

Sustainable Procurement – Driving Environmental and Social Impact through the Use of Innovative Technologies

Presented by:

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Introduction

Public procurement

Public procurement is the most impactful element in governance, ensuring resources are mobilized and allocated efficiently, transparently, and responsibly.

In Tanzania, the Public Procurement Regulatory Authority (**PPRA**) is responsible for that.



ROLE

Regulates and oversees public procurement processes.

Promotes accountability, value for money, and public trust.

VISION

Be a center of excellence in public procurement oversight

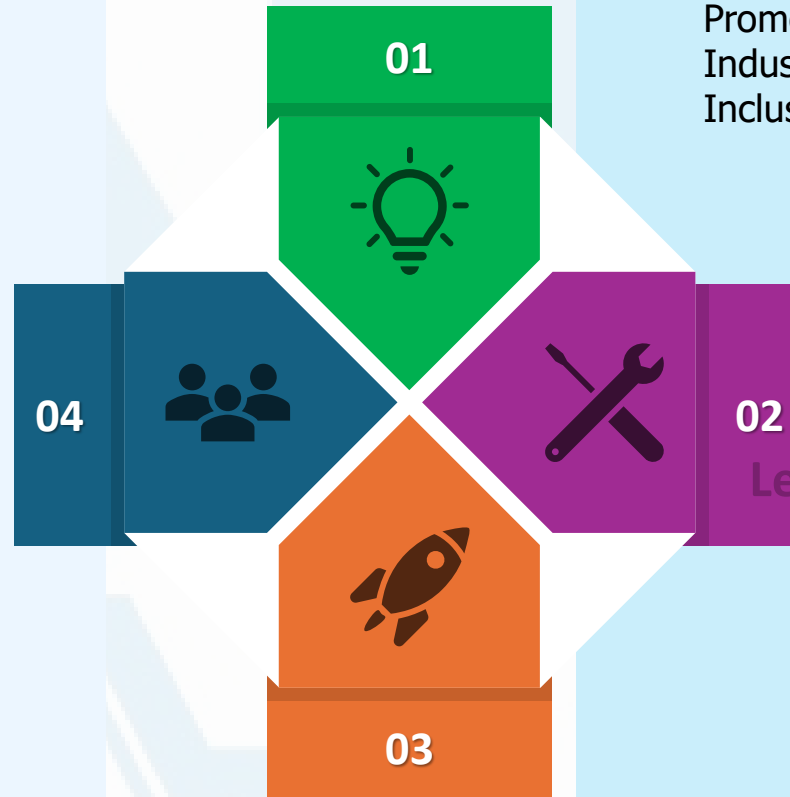
MISSION

Enhance efficiency and integrity in procurement systems.

Why SPP in Tanzania?

National Development Vision 2025 & 2050

4. To develop the capacity of citizens, especially women, youth, and people with disabilities, to drive national development and participate as innovative, critical-thinking, and confident global citizens.



CCM Manifesto -2020/2025

Promoting Economic Empowerment, Local Industry Growth, Sustainability, And Social Inclusion

Legal framework Compliance

To comply with the requirement of PPA CAP 410 and its Regulations of 2024

Sustainable Development Goals

Facilitate the implementation of UN sustainable Development Goals- SDG 12, SDG 8, & SDG-9

Introduction

- ❖ Public Procurement refers to **“All purchases by governments of goods, services, and works from the private sector”**
- ❖ **Government is the final producer of public services (health care, education, safety, transport facilities etc)**
- ❖ Accounts for a large fraction of economic activity- **(5%- 20% GDP depending on the country and year)**
- ❖ **In Tanzania public procurement accounts for 17% of GDP and 70% of annual Government budget expenditure**
- ❖ A significant fraction of formal private firms involved- **15% on average firms that bid for at least one government contract in a year.**

Sustainable Public Procurement

Defining Sustainable Public Procurement (SPP)

A process whereby organizations 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 organization but also to society and the economy** while minimizing **damage to the environment (UNEP, 2021)**.

