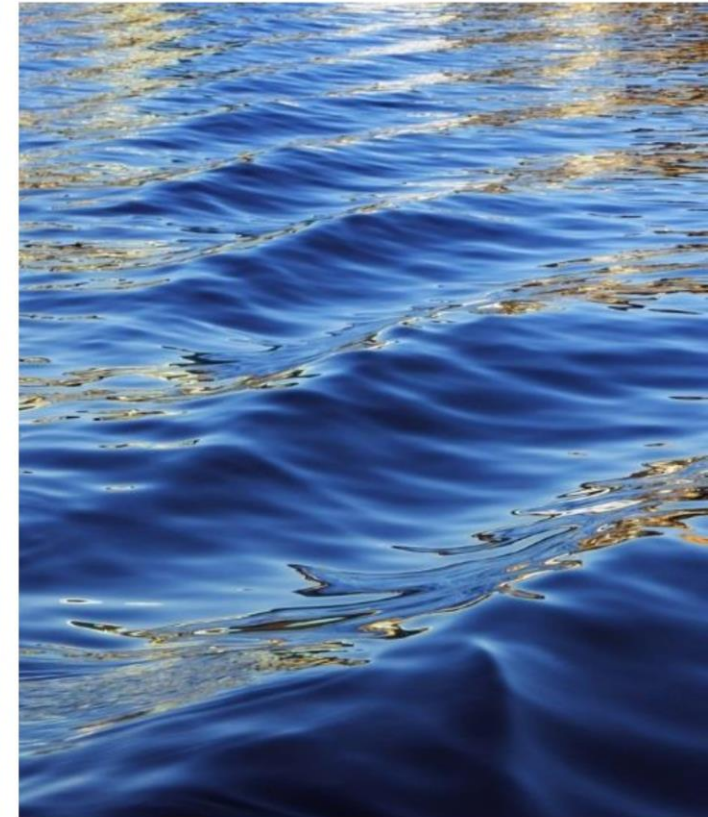


Sustainable Public Procurement (SPP)

Sustainable Development Accelerator

Rana Rizkallah
June 2024



Governments are the biggest buyers

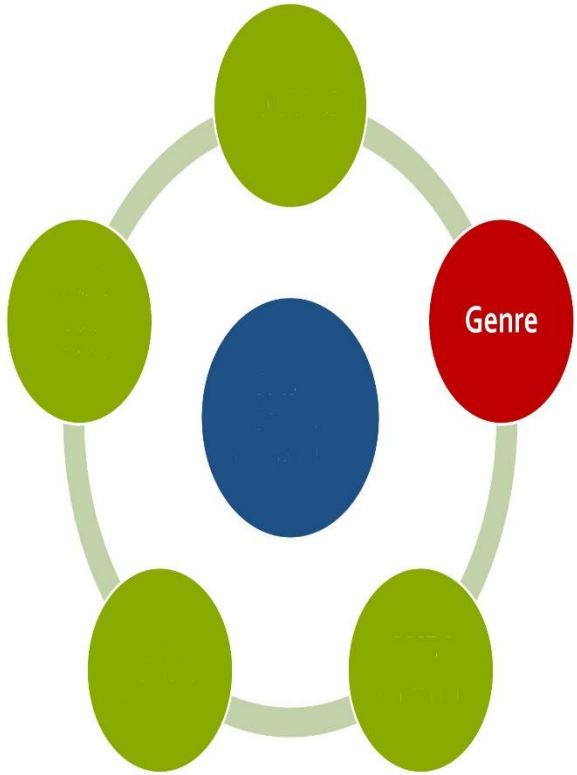


Government are powerful change actors as they are the biggest buyers of an economy

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

Public Procurement: a Key Catalyst for Achieving Diverse Policy Objectives

Public procurement is a powerful tool for achieving diverse policy objectives



- Sustainable development objectives
- Innovation
- SME development
- Gender mainstreaming
- Digital transformation

Public procurement **is a powerful tool for achieving secondary policy objectives: sustainable green growth.** SME development, innovation, responsible business conduct, industrial policy objectives, gender mainstreaming and digital transformation

Thinking strategically about procurement means going beyond the mere exercise of an administrative function/ It is no longer a choice for policy makers, but rather a responsibility in the face of enormous challenges.



...and for sustainable development - Agenda 2030



The government is the biggest buyer
An opportunity for sustainable development



The government is the biggest buyer
An opportunity for SMEs and the local economy (95% of businesses, 51% of the workforce)



The government is the biggest buyer
An opportunity for gender equality and women's empowerment

