

# Dialogue and Transfer Forum on Sustainable Public Procurement – Municipalities as Agents of Change

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## Documentation

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# Participants



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# Welcome notes and Introduction



Emelie Aho, Policy and Strategy Advisor, Office for Sustainable Development and the 2030 Agenda, City of Malmö



Dr. Maximilian Müngersdorff, German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

## Potential Benefits of MUPASS – Network Expectations:

- A new network for Sustainable Public Procurement (national and international)
- Bringing together municipalities from the Global South and the Global North
- Strategic management for SPP and implementation
- Capacity building
- Pooling good practices from other countries and sharing experiences
- Learn about different regulatory frameworks
- Evaluation of labels/certificates



# Introduction: expected benefits and personal contributions

## Expected benefits

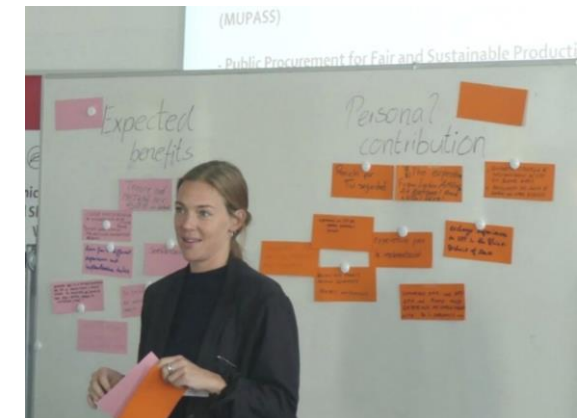
- ✓ Raise awareness, exchange ideas, information and experiences on the governance of SPP
- ✓ Acquire deeper knowledge of the SPP concept in Latin America and learn about implementation in European municipalities (legal basis, policies, labels etc.)
- ✓ To be inspired from other municipalities and get motivation for new SPP projects
- ✓ Share challenges, success and failure cases
- ✓ Understand SPP-approaches, learn strategies, theory, applicable methods and how to adapt them to the different regions
- ✓ Learn SPP-practices and get new insights from other countries
- ✓ Networking, meeting colleagues, building long-term relationships with peers, possible cooperation opportunities

## Personal contributions

- ✓ Share implementation experiences at a national and local level
- ✓ Exchange knowledge and examples on SPP
- ✓ Present outputs on SPP of food and catering in Copenhagen, textiles in Halle, the SPP story of Costa Rica and Puebla's recycling work
- ✓ Answer questions and doubts about the complexity of countries like Mexico and Brazil
- ✓ Share implementation strategies and forms of interaction between the purchasing department and other actors
- ✓ Discuss enablers and barriers
- ✓ Share perspective on practical challenges and regulations



Dr. Andreas Stamm, German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)



Ulrika Svallingson, Sustainability Coordinator, City of Malmö



# SPP Implementation in European Municipalities





# SPP in practice – The Hague, The Netherlands

## How is SPP fostered in The Hague?

### Conditions for SPP

- Legal framework is focused on sustainability and green procurement (e.g. social return, improving access to the labor market for the unemployed, green energy, etc.)
- Procurement is centralized

### Success factors

- Communicate objectives to the market, create a dedicated team
- Support from politicians and managers
- Cooperation with other governments and municipalities
- Give the right example

### Implementation of SPP

- National implementation
- Push the market in the right direction by stimulating innovation and supporting local economy
- SPP-action plan as guideline: links procurement with policy objectives, clear set of (long term) objectives, set priorities and communicates objectives towards the market
- Monitoring procurement procedures to make sure the process complies to the standards



Thimo de Nijs, Corporate Sustainability Advisor, Municipality of The Hague

# SPP in practice – Malmö, Sweden

## Case: Sustainable food procurement

### Conditions for SPP

- Changes in EU and national law. Regulations by the city council: Focus on domestic social issues and Green Public Procurement
- Support by local politicians
- Risk analysis for sustainability

### Implementation of SPP

- 65% of the products are organic → achieve 100% in the next years
- Expansion of the procurement department (from 10 to 30 people) and increasing its influence: Including special officers for ecological and sustainable procurement
- Cooperation with other municipalities for control of contract performance
- Cooperation between suppliers, buyers, procurement department and other departments
- Ensure that supplier complies with terms and conditions
- “It is easy to do the right thing”: green and blue dots system
- Financed lunches for schools, elderly and disabled people

### Success factors

- Robust national legislation as the solid guideline for SPP
- Political leadership to get support to train managers, teachers, cooks, buyers, etc.

### Shortcomings

