

Sustainable Public Procurement

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Governments are big spenders



- Estimated global public procurement spending USD 11 trillion
- **Spent wisely, huge lever to deliver social good and economic growth**

Sources:

1. OECD Data (2017)
2. World Bank (2017), Benchmarking Public Procurement Report
3. United Nations, One Planet Network



Bringing procurement out of the shadows....

- From a technical, back office compliance function.....
- To a strategic enabler of policy development and public service delivery



World Bank's Mission – to end extreme poverty and boost shared prosperity on a livable planet

Environmental and Social Framework (ESF)



- Ten standards covering around 50 procurement-related E&S issues
- Flexible, risk-based approach to mitigate a project's biggest E&S risks
- Implemented using a range of 'instruments'

Green, Resilient and Inclusive Development (GRID)

- GRID promotes economic growth that goes hand in hand with environmental goals and social inclusion
- Ensures Bank investment meets criteria to be green, resilient and inclusive



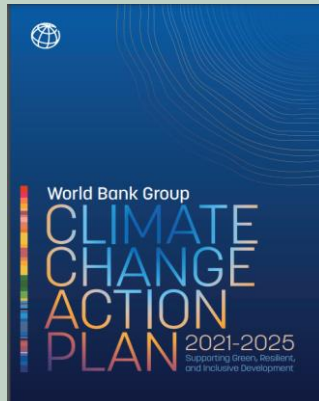
World Bank
**SUSTAINABLE
PROCUREMENT**

Climate Change Action Plan

Seeks to achieve alignment with 2015 Paris Agreement through 3 priorities:

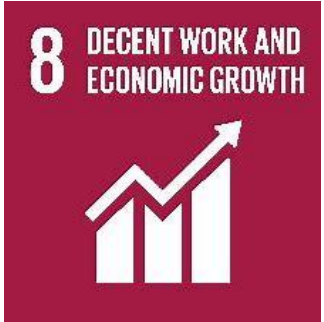
- Integrating climate and development
- Identifying and prioritizing mitigation and adaptation opportunities
- Drive climate finance and leverage private capital to deliver results

Climate Action Plan is now reinforced by the **Paris Alignment strategy** mandated at the World Bank from 1 July 2023



UN SUSTAINABLE DEVELOPMENT GOALS

THE GLOBAL GOALS For Sustainable Development



UN SUSTAINABLE DEVELOPMENT GOALS

THE GLOBAL GOALS For Sustainable Development



Sustainable Development Goal indicator 12.7.1: Number of countries with sustainable public procurement policies and action plans



FROM GLOBAL GOALS TO PROCUREMENT PRIORITIES

Sustainable Development Goals

National Policy Priorities

Organizational Priorities

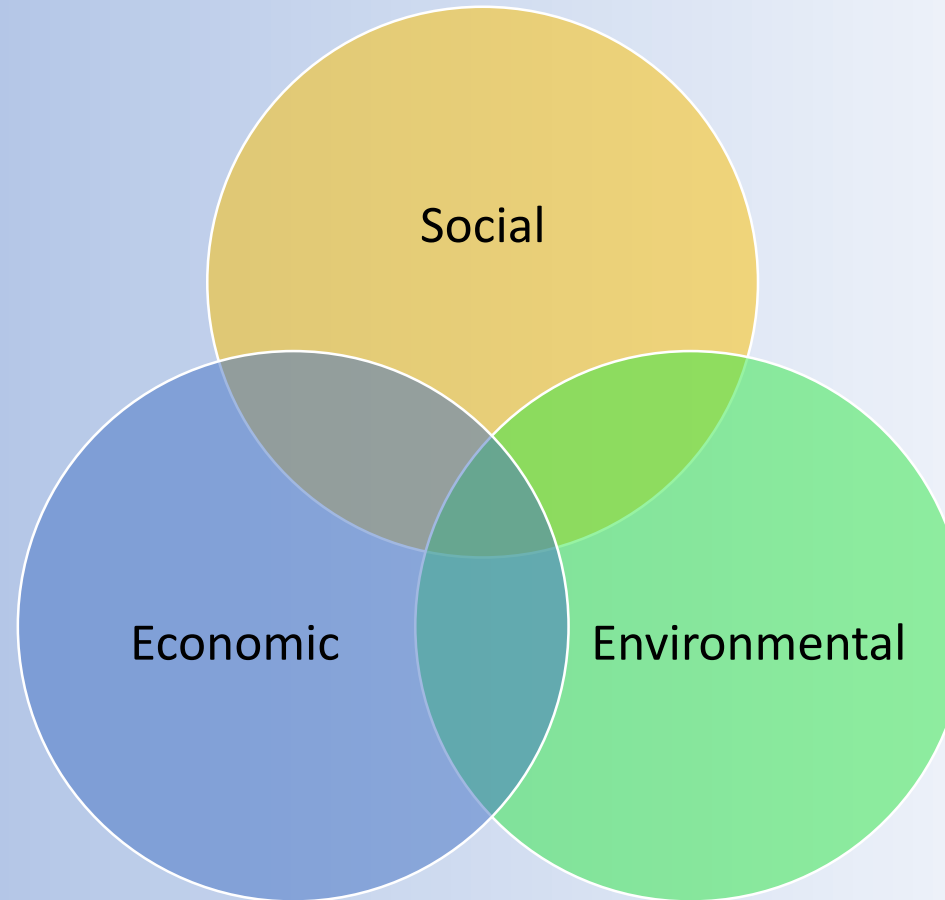
Procurement Strategies, Policies & Plans

Procurement Contracts & Frameworks

Sustainable Procurement Outcomes



3 PILLARS OF SUSTAINABLE DEVELOPMENT



UN Environment Programme – Sustainable Public Procurement Initiative

- Marrakech Task Force
- Methodology to optimise social, environmental, economic outcomes
- Life cycle mapping
- Risk and opportunity-based approach
- All components of public procurement



WHAT IS SUSTAINABLE PUBLIC PROCUREMENT (SPP)?

“Sustainable Procurement is a process whereby organisations **meet their needs** for goods, services, works and utilities in a way that achieves **value for money on a whole life basis** in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”.



THE POWER OF PROCUREMENT



IMPACTS: CLIMATE CHANGE/CO₂ EMISSIONS

Impacts of our purchases:

Electricity used to power our buildings and equipment

Fuel consumed by our vehicles or to heat our buildings

Emissions from **industrial processes** and **transportation** throughout supply chains



SPP actions:

Require **high energy efficiency standards** for buildings & products

Purchase **green electricity**

Shift to **zero emission vehicles** (& encourage suppliers to do the same)



IMPACTS: AIR AND WATER QUALITY

Impacts of our purchases:

Pollution from **vehicles** owned by the public sector, running our services or delivering our products – can result in poor health

Use of **chemical products** (e.g. for cleaning) containing toxic substances can lead to health problems

Use of chemical-based pesticides and fertiliser in food production



SPP actions:

Shift to **zero emission vehicles** (and encourage suppliers to do the same)

Require cleaning services to be carried out with **ecolabel compliant products**

Specifying **organic** in food and catering contracts

Buying from responsible suppliers



IMPACTS: WASTE AND RESOURCE USE

Impacts of our purchases:

Disposal of **electrical products** at end of life

Waste materials from **construction and demolition** work

Packaging used in delivery of goods



SPP actions:

Promote **circular economy** solutions

Require **extended product lifetimes**, and **guarantee of spare parts**

Demand **reduced or reusable packaging**

Encourage the use of **recycled materials** in construction



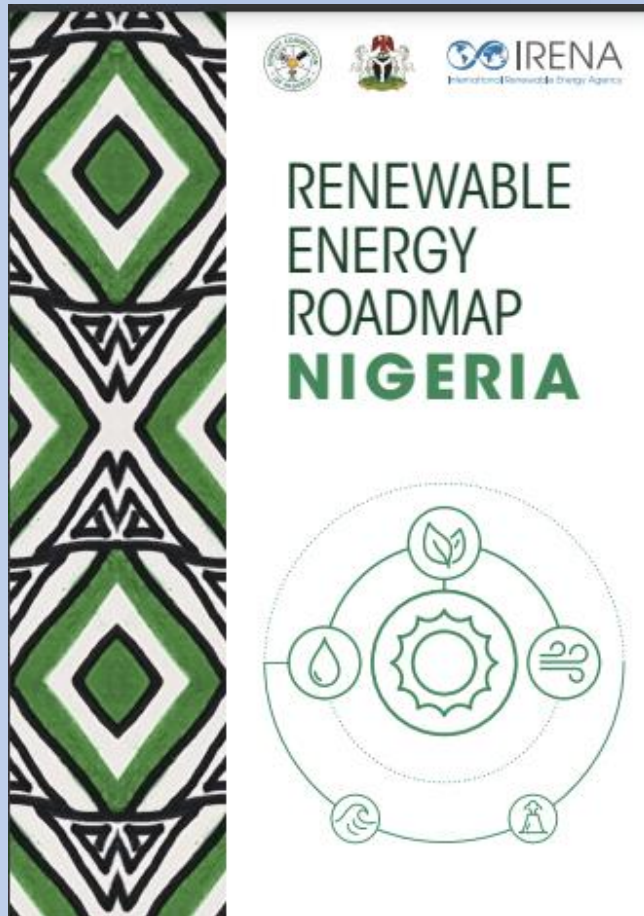
EXAMPLE: AFRICA WEST - COUNTRY COMMITMENTS

- Ghana: GHG emissions reductions of 64 MtCO₂e between 2020 and 2030
- Nigeria:
 - 20% below business-as-usual by 2030 and
 - 47% on condition of appropriate support
- Senegal:
 - 7% by 2030; 5% by 2025 relative to Business as Usual (unconditional target)
 - 29% by 2030; 23% by 2025 relative to Business as Usual (conditional target)
 - 18% renewable energy penetration by 2022 (excl. hydro)

[content \(worldbank.org\)](https://www.worldbank.org)



EXAMPLES OF CLIMATE-RELATED ACTIVITIES



https://www.energy.gov.ng/reports/IRENA_REMap_Nigeria_2023.pdf



- <https://sustainablecoolingng.org/energy-efficient-and-climate-friendly-cooling-in-nigeria/>



www.merrill-solutions.com

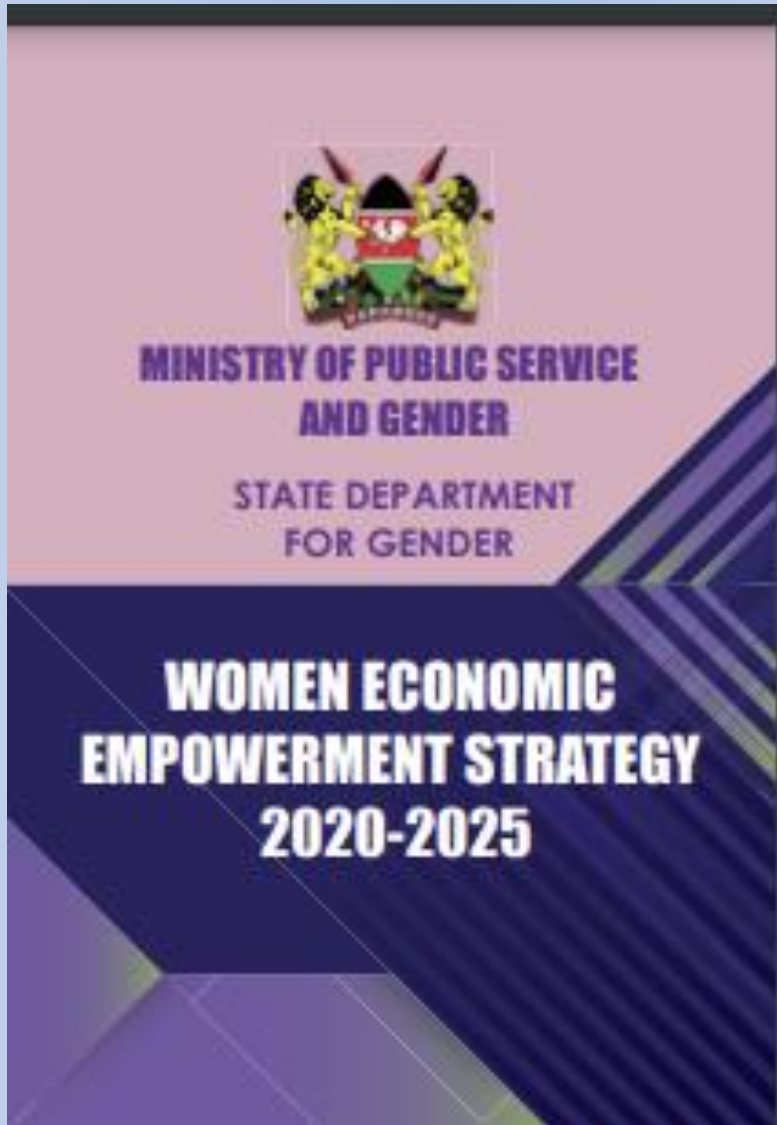
SPP DELIVERS SOCIAL BENEFITS TOO

- Responsible supply chains
 - Ensuring fair treatment of workers and consideration of impact on communities
- Fair working conditions
 - Working hours, rates of pay
- Ethical business practices
 - Payment of taxes, social security
- Promotion of equality and diversity
 - Number of women winning business with the public sector

Sustainable Procurement Outcomes



EXAMPLE: KENYA



The Government has introduced the 30% affirmative action policy for women, youth and persons with disabilities in public procurement.

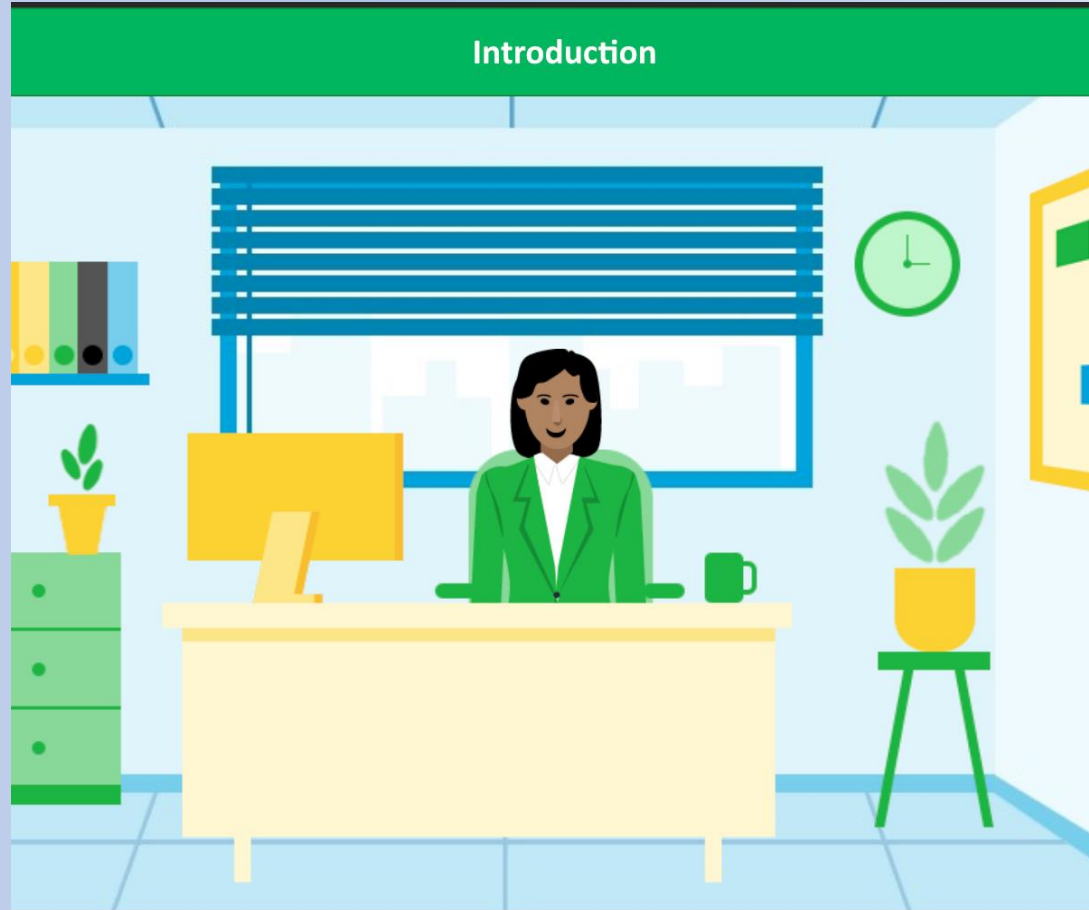
<https://gender.go.ke/wp-content/uploads/2021/04/Women-Economic-Empowerment-Strategy-2020-2025-REVISED-10th-march.pdf>



KENYA
VISION **2030**

The logo for Kenya Vision 2030 features a stylized graphic of three wavy lines in black, red, and green, representing the Kenyan flag, positioned above the text "KENYA VISION 2030". The word "KENYA" is in a smaller, bold, black font, while "VISION 2030" is in a larger, bold, black font.