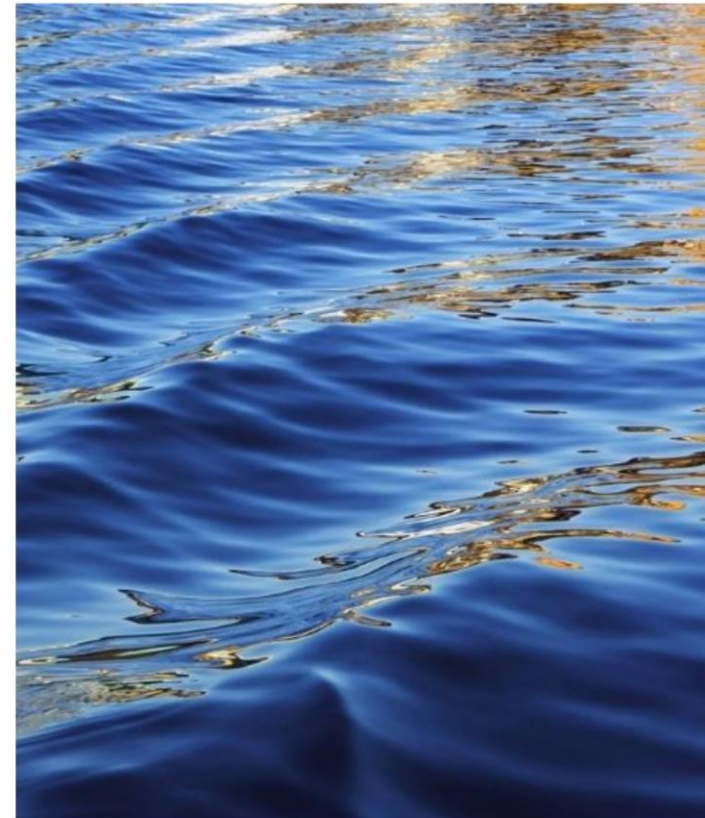


The government is the biggest buyer
Shopping behaviors affect competitive conditions! An OECD study suggests that eliminating collusive bidding could reduce purchase prices by 20% or more.



But SPP have social and
environmental **impacts**

...



IMPACTS: Climate change/ CO2 emissions

Impacts of our procurement:

- **Electricity** used to power our buildings and equipment
- **Fuel** consumed by our vehicles or to heat our buildings
- Emissions from **industrial processes** and **transport** along supply chains



IMPACTS: Air and water Quality

Impacts of our procurement:

- **Pollution** from public sector vehicles, which operate our services or deliver our products, can harm health
- The use of **chemicals** (e.g. for cleaning) containing toxic substances can cause health problems.
- Use of **pesticides and chemical fertilizers** In food production



IMPACTS: Wastes and use of resources

Impacts of our procurement:

- Elimination of end-of-life **electrical products** in food production
- **Construction and demolition waste**
- **Packaging** used for delivery of goods



The Power of Public Procurement as an Accelerator of Sustainable Development

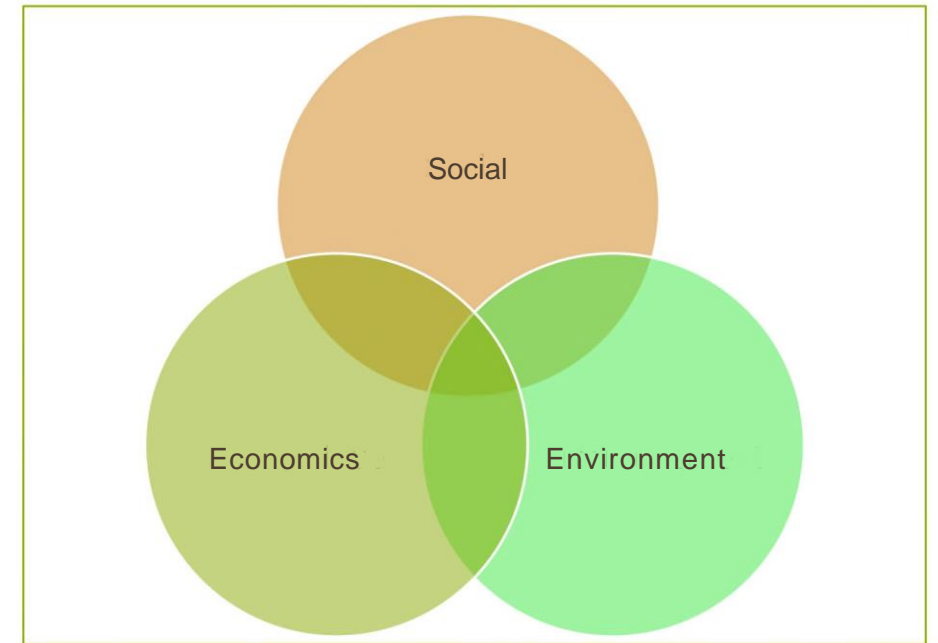


COMMENT?



Sustainable Public Procurement: Sustainable Development Accelerator and Opportunities for the SDGs

“Sustainable procurement is a process by which organizations **meet their needs** for goods, services, works and utilities in a way **money over the whole life cycle**, generating benefits not only for the organization, but also for **society** and **the economy**, while minimizing damage to **the environment**.”