Procurement is called sustainable when it **integrates requirements, specifications and criteria** that are compatible and in **favour of the protection of the environment, of social progress and in support of economic development** (UNOPS, 2024)

Sustainable Public Procurement

Four main objectives in the SPP definition

1. Public organizations meet their needs
2. Value for money achieved on a whole-life basis
3. Benefits are generated for:
 - organization
 - society
 - economy
4. Negative impacts on the environment are significantly reduced

Sustainable Public Procurement

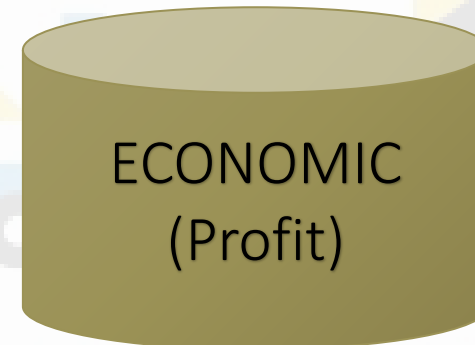
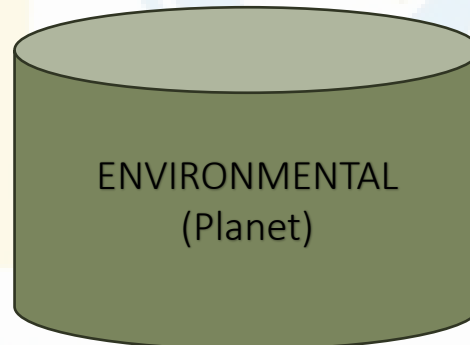
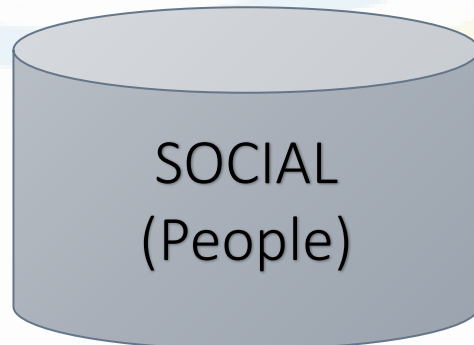
Sustainability is meeting present needs without compromising future generations' ability to meet theirs, balancing environmental, social, and economic factors



Incorporating sustainability considerations throughout the procurement process in order to achieve optimal VfM in delivering development objectives



3 Pillars



SPP Implementation

Legal and policy framework

- Procurement Law
- Procurement Rules and Regulation
- SPP Policies
- SPP Guidelines
- Sectors specific guidance notes- eg: energy retrofit, transport, etc
- SPP implementation and monitoring tools through e-procurement



SPP legal and policy framework in Tanzania

- ❖ **SPP dedicated policy statement – National Public Procurement Policy**
- ❖ **SPP Provisions in the Public Procurement Act, 2023 and Public Procurement Regulations, 2024** (Reg. 4 recognizes also related international treaties e.g. Paris Agreement etc)
- ❖ **SPP General Guidelines - PPRA**
- ❖ **SPP Action Plan- PPRA**
- ❖ **Thematic policies, regulations, acts-** Environmental regulations, e-waste management, labour laws, safety, international treaties ratified by Tanzania (Paris Agreement, etc)

Examples of SPP-related policies in Tanzania

- ❖ **Buy local products** –up to 15% margin of preference for local goods”
- ❖ **Buy from Minorities** (30% APP reservation for special/ marginalized groups (women, elders, youth, people with special needs)
- ❖ **Buy local/domestic** – up to 10% margin of preference for local firms
- ❖ **Capacitate local firms-** contract reservation for local firms
- ❖ **Buy Small-** Splitting tenders
- ❖ **Reduce waste/ Buy green-** Environmental Performance securities/ securing declarations, ES code of Conduct
- ❖ **Social consideration** – Equity, protection of marginalized groups, non-discrimination, wages



Innovative Technologies for SPP

Innovative technologies for SPP can be referred to as **advanced digital tools and solutions** that enhance procurement processes while minimizing environmental impact and promoting social responsibility (UNOPS, 2024).

Includes:

- **Cloud-based Procurement Systems (e-procurement system)** – Reducing paper waste and improving procurement efficiency.
- AI & Data Analytics – Identifying sustainable suppliers and optimizing procurement decisions.
- Blockchain – Ensuring ethical sourcing and reducing fraud through transparent supply chains.
- Smart Monitoring – Tracking energy consumption, emissions, and resource usage in real-time.
- 3D Printing & Automation – Cutting material waste and supporting local, sustainable production.