EXAMPLE: TANZANIA



- Training courses for Women-led SMEs in Tanzania
- ‘Conducting Procurement with Public Entities in Tanzania’
- Developed in collaboration with the Tanzania PPRA and World Bank
- E-learning package available at:
- <https://merrill-solutions.com/WLSME/index.html>



10 BENEFITS OF SPP

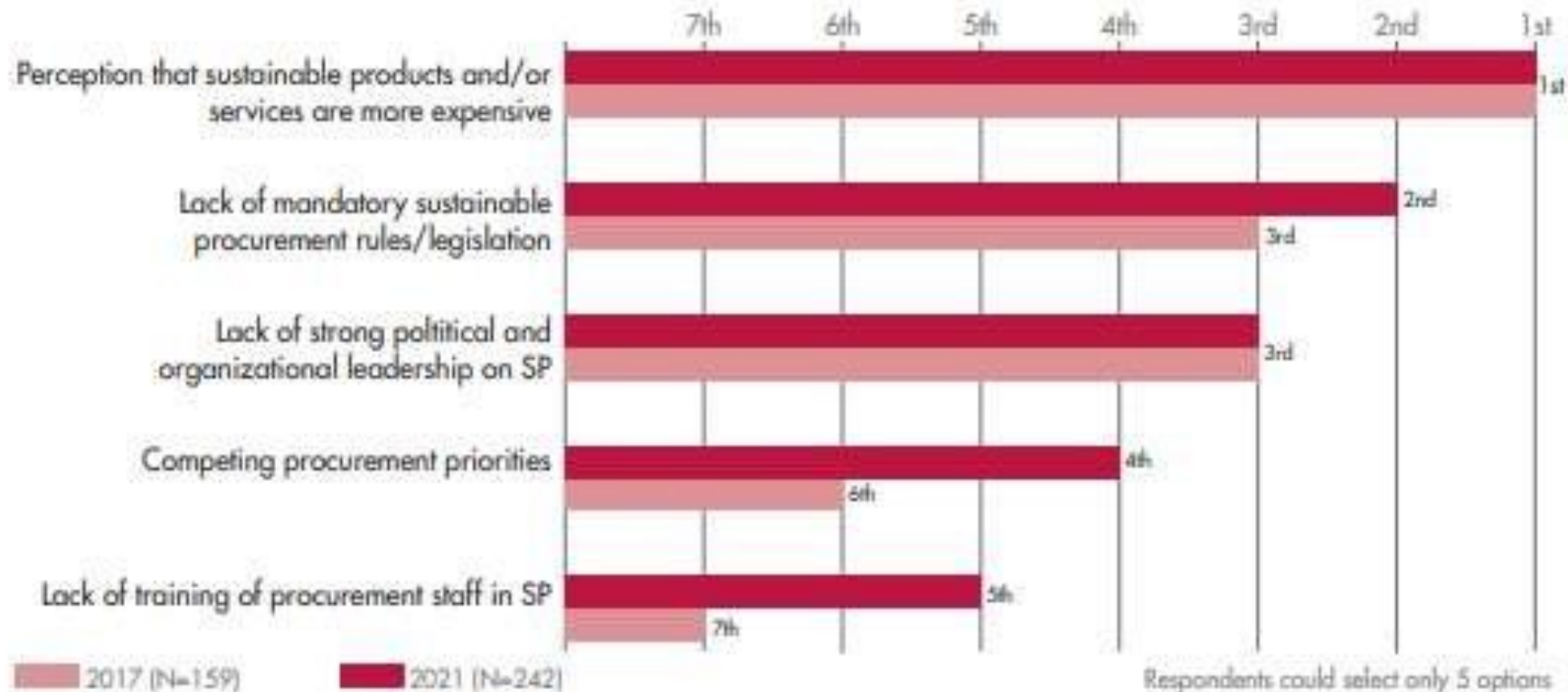
1. Contribute to the delivery of the SDGs
2. Contribute to the national sustainable development objectives
3. Improve environmental performance
4. Contribute to a circular economy
5. Deliver financial benefits
6. Develop markets for more sustainable products and services
7. Foster innovation
8. Contribute to social equity
9. Promote gender equality
10. Bring political benefits

Sustainable Procurement Outcomes



Sustainable Public Procurement – barriers to progress

Figure 2.22. Strongest barriers to the implementation of SP in survey participants' organizations ranking, 2017 and 2021



Source: 2017 SPP Global Review and 2021 Stakeholder Survey.

THE BUSINESS CASE FOR SUSTAINABLE PUBLIC PROCUREMENT:

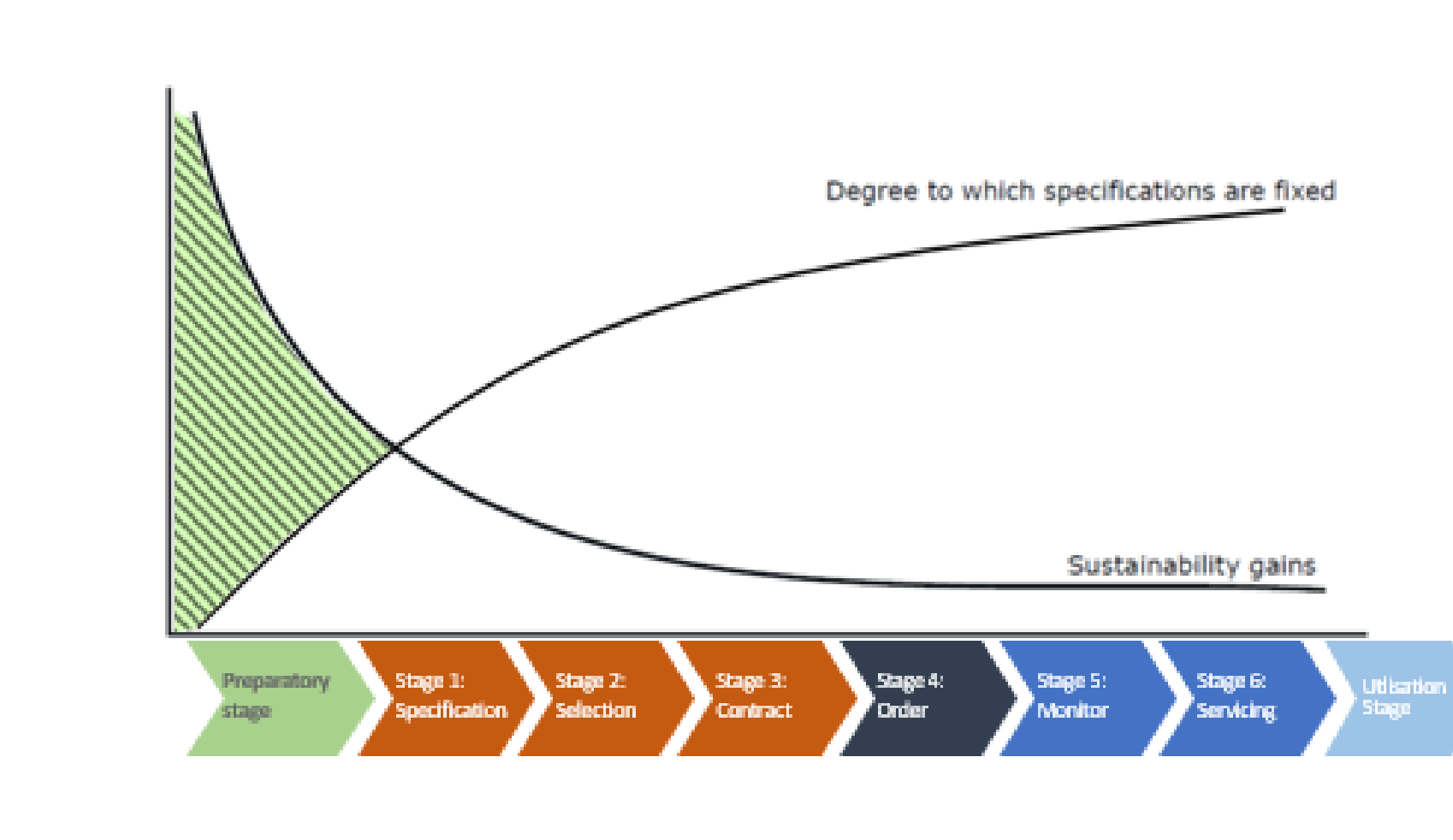
Value beyond savings

- Value for money on a whole life basis
- Cost-effective
- Legitimate
- Future-proofing
- Resilient supply chains
- Quality & fitness for purpose
- Innovation