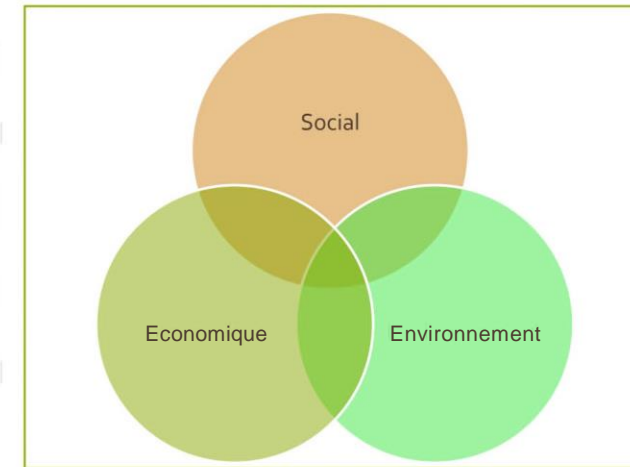


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SUSTAINABLE
DEVELOPMENT
GALS



Sustainable Public Procurement: Accelerator of Sustainable Development and Opportunity for the SDGs

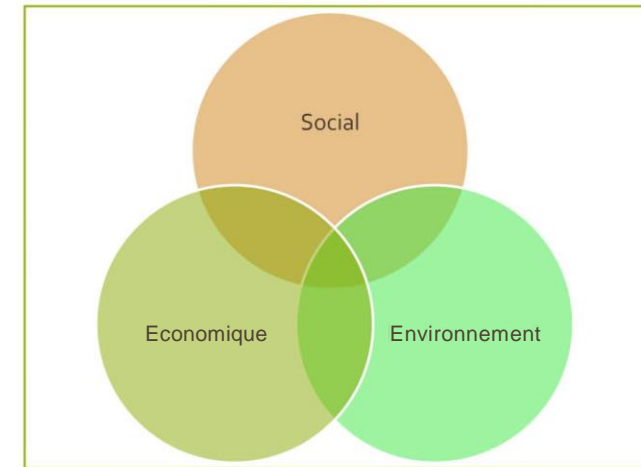
- **The Environmental or “Green” Pillar** emphasizes the role of public procurement in addressing climate change, natural resource depletion, air, soil and water pollution, and waste generation (to name a few) and how best to address these challenges.
- **The social pillar** emphasizes the role of public procurement in addressing socio-economic problems, for example by promoting fair labor practices, reducing inequalities or supporting disadvantaged groups.
- **The economic pillar** focuses on fostering sustainable economic growth, for example by creating jobs where they are most needed, promoting innovation and helping small businesses grow.



Sustainable Public Procurement: Accelerator of Sustainable Development and Opportunity for the SDGs

Examples of environmental and social objectives targeted by SPP

- Reduction of energy consumption
- Climate change mitigation
- Optimizing resources
- Waste reduction
- Use of clean technologies
- Preventing child labor
- SME promotion
- Promoting women-owned businesses
- Fighting corruption
- Protecting vulnerable/at-risk groups
- Fair trade



The Power of Public Procurement



IMPACTS: Climate Change/ CO2 Emissions

Impacts of our procurement:



- **Electricity** used to power our buildings and equipment
- **Fuel** used to heat our vehicles

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

Actions of SPP:



- Require **high energy efficiency standards** for buildings and products
- Buy **green electricity**
- Switch to **zero-emission vehicles** (and encourage suppliers to do the same)



IMPACTS: Air and water Quality

Impacts of our procurement:

- **Pollution** from public sector vehicles, which operate our services or deliver our products, can harm health
- The use of **chemicals** (e.g. for cleaning) containing toxic substances can cause health problems.
- Use of **pesticides and chemical fertilizers** In food production

Actions of SPP:

- Switch to **zero-emission vehicles** (and encourage suppliers to do the same)
- Require cleaning services to be carried out using **eco-labelled products**
- Buying from **responsible suppliers**

IMPACTS: Wastes and use of resources

Impacts of our procurement :



- Elimination of end-of-life **electrical products**
- **Construction and demolition waste**
- **Packaging** used for delivery of goods

Actions of SPP:

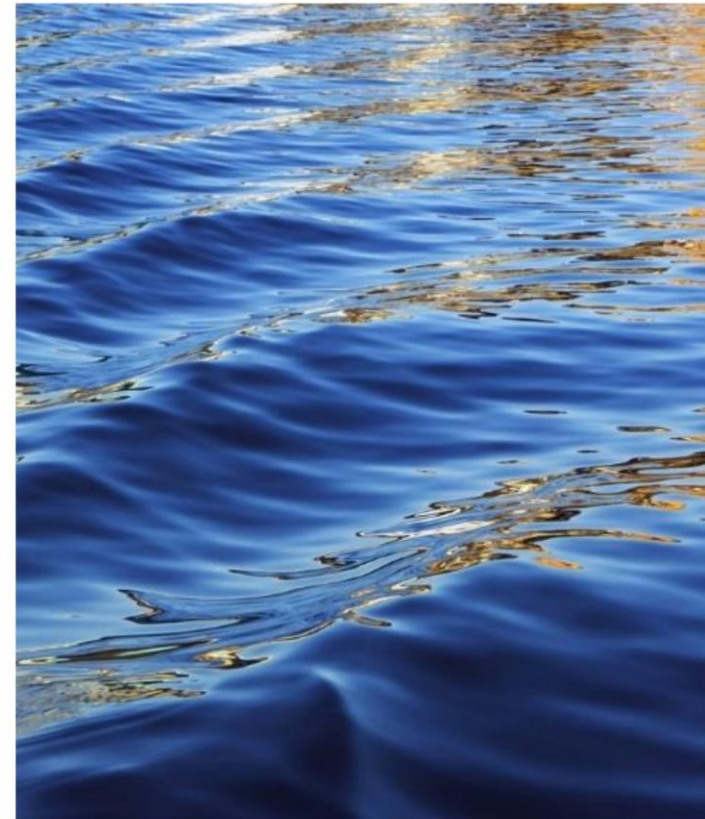


- Promoting **circular economy** solutions
- Require **extended product life** and **spare parts warranty**
- Require **reduced or reusable packaging**
- Encourage the use of **recycled materials** in construction

