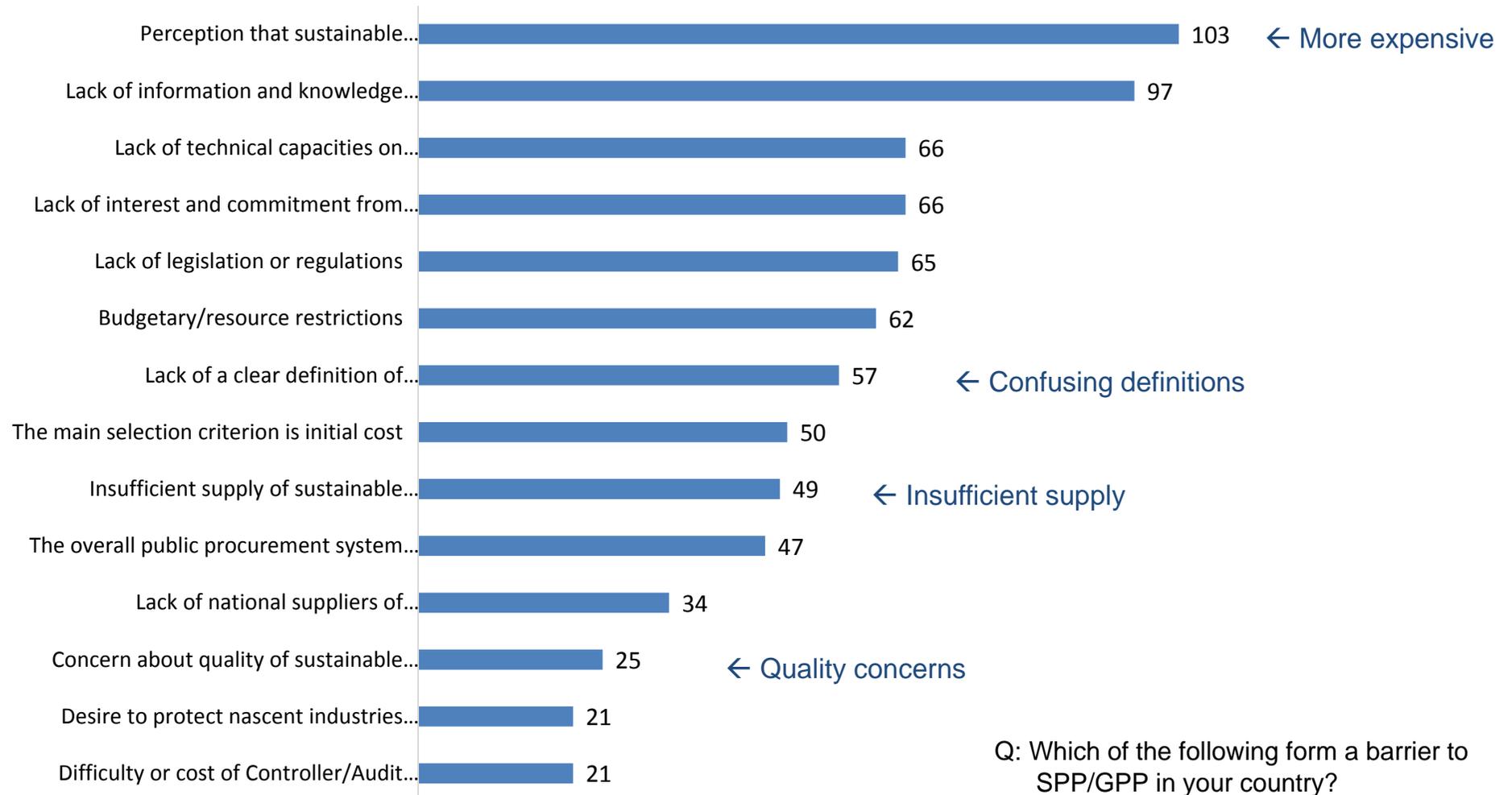
- + anti-discrimination
- + community engagement
- + diversity/equal opportunity
- + employee engagement
- + equal remuneration
- + fair trade
- + freedom of association
- + grievance & remedy processes
- + human rights
- + indigenous rights
- + occupational health & safety
- + right to collective bargaining
- + sustainable compensation
- + training and education
- + worker rights
- child labor
- forced/compulsory labor
- human trafficking
- sourcing from conflict zones

Economic

Economic factors affect the health of the markets on which commerce depends, now and in the future.