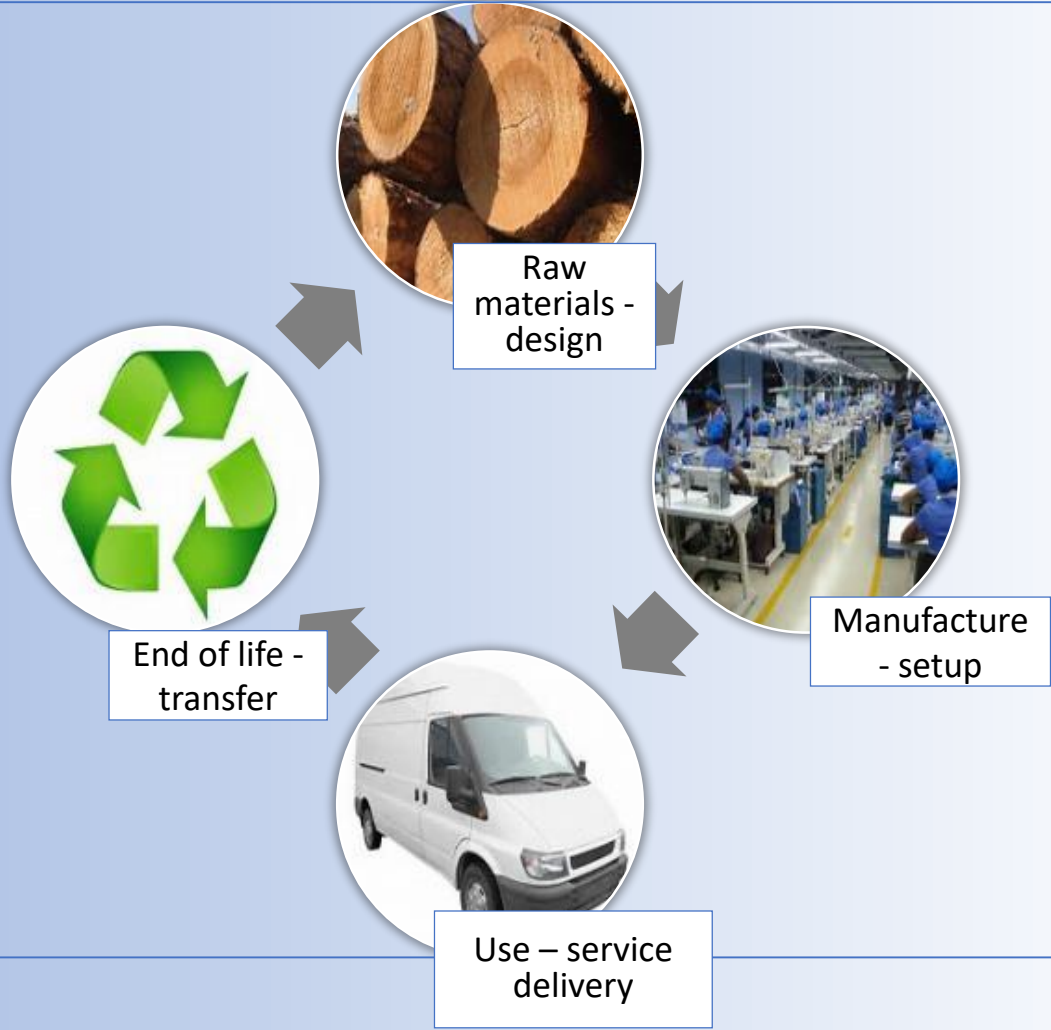
- <https://documents1.worldbank.org/curated/en/173331642410951798/pdf/Synthesis-Report.pdf>



THE BIGGEST OPPORTUNITY IS RIGHT AT THE START



ALL GOODS, WORKS AND SERVICES HAVE A LIFE CYCLE



Life Cycle thinking:

Employing a Life Cycle Approach helps clarify relevant risks and opportunities and actions to manage sustainability at relevant stages of the procurement process.

1. Impacts of obtaining raw materials/resource needed for service	2. Impacts of manufacturing & logistics/set up of service
3. Impacts during use of product/delivery of service	4. Impacts at end-of-life / disposal



LIFE CYCLE CONSIDERATIONS

Environmental

- Climate Change
- Materials
- Waste
- Hazardous materials
- Biodiversity
- Heritage
- Water

Socio-economic

- Equality
- Fair Work
- Employment, skills and training
- Health and wellbeing
- Communities
- Security and crime
- Fairly and Ethically Traded



Example: Life cycle impact mapping – Facilities Management Services

Impacts of obtaining Raw Materials / service design & resource planning

Mining – pollution of land & water
Depletion of natural resources
Use of water
Emissions to air, land and water from mining equipment
Transport emissions – vehicle movement
Biodiversity - impacts on local area

Impacts of Manufacture & Logistics / set-up of service

Waste generation
Emissions to air, land and water
Transport emissions
Legally and sustainably sourced packaging materials

Impacts during use of product / service delivery

Transport emissions
Energy used by equipment - emissions
Chemicals used in equipment – potential pollution / hazard – oils & greases, lubricants
Waste generated – packaging
Single use items including plastics

Impacts at end-of-life / service completion/ transfer

Waste generation – end of life equipment
Legal compliance for recycling
Opportunities for reuse, refurbishment, resale
Involvement of SMEs (and voluntary / social enterprise sector) in end-of-life services