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SPP: Between Opportunities and Challenges



Implementation of SPP: The Opportunities

- Contribute to the implementation of the SDGs
- Contribute to the national objectives of sustainable development
- Improve environmental performances
- Contribute to circular economy
- Offer financial advantages
- Developing markets for more sustainable products and services
- Foster innovation
- Contribute to social equity
- Promote gender equality



Implementation of SPP: Challenges

Legislative and Political Framework

- Insufficient legislative and policy framework to guide the implementation and prioritization of SPP.
- Inconsistent definitions of SPP and application of government policies and regulations.
- Lack of definition of integrated objectives in global policies and communication of SPP objectives
- Lack of SPP monitoring and evaluation system.



Capacities and Tools

- Lack of training in the design and implementation of SPP-based tendering procedures.
- Lack of expertise, tools and criteria for assessing life-cycle costs.
- Lack of processes and tools for consistent and effective supplier due diligence.
- Lack of practical tools to guide buyers

Communication and "Buy-in"

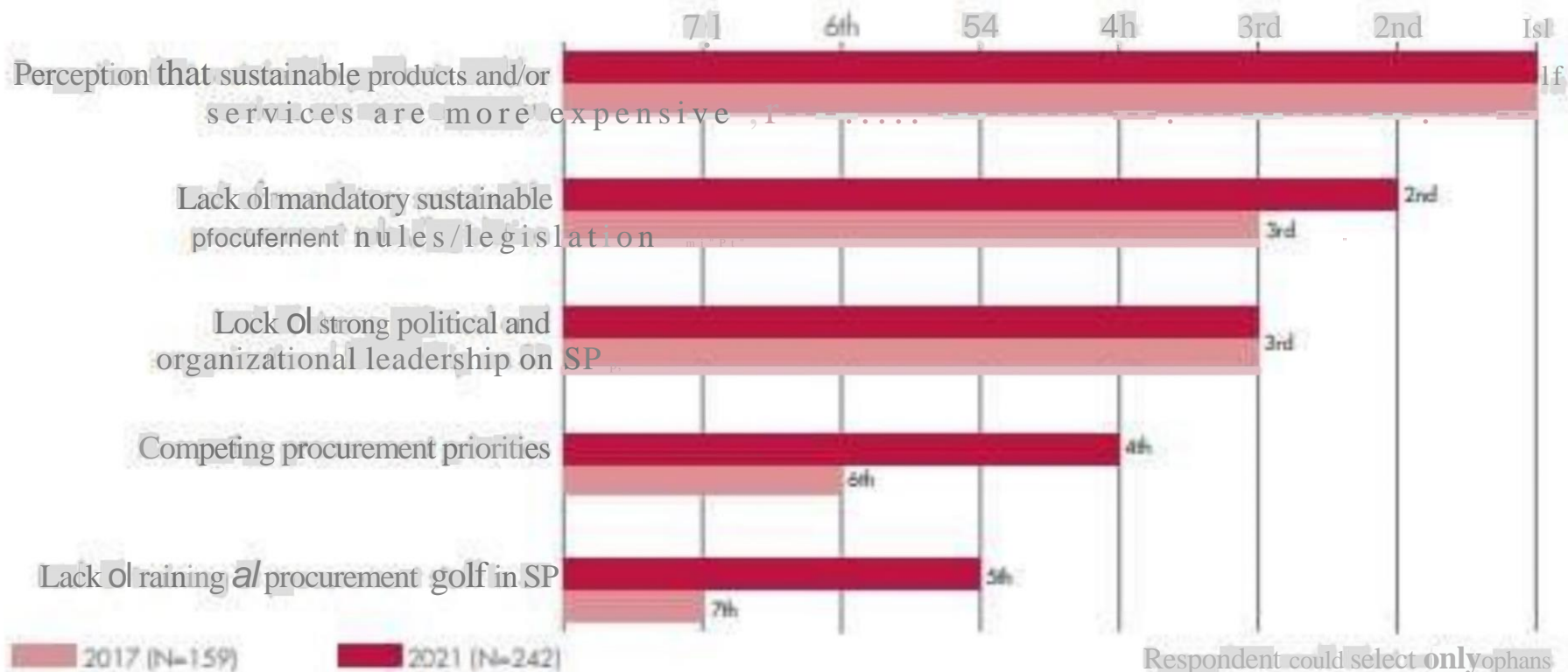
- Lack of awareness about SPP.
- Lack of "buy-in" and support from policymakers and senior officials.
- Resistance to change.
- Lack of organizational guidelines and performance measurement
- Limited empowerment and supportive institutional frameworks.
- Lack of financial resources for procurement services to implement SPP..