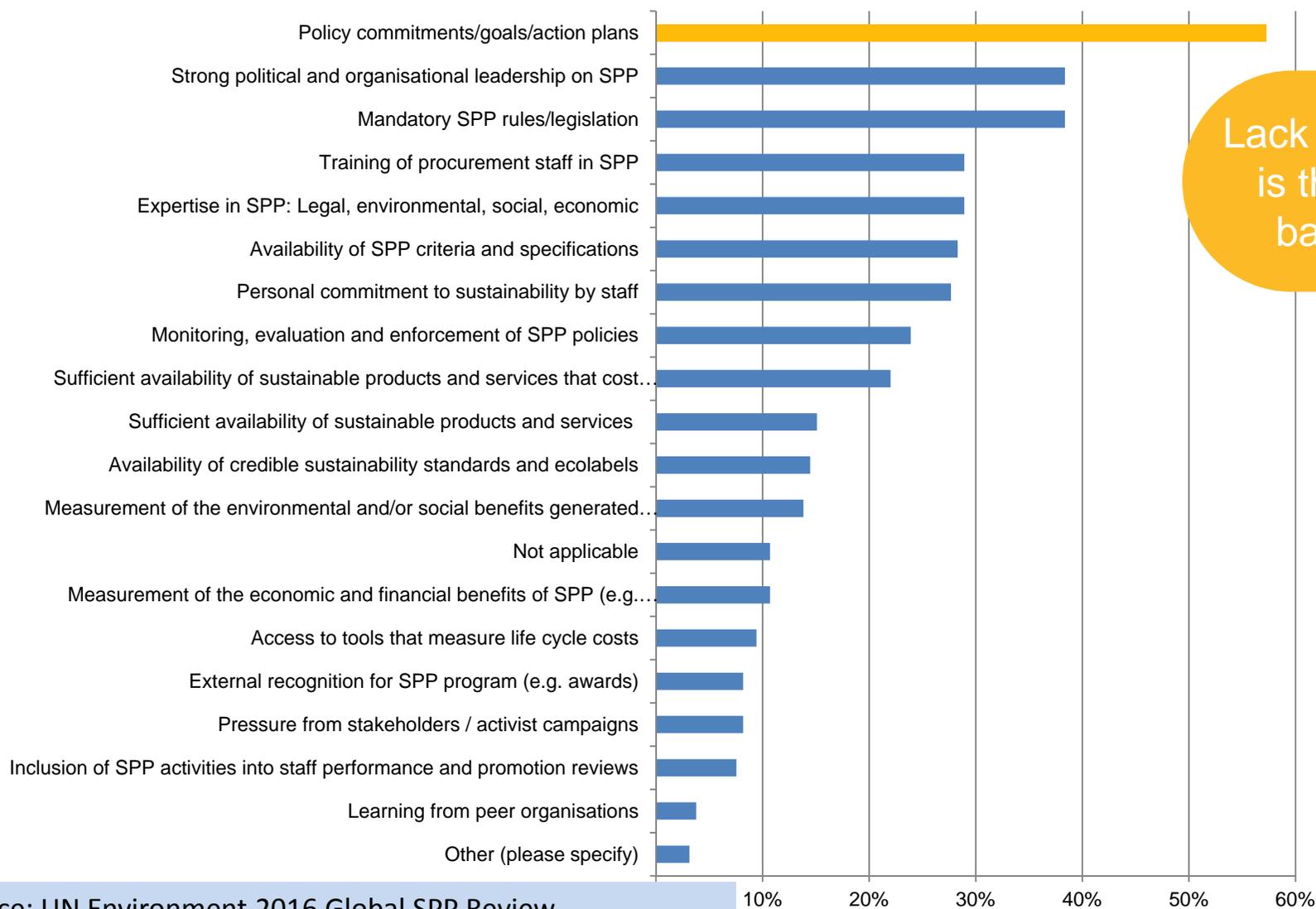
- + fair dealings
- + innovation research / investment
- + open competition
- + transparency of information
- + use of diverse suppliers
- + use of HUB zones
- + use of local suppliers
- conflicts of interest
- corruption (bribery, extortion...)
- dividing territories
- dumping
- exclusive dealing
- misleading market claims
- monopoly (seller collusion)
- monopsony (buyer collusion)
- patent misuse
- price fixing
- product tying
- refusal to deal