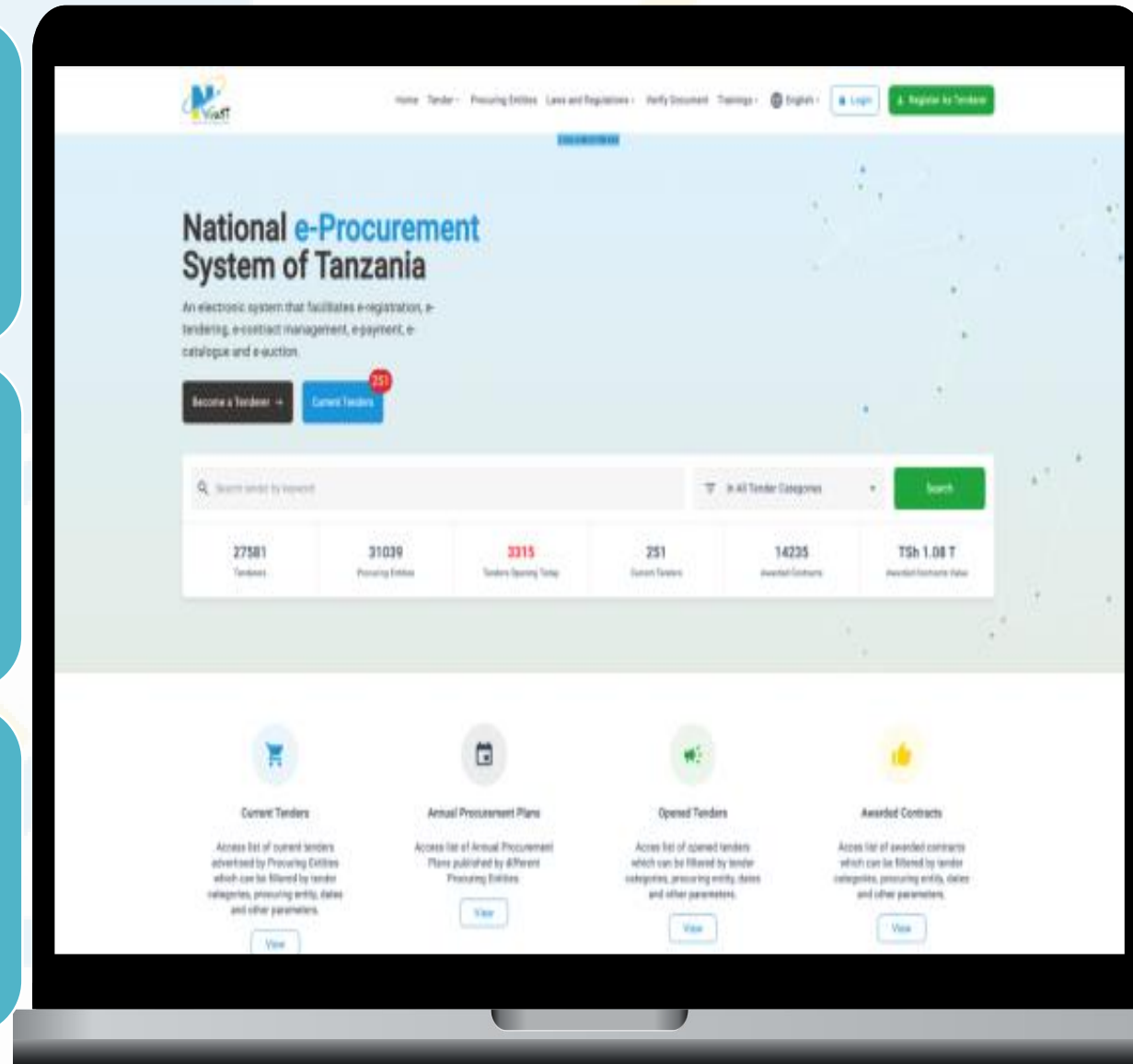
**Defining
Innovative
Technologies for
SPP**

Innovative Technologies for SPP- Tanzania Case

Tanzania leverages the Cloud-based Procurement System (NeST) to enhance environmental and social impact across the public procurement process.

NeST integrates Data Analytics technology to identify sustainable suppliers and optimize procurement decisions.

NeST enhances ethical sourcing and minimizes fraud by ensuring transparency in public procurement supply chains.





Innovative Technologies for SPP- Tanzania Case

NeST Enables real-time tracking of energy consumption, emissions, and resource usage.

NeST reduces carbon footprints by minimizing the use of paper and printer ink.

Through NeST, the Government of Tanzania, via PPRA, oversees the implementation of the 30% set-aside policy in the Annual Procurement Plan to support minority groups.