Market Readiness

- Industry and individual supplier awareness of SPP criteria and evaluation process.
- Lack of communication of SPP goals and objectives to the market.
- Lack of sustainable goods and services available.
- Lack of market incentives for the development of sustainable technologies and innovations, or lack of tax incentives.

Implementation of SPP: Challenges

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



Ranking based on percentage (rank of response/Total number of response)

Source: 2017 SPP Global Survey and 2021 Stakeholder Survey.



To SPP Implementation



FROM GLOBAL OBJECTIVES... TO PROCUREMENT PRIORITIES

Sustainable Development Goals

National Policy Priorities

Organizational Priorities

Procurement Strategies, policies and plans

Procurement Contracts and Frameworks

Résultats en matière d'achats durables



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

World Objectives Of Sustainable Development



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



SPP Implementation

1. **Legislative and Political Framework**
2. **Institutional Framework ("Buy-in")**
3. **Capacities and Tools**
4. **Market Readiness**



SPP Implementation

1. Legislative and Political Framework

- SPP Policies
- Strategies
- Action Plans



SPP Implementation

2. Institutional Framework (Buy-in)

- Governance
- Roles' Definition



SPP Implementation

3. Capacities and Tools

- Training
- Guidelines on SPP
- Criteria Development
- Digitalization and information systems
- Labels
- Monitoring and Assessment



Implementation of SPP

4. Market Readiness

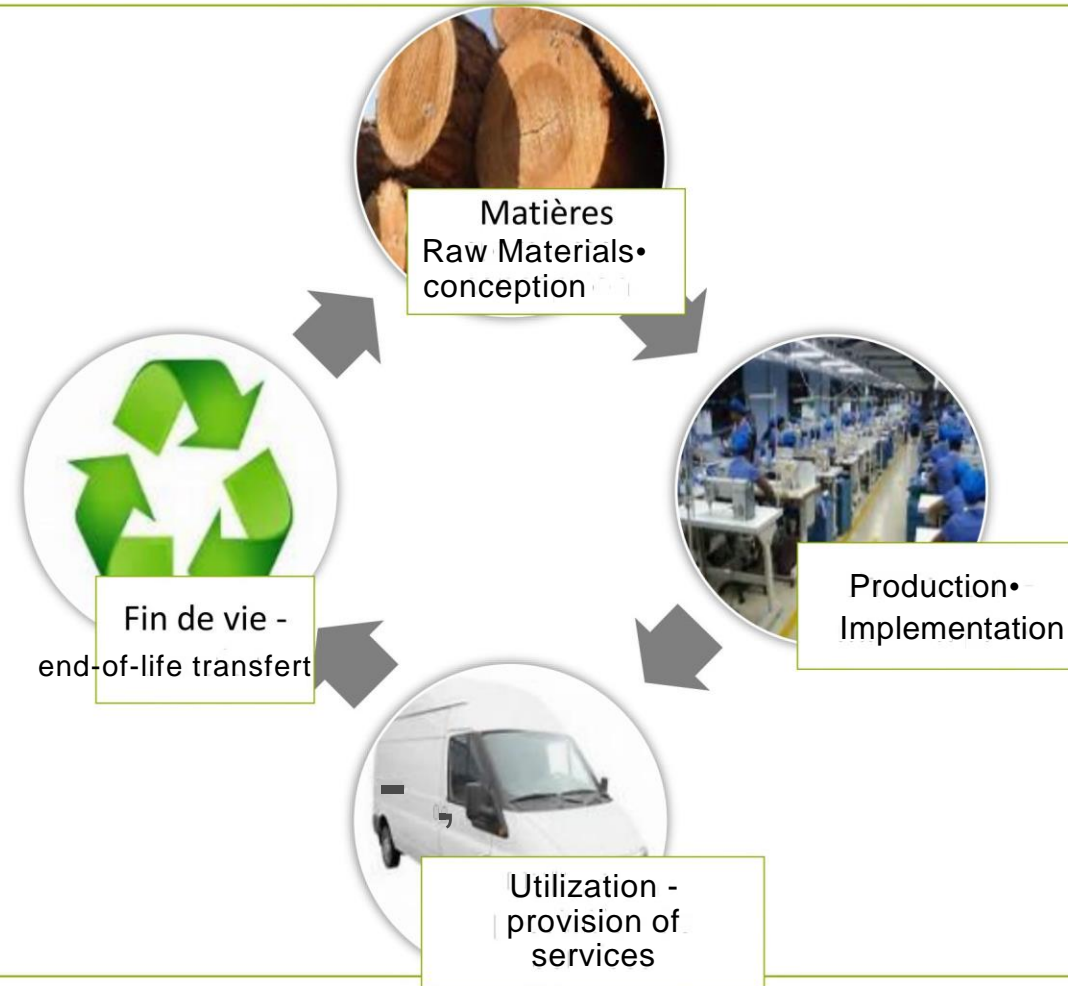
- Engaging with the private sector
- Innovation
- Communication and sensitization