There are many perceived obstacles



Source: UN Environment 2013 Global SPP Review

Stronger drivers for SPP implementation



Lack thereof is the 3rd barrier

Policy framework supporting SPP

- Procurement is an instrument that can be used strategically
- However, it needs a strong and enabling political and legal framework

International regulatory instruments favourable to SPP



Policy framework supporting SPP in the EU

Policies for sustainable
development

SD Strategy review (2006)

Europe 2020 Europe's growth strategy (2010)

Policies for sustainable
production and
consumption

Integrated Product Policy (2003)

SCP/SIP Action Plan (2008)

Policies and regulations
for environmental
protection

Clean Vehicles Directive (2009)

Buildings Energy Efficiency Directive (2010)

Energy Efficiency Directive (2012)

Procurement regulations

Procurement Directives (2004 and 2014)

Policy framework supporting SPP

Poland

SPP POLICY FRAMEWORK

SPP provisions in overarching and/or thematic national policies: Yes

- [Strategy for Innovation and Efficiency of the Economy "Dynamic Poland 2020", 2013.](#)
- [Efficient State Strategy 2020, 2013.](#)
- [Energy security and the environment strategy – 2020 perspective, 2014.](#)
- [National Energy Efficiency Action Plan for Poland 2014 \(in English\), 2014.](#)
- [Framework action plan for food and eco-farming in Poland for 2014 – 2020, 2014.](#)
- [National Waste Prevention Programme, 2014.](#)
- [National plan aimed at increasing the number of buildings with low energy consumption, 2015./](#)

SPP provisions in existing procurement regulations: Yes

- [Public Procurement Law \(in English\), 2004 as amended \(Journal of Laws of 2015 item 2164\).](#)
- [Regulation of the Prime Minister of 10 May 2011 on non-price mandatory tender evaluation criteria with respect to certain types of public contracts, 2011.](#)

Dedicated SPP policy(ies) in place: Yes

Since 2007

- [National Action Plan on Sustainable Public Procurement 2013-2016 \(SPP NAP\), 2013.](#)
- The [SPP NAP 2013-2016](#) is the 3rd planning document. The previous ones: SPP NAP 2007-2009 and SPP NAP 2010-2012 expired in December 2009 and December 2012 respectively.
- [Recommendations of the Council of Ministers on the application of social clauses by government administration in public procurement, 2015.](#)

Lesson

National policies and procurement regulations need to provide a coherent policy framework to promote and allow the inclusion of sustainability issues in procurement (not only having an SPP Plan).

Other lessons

- Governments are moving towards a strategic use of procurement as an instrument to achieve policy goals
- Training and provision of information is continuous to build expertise
- Peer collaboration and coordination with the market are increasing to maximise efficiency
- Monitoring is becoming a key issue with different strategies being tested and put in place

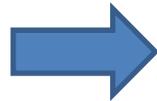


Other challenges

Moving from acquisition cost to total cost of ownership to global cost

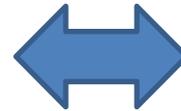
Total cost of ownership

Cost incurred by the organization over the **whole period of ownership** (usage of maintenance costs, disposal costs) – **potential savings**



Real value (what we get)

Factors in costs incurred by **society as a whole**, including negative externalities throughout the value chain (CO2 and ODS emissions, impacts on health, labour conditions), or positive externalities (increased know how, technologies...) over the **entire life cycle**



Less money (what we pay)

Ensure that the money paid for more sustainable good is **diminished** compared to conventional items (volumes, green taxations and investments, phasing out of subsidies for conventional items)