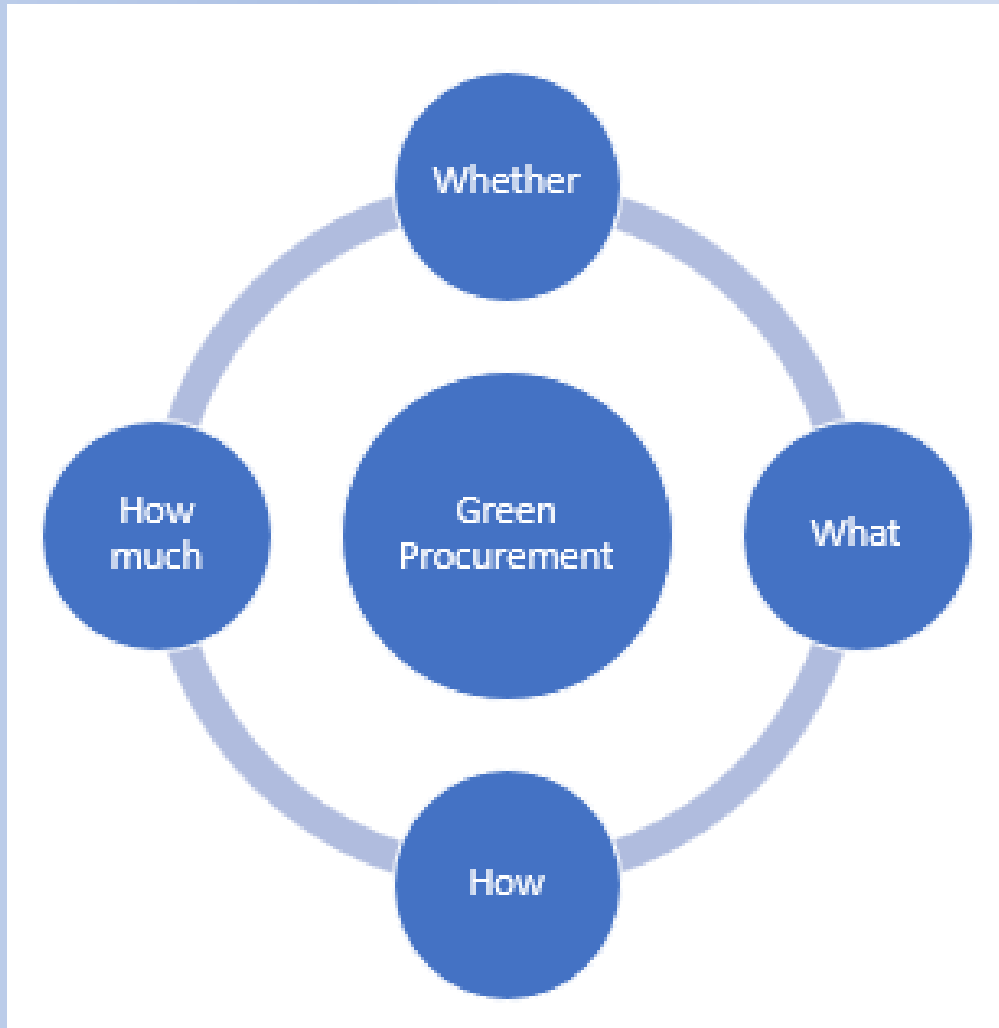


USING THE RESULTS OF LIFE CYCLE IMPACT MAPPING

<p>1. Impacts of obtaining raw materials/resource needed for service</p> <p><i>Focus on specification, suppliers' own procurement</i></p>	<p>2. Impacts of manufacturing & logistics/set up of service</p> <p><i>Focus on suppliers' capabilities</i></p>
<p>3. Impacts during use of product/delivery of service</p> <p><i>Focus on specification and end user awareness</i></p>	<p>4. Impacts at end-of-life / disposal</p> <p><i>Focus on supplier responsibility and end user awareness</i></p>



ASSESS THE NEED



Options:

Buy floorcoverings or the functionality of a floorcovering?

Buy lighting or 'Pay per lux'?

Buy furniture or a service?



CASE STUDY: COMPARING OPTIONS USING LIFE CYCLE IMPACT MAPS

New computers

<ul style="list-style-type: none"> ICT production uses rare earth metals – gold, silver, palladium ICT production very carbon intensive 	<ul style="list-style-type: none"> Many different components to manufacture - carbon associated with each. Heavy and large – high carbon cost of shipping High packaging requirement to protect equipment
<ul style="list-style-type: none"> Increased energy efficiency compared to old computers. Electricity usage on standby 	<ul style="list-style-type: none"> High volume of material to landfill Lots of different components – difficult and carbon intensive to recycle

Hard drives and memory upgrade

<ul style="list-style-type: none"> Less rare earth metals required Longer lasting SSDs, so less carbon 	<ul style="list-style-type: none"> Only one component to manufacture (hard drive) Light and small – can ship more per vehicle, lowering the carbon cost of shipping Plastic and cardboard only, and less than required for a computer
<ul style="list-style-type: none"> Hard drive and memory upgrade allow old computers to match the energy efficiency of new computers Extends the life of existing computers – Electricity usage on standby 	<ul style="list-style-type: none"> Low volume of material to landfill Only one component which makes recycling much easier



EXAMPLE – MALMO, SWEDEN

**Subject matter of the contract:
Re-used furniture and related services.**

80-90% of the environmental impact of furniture is linked to the materials and components used to produce it, but once in use, furniture has virtually zero impact.

So, increase its useful life.



https://ec.europa.eu/environment/gpp/pdf/news_alert/Issue_88_Case_Study_169_Malmo.pdf#:~:text=Malm%C3%B6%20decided%20to%20use%20a%20framework%20contract%2C%20in,be%20used%20by%20Malm%C3%B6%E2%80%99s%20seven%20publically%20owned%20companies



EXAMPLE: REUSE OF AGGREGATE & TYRES

- Use of recycled aggregates for road building projects in South Africa
- In-situ use of material – e.g. asphalt saves money, saves on fuel consumed, reduces emissions, improves air quality
- Note: quality is not compromised
- As good as, if not better than, the traditional approach/product/service.....
- With improved outcomes – for the environment and for citizens



EXAMPLE: CHILE: RECYCLED ASPHALT



The innovation:

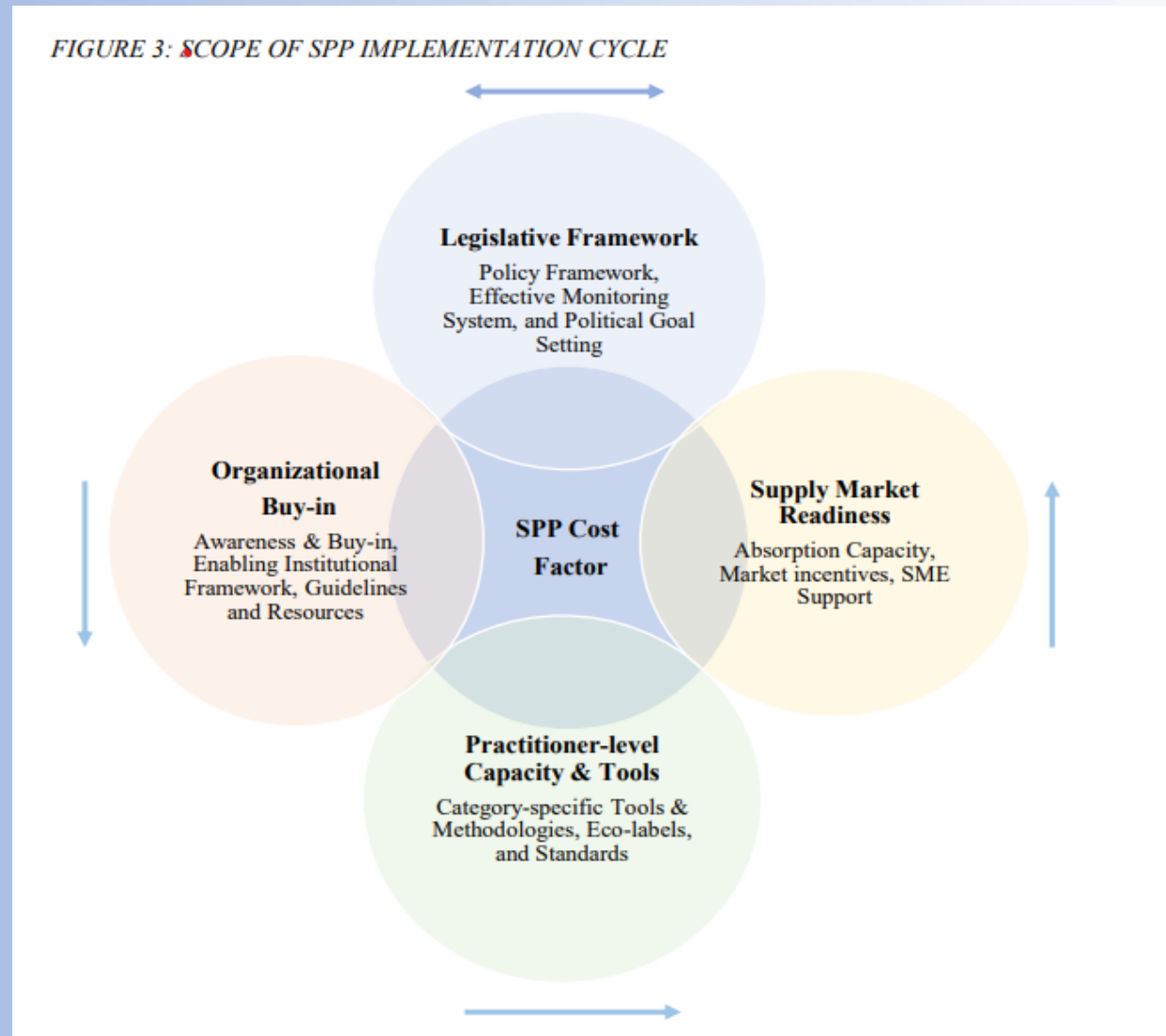
In 2020, Tobalaba Airport near Santiago de Chile built a new runway using recycled asphalt from an old runway

The impact:

- 70% decrease in the virgin gravel used
- 74% decrease in waste generation
- 45% decrease in overall costs
- The Ministry of Public Works is already working on expanding these practices to all new airports.
- In 2019 and 2020 on average, public sector in Chile accounted for 55% of all urban construction in the country.
- [Approximately 18.7% of GHG emissions in Chile are related to manufacturing industries and construction.](#)
- https://www.weforum.org/agenda/2021/11/how-construction-innovations-enabling-circular-economy/#:~:text=In%202019%20and%202020%20on,to%20manufacturing%20industries%20and%20construction.