SPP: life-cycle thinking:

Goods, works and services all have a life cycle




Lifecycle Impact Mapping

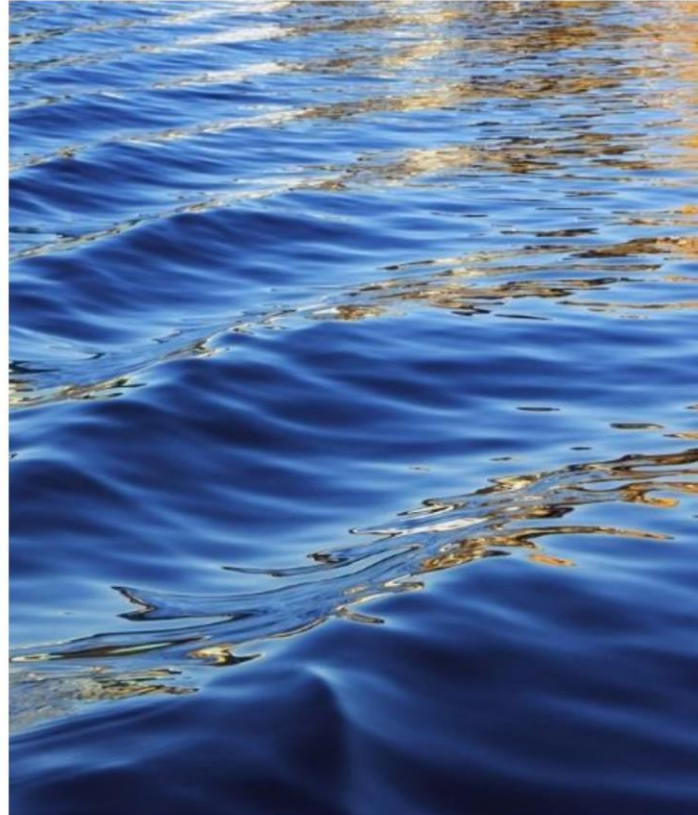
<p>1. Impacts of obtaining raw materials/resources needed for the service</p>	<p>2. Impacts de la fabrication et de la logistique/de la mise en place de services</p>
<p>3. Impacts during product use/service delivery</p>	<p>4. End-of-life impacts/disposal</p>



Lifecycle thinking:
 Adopting a life-cycle approach clarifies relevant risks and opportunities, and actions to manage sustainability at **appropriate stages of the procurement process.**



SPP: Examples of
Application
APD: des exemples
d'application



WEST AFRICA COMMITMENT BY COUNTRY

Ghana

- GHG emissions reduced by 64 MtCO₂e between 2020 and 2030

Nigeria

- 20% below normal levels by 2030 and
- 47% with appropriate support

Senegal

- 7% by 2030; 5% by 2025 compared to the status quo (unconditional target)
- 29% by 2030; 23% by 2025 compared to status quo (conditional target)
- 18% penetration of renewable energies by 2022

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



EXAMPLE: MALMO, SUEDE

Subject of the contract : Reused 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 no impact.

We therefore need to increase its lifespan.



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%20use%20by%20Malm%C3%B6%20seven%20publically%20owned%20companies



BUY NEW OR NOT?



A CIRCULAR APPROACH TO PROCUREMENT

A circular approach to procurement

Make the most with what you have

- ✓ Reuse first
- ✓ Repair & refurbish existing
- ✓ Save 60% vs buying new

Use reused & refurbished from elsewhere ✓



EXAMPLE: REUSE OF AGGREGATES AND TIRES

- Use of recycled aggregates in road construction projects
- The in situ use of materials - such as asphalt - saves money and fuel, reduces emissions and improves air quality.
- Not e: the quality isn't compromised
- As well, if not better, than the traditional approach/product/service
- With improved results – for the environment and for citizens



EXAMPLE: ASPHALTERE CYCLE, CHILE



The Innovation :

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

The Impact:

- 70% reduction in the amount of virgin gravel used
- 74% reduction in waste generation
- 45% reduction in overall costs
- The Department of Public Works is already working on extending these practices to all new airports.
- In 2019 and 2020, the Chilean public sector will represent an average of 55% of all urban construction in the country.
- [Around 18.7% of Chile's GHG emissions are linked to the manufacturing and construction industries.](#)
- [https://www.weforum.org/agenda/2021/11/how-construction-innovations-enabling-circular-economy/#:~:text=En6202019%20et%2020620on,%20l'industrie20manufacturi~re62oet%201a%20cons!k\[all](https://www.weforum.org/agenda/2021/11/how-construction-innovations-enabling-circular-economy/#:~:text=En6202019%20et%2020620on,%20l'industrie20manufacturi~re62oet%201a%20cons!k[all)

Example : Ghana



- **Pesa's first diesel multiple unit for the energy market**
- **Ghana Railway Development Authority**

- Image : Railway Gazette International 08 février 2024
- <https://www.railwaygazette.com/traction-and-rolling-stock/dmu-for-ghana-unveiled-in-poland/65887.article>