NeST Impact in driving SPP

- **NeST supports preference scheme implementation through specialized tracking dashboards in the procurement process.**

(Preference for local persons and firms, and special groups (Women, Youth, Elderly and People with special needs))

- **Success: USD 5.29 Million in Awards Granted to Special Groups Since NeST Implementation**
- **Over 500 special groups registered and competing for procurement opportunities**

**Social
Success**

- **Strengthening Ethical and Labor Standards in Procurement:**

- Increased Mandatory Use of Local Labor
- Enforcement of Minimum Wage Requirements for Economic Operators' Employees
- Mandating Ethical Practices and Compliance with Ethical Codes of Conduct

NeST Impact in driving SPP

Environmental Success

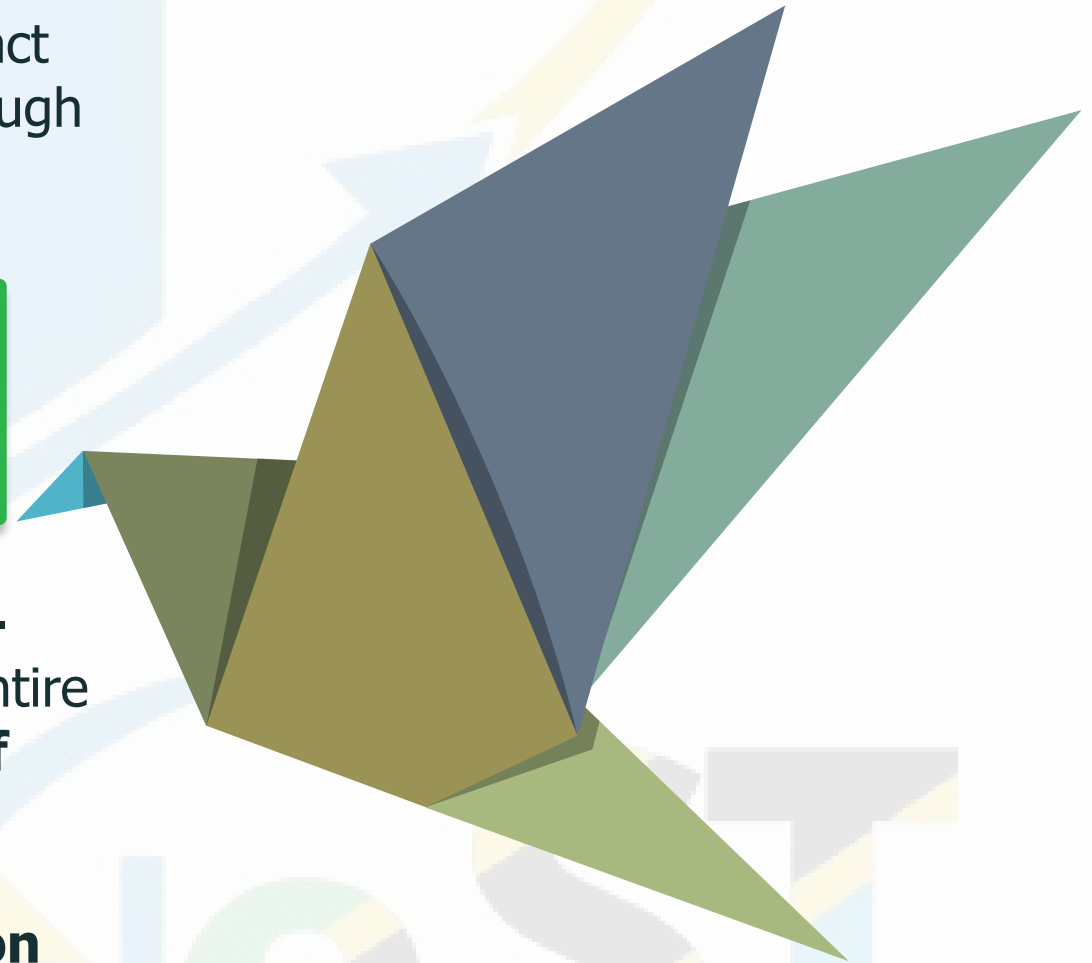
NeST has also demonstrated a significant positive impact on the environment by reducing carbon emissions through paperless procurement.

617.85 tons of CO₂

Was prevented from being released in the atmosphere in one year

This reduction is equivalent to **taking 144 gasoline-powered passenger vehicles** off the road for an entire year, avoiding the consumption of **69,523 gallons of gasoline**, or recycling **218 tons of waste**.

if the NeST initiative were registered as a carbon trading project, it could have earned roughly USD 12,000 from these emission reductions.





CONCLUSION

- **SPP implementation requires a “trade-off”**
- **SPP is a cross-cutting contemporary phenomenon requires the engagement of all stakeholders**
- **The willingness and readiness of PEs to use innovative technologies driving SPP**
- **SPP Implementation requires top decision-makers commitment and political support**



Thank You!

ASANTE SANA



System of Tanzania