Harnessing the power of sustainable procurement



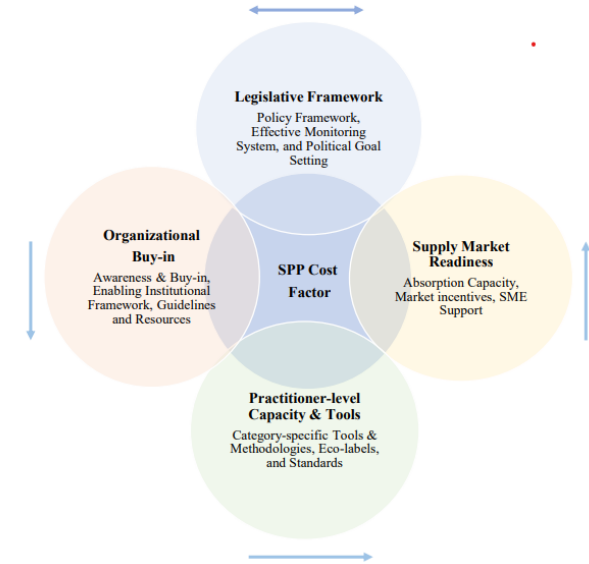
Carsten Hansen August 2020 https://www.oneplanetnetwork.org/sites/default/files/from-crm/spp_article_-_waking_the_giant_carsten_hansen_2020_final_01_october_2020.pdf



Legal framework

- Authorizing environment
- Legislation and regulation
- Governance structures
- Policy framework
- Political goal setting
- Monitoring and evaluation

FIGURE 3: SCOPE OF SPP IMPLEMENTATION CYCLE



Sustainable public procurement in Tunisia

Policy and institutional framework supporting SPP

Policy framework



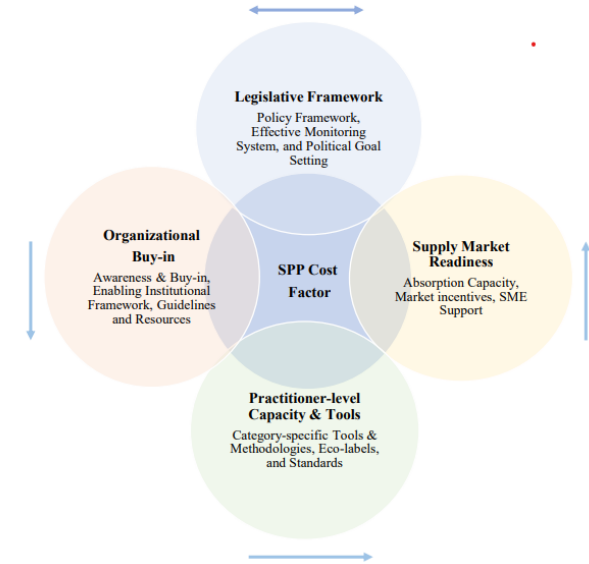
- Overarching and thematic policies inclusive of SPP provisions
- Dedicated SPP policies and action plans
- Laws/regulations inclusive of SPP provisions



Organizational buy-in

- Alignment with government policies
- Cross-departmental support
- Communication through simple, compelling messages
- The “elevator pitch”
- Measuring and reporting performance

FIGURE 3: SCOPE OF SPP IMPLEMENTATION CYCLE



SADC Umbrella M&E Framework

- Top down-Bottom up approach
- OECD public procurement performance framework
- MAPS methodology quantitative indicators
- Data fields mapped to Open Contracting Data Standards
- Data collection tools
- 22 “system feature” indicators (yes/no)
- 202 Main Indicators with further 282 sub-indicators
- Category headings:
 - Performance
 - Compliance
 - Integrity
 - Outcome
- Linked to stages:
 - Pre-tendering
 - Tendering
 - Contract management
 - All stages



The Power of Procurement

Good for businesses and their employees



We use our spending power in a way that is **good for business** in Scotland, and is also **good for the employees** of those businesses.

Fair work, fair payment, and the real opportunity to bid for and win contracts.

Being **easy** to do business with.

Good for society



We work in a way that is **mindful** of our impact on society more generally.

We are **open** to **innovative** approaches to help us act on some of the most intransigent of Scotland's social issues.

Our supply chains are **free from** modern slavery and exploitation.

Our processes are **transparent** with access to fair resolution.

Priorities for Scottish Public Procurement

Our work delivers for **communities** and places across Scotland while ensuring we remain a globally **progressive** nation.

We act in a way that engages with **citizens**, taking **local** priorities and global **environmental** factors, such as **climate change**, in to account.



Good for places and communities

We are **focussed** on the shared purpose at the heart of the national performance framework.

We operate across organisational boundaries to **deliver** trusted public services, effectively managing within our collective resources.

We are **open** and **connected**.

We are willing to take our place on a **world stage** to demonstrate Scotland at its best.

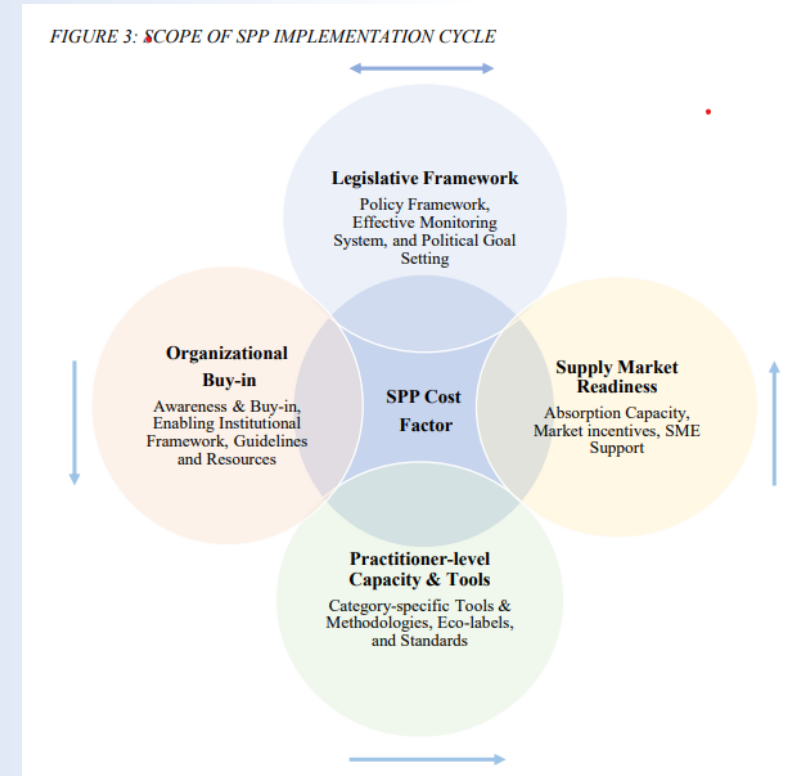


Open and connected



Capacity and tools

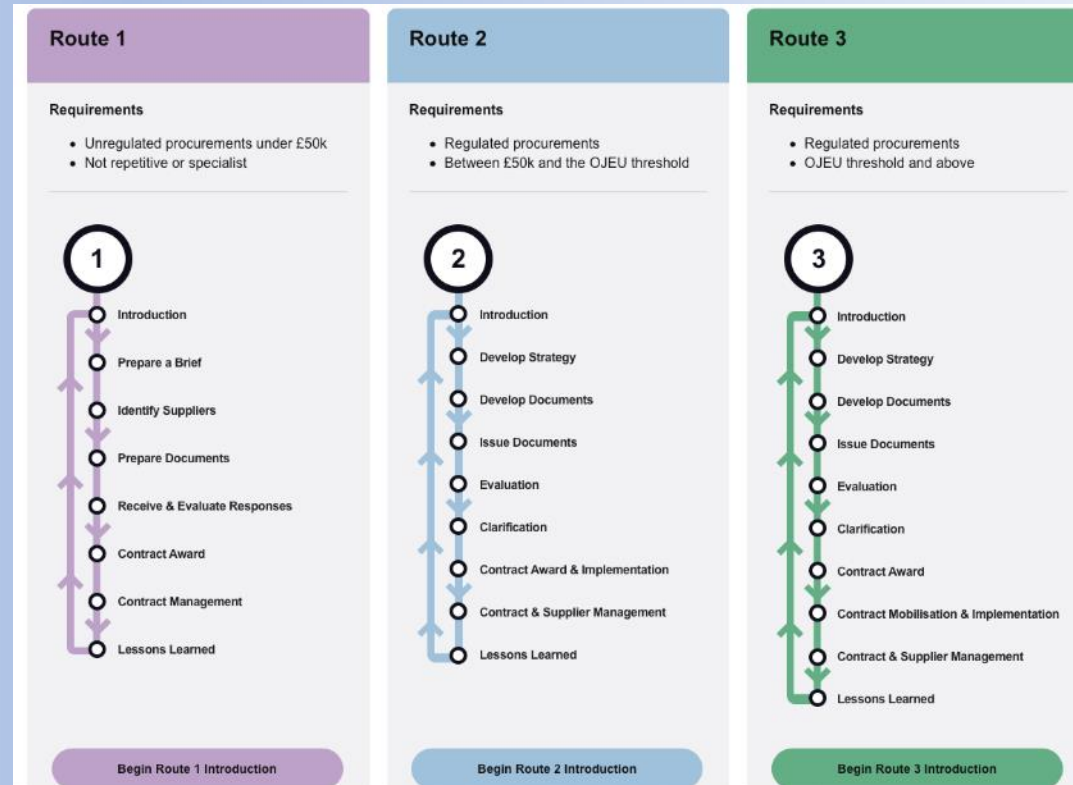
- People, skills and capability
- Standardized systems and processes
- Data – quality, comprehensiveness, accessibility, analysis