EXAMPLE: BUS FLEET ELECTRIFICATION

- Brazil, Chile and India are the first to electrify their bus fleets in their largest vi lies by introducing innovative financing practices and improved purchasing practices.
- Faster Adoption and Manufacturing of Hybrid & Electric Vehicles (FAME) in India - Indian government initiative to reduce the use of diesel and petrol vehicles in the country.
- FAME I 2015-19 and FAME II 2019-2024



<https://openknowledge.worldbank.org/server/api/core/bitstreams/86921282-e616-4e32-8824-2349461bbcaf/content>

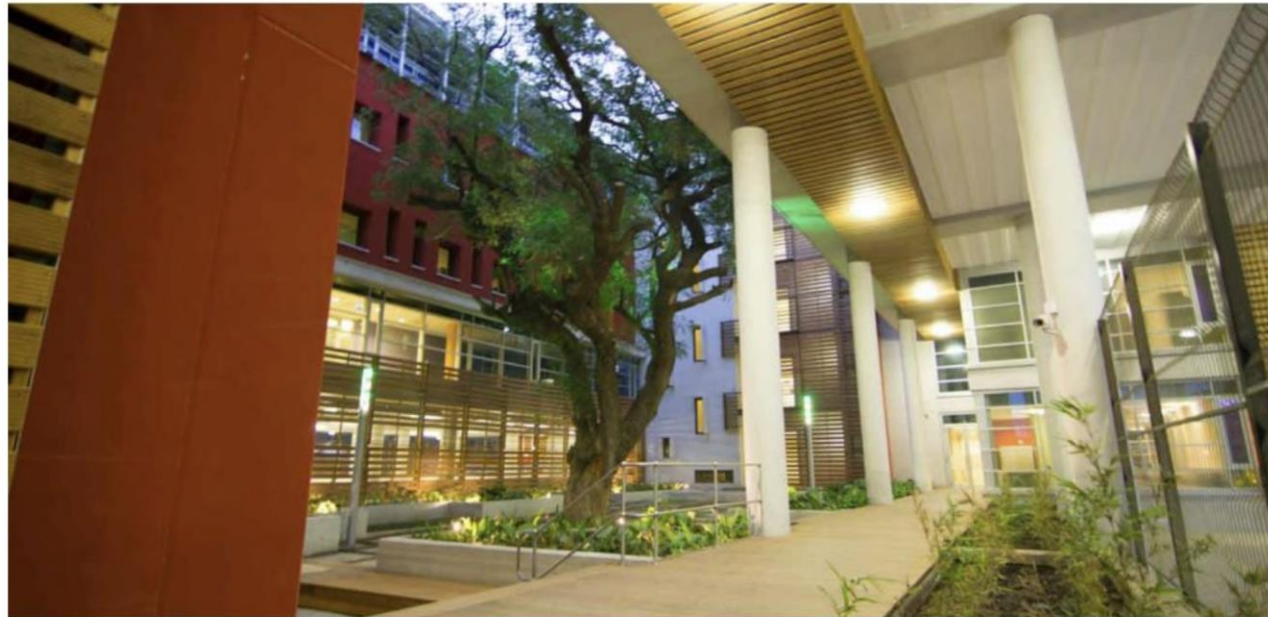
EXAMPLE: GREEN SCHOOLS IN GHANA



https://www.archdaily.com/882665/insideout-school-andrea-tabocchini-and-francesca-vittorini/59f860ccb22e38196a0001_df-insideout-school-andrea-tabocchini-and-francesca-vittorini-site-references?next_project=no



EXAMPLE: WORLD BANK GROUP OFFICE IN ACCRA



World Bank Group office in Accra
EDGE BUILDING



LET'S NOT FORGET! ONLINE PUBLIC PROCUREMENT IS ALSO SUSTAINABLE PUBLIC PROCUREMENT

- Using technology to support the development of sustainable public procurement
- Providing access to environmental and social criteria = useful resources !
- Many other benefits of electronic public procurement:
 - More open, more accessible, more transparent
 - Encouraging small businesses to be competitive
 - A source of management information
 - Ease of reporting
 - Enables monitoring and evaluation
 - Audit trail
 - Reduction of paper, chemicals, waste, and carbon (but beware of data center emissions)