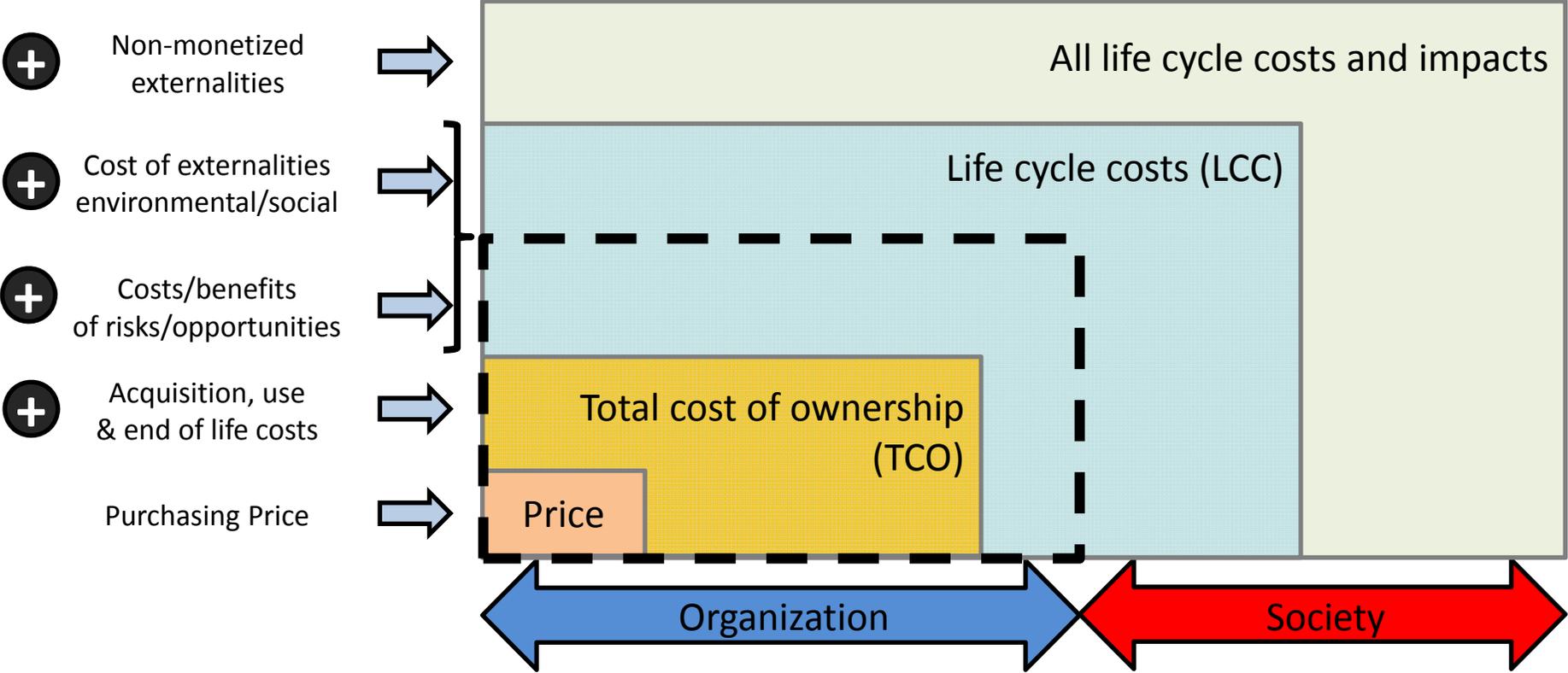



Value



Source: SPLC

Promoting Life Cycle Costing



Source: ISO20400

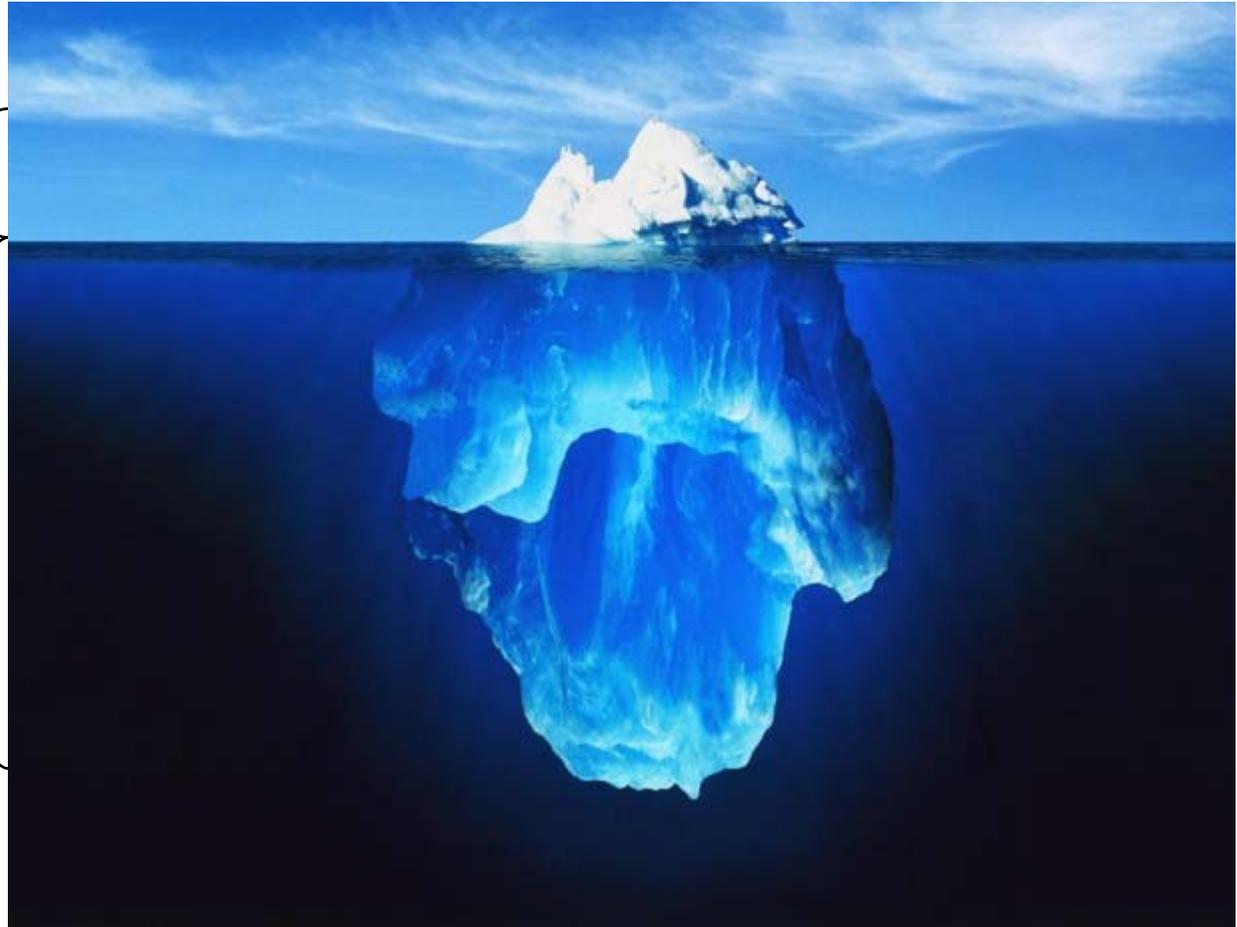


Greening supply chains

Sustainability Impacts & Opportunities

Within Operations

Within Supply Chain



Source: SPLC



**Not just private or public
procurement but institutional
purchasing**

Share of US GDP by end-use consumption.



Source: SPLC

Purchasing Organizations



...are uniquely positioned to **demand transparency** into the upstream and downstream impacts of goods and services.

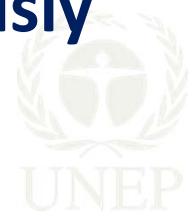
...are capable of incorporating sustainability criteria into purchasing decisions **at a scale that can shift markets.**

Source: SPLC

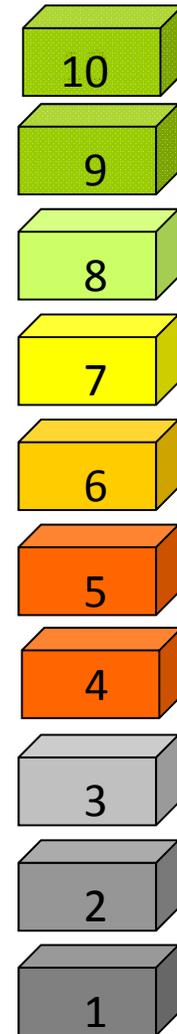


**We need sustainable consumption
and production packages**

SPP can be much more effective if used simultaneously with other tools and instruments



- Pooled purchasing to increase volumes
- Coordination of institutional purchasing (governments and private sector)
- Ecolabelling schemes and SPP Criteria
- Environmental management – circular economy
- Life cycle costing
- Budgetary mechanisms that allow the use of TCO
- Economic instruments (green taxes, e.g. carbon taxes, phasing out of harmful subsidies)
- Capacity building and access to information
- Education to sustainable consumption
- **POLITICAL WILLINGNESS**



SUSTAINABLE DEVELOPMENT GOALS

SDG 12

- **Goal 12:** Ensure sustainable consumption and production patterns
- **Target 12.7:** Promote public procurement practices that are sustainable in accordance with national policies and priorities
- **Indicator 12.7.1** Number of countries implementing sustainable public procurement policies and action plans



Farid Yaker, SPP Programme Officer, UN Environment
farid.yaker@unep.org