Capacity – systems tools and processes

The Procurement Journey

www.procurementjourney.scot



- 3 routes
- “quickfire guides”
- Checklists
- Documents
- Templates
- Detailed advice
- Over 90,000 users from across 50 countries

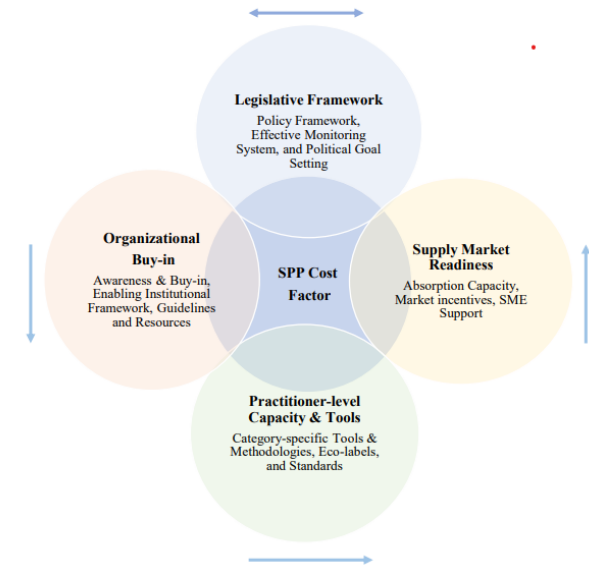


Market readiness

- Encouraging Innovation
- Opportunities to shape and stimulate, encourage innovation, increase competition
- And thereby contribute to socioeconomic development
- Engaging and supporting SMEs
- Lotting, frameworks, subcontracting

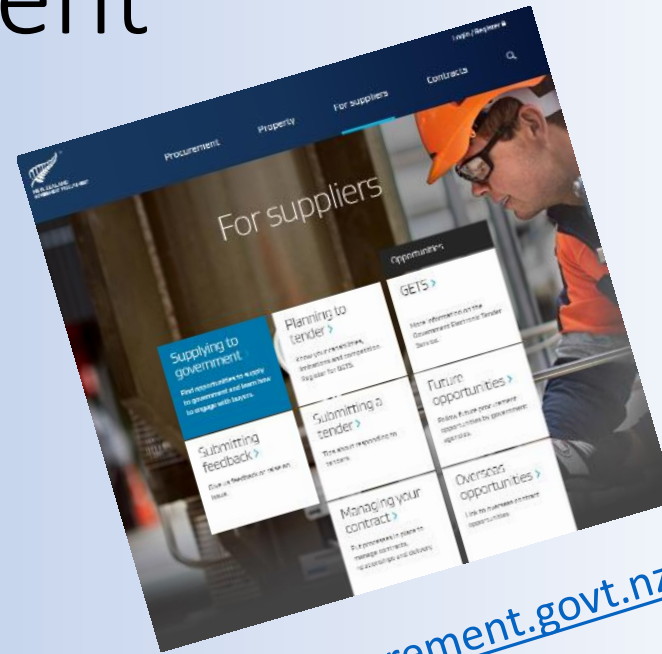
“In most economies the vast majority of businesses are SMEs. So if you want a healthier and more competitive market, you need more SMEs involved”

FIGURE 3: SCOPE OF SPP IMPLEMENTATION CYCLE



Supplier development

- Supplier Development Programme
- Meet the Buyer events
- Examples also from Chile, New Zealand, Italy
- Targeted support for particular groups – women led SMEs