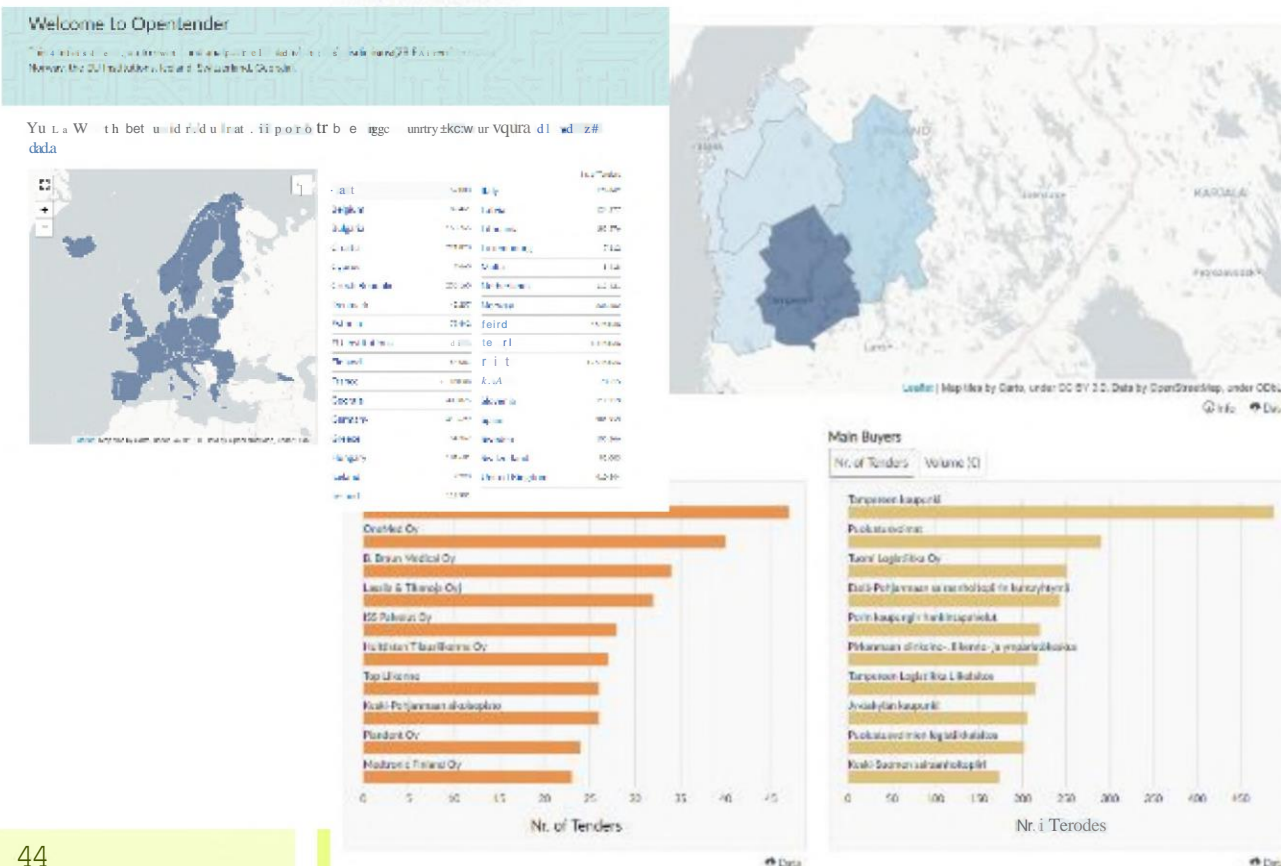


Central electronic platform for public procurement

An a-procurement central portal through which all public procurement operations will take place, while collecting, analyzing data and making it accessible for decisions makers and concerned stakeholders.

EU Open Tender Platform
www.opentender.eu

E-Procurement in Tunisia
www.tuneps.tn



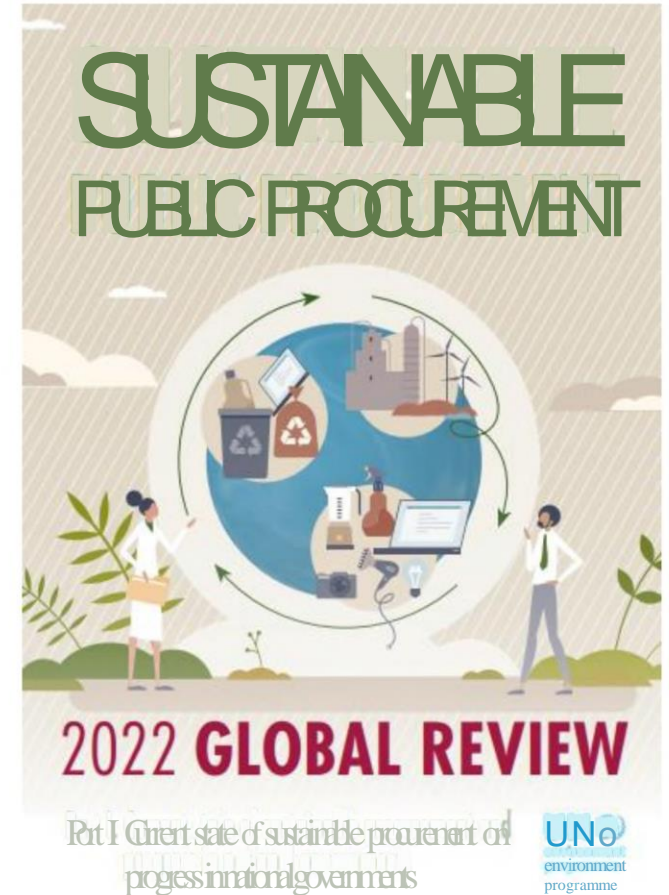
REPORTING ON SPP

- External – to the world, including investigations
 - For example, UNEP -12.7.1
 - MAPS Methodology
- World Bank

12.7



- **Sustainable Development Goal Indicator 12.7.1:**
Number of countries with sustainable procurement policies and action plans



2 M A P S

Methodology for Assessing
Procurement Systems

Thanks

Any Questions?