<https://www.procurement.govt.nz/suppliers/>



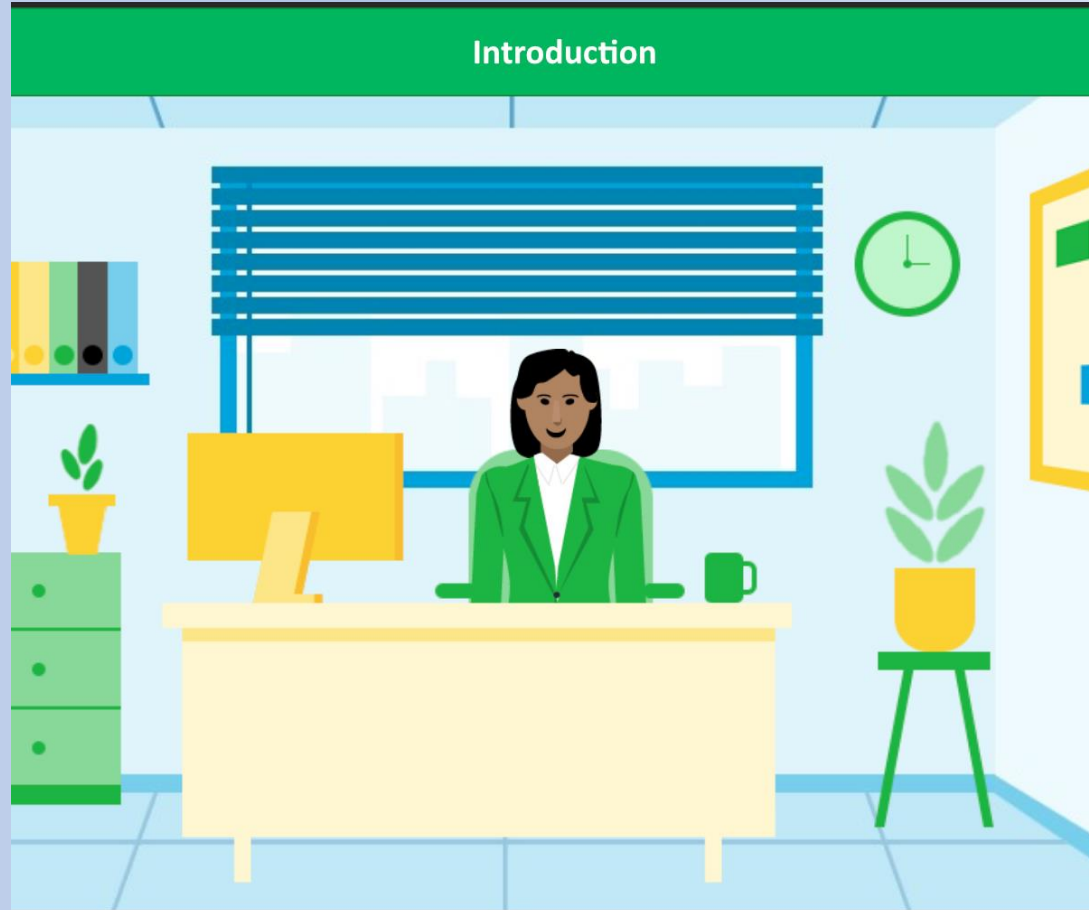
<https://www.sdpscotland.co.uk/>



<https://ayuda.mercadopublico.cl/>



EXAMPLE: TANZANIA

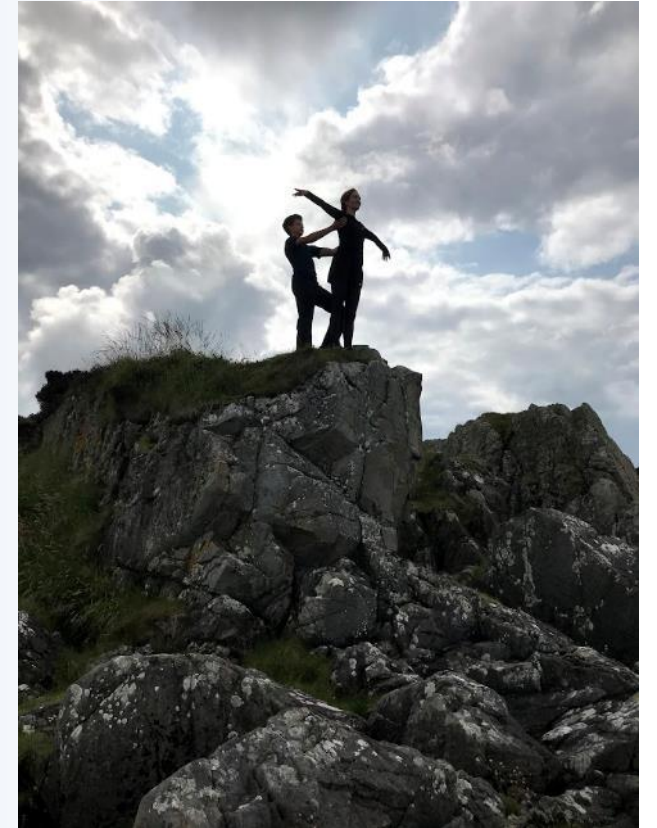


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Conclusion

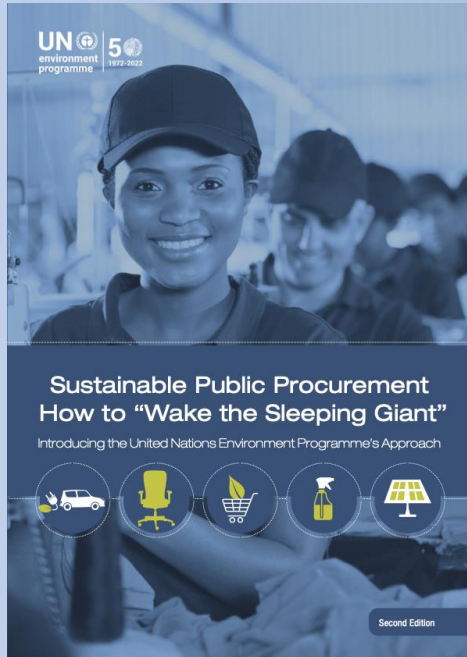
- Procurement has truly come out of the shadows
- The strategic importance of procurement to deliver environmental and socioeconomic benefits is huge
- To harness that potential, it is essential to have the right governance, and the right people, tools, systems and processes.
- Procurement cannot be a closed profession – working with suppliers, particularly SMEs, can stimulate innovation and boost sustainable growth.
- There has never been a more exciting or important time to be in public procurement



ANY
QUESTIONS
?



RESOURCES



UNEP’s Sustainable Public Procurement Guidelines



[World Bank Document](https://openknowledge.worldbank.org/server/api/core/bitstreams/5ee88e6e-a161-58b6-8126-e8a885e3acef/content)
<https://openknowledge.worldbank.org/server/api/core/bitstreams/5ee88e6e-a161-58b6-8126-e8a885e3acef/content>



Climate Change Knowledge Portal
For Development Practitioners and Policy Makers

[Home | Climate Change Knowledge Portal \(worldbank.org\)](https://www.worldbank.org)

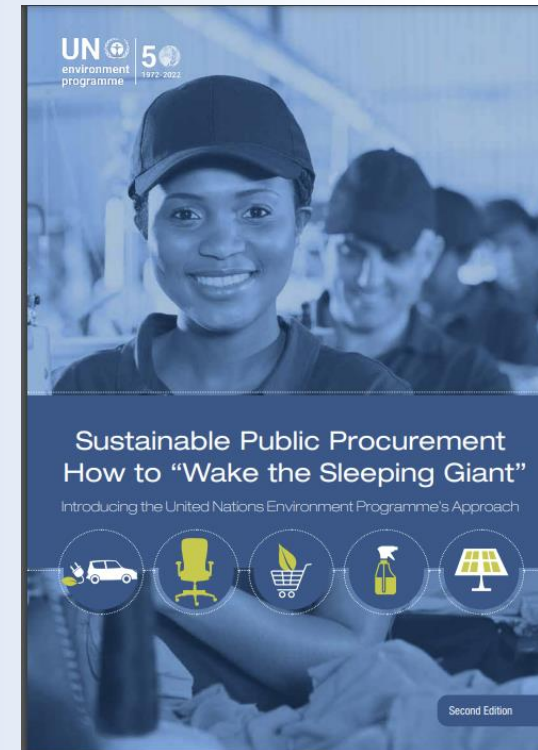
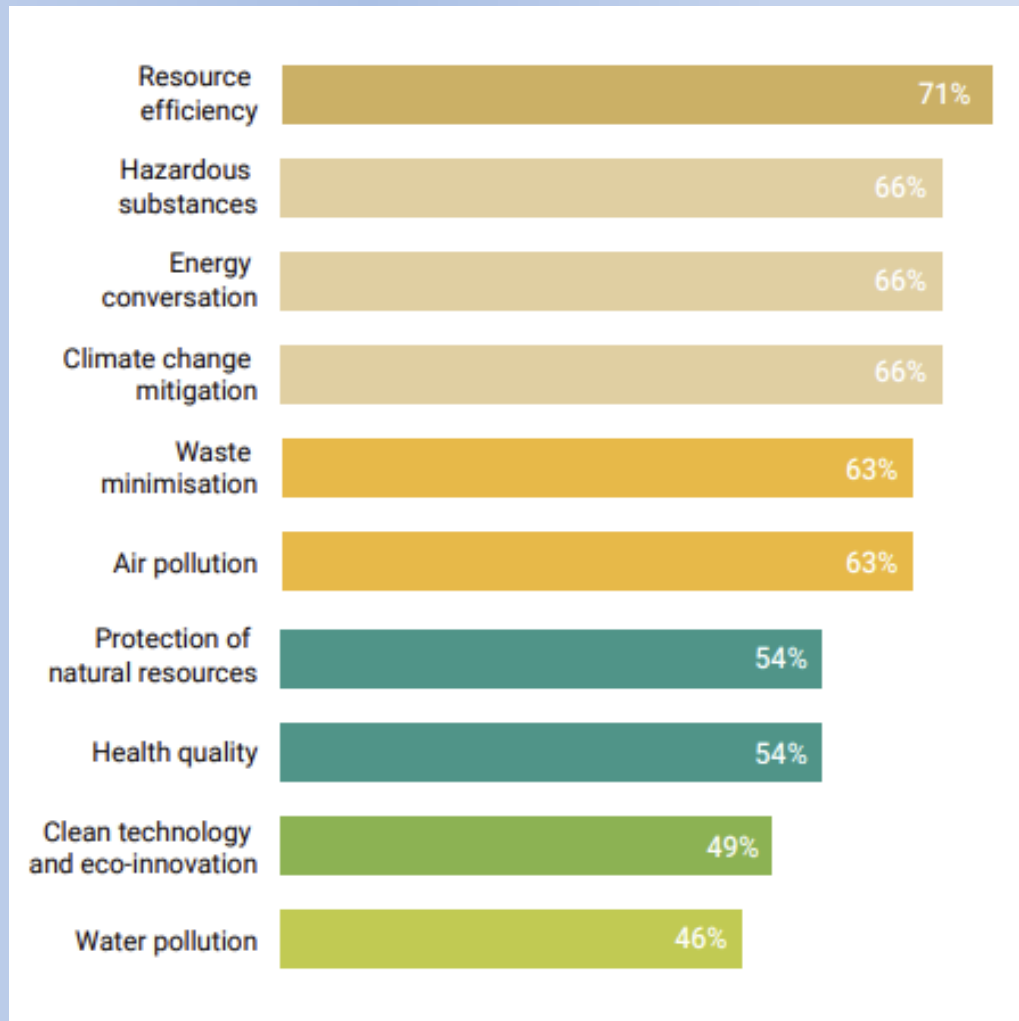


[Sustainable Public Procurement | One Planet network](https://www.oneplanetnetwork.org)



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SPECIFIC SUSTAINABILITY ISSUES IN SPP POLICIES



<https://wedocs.unep.org/bitstream/handle/20.500.11822/37045/SPPWSG.pdf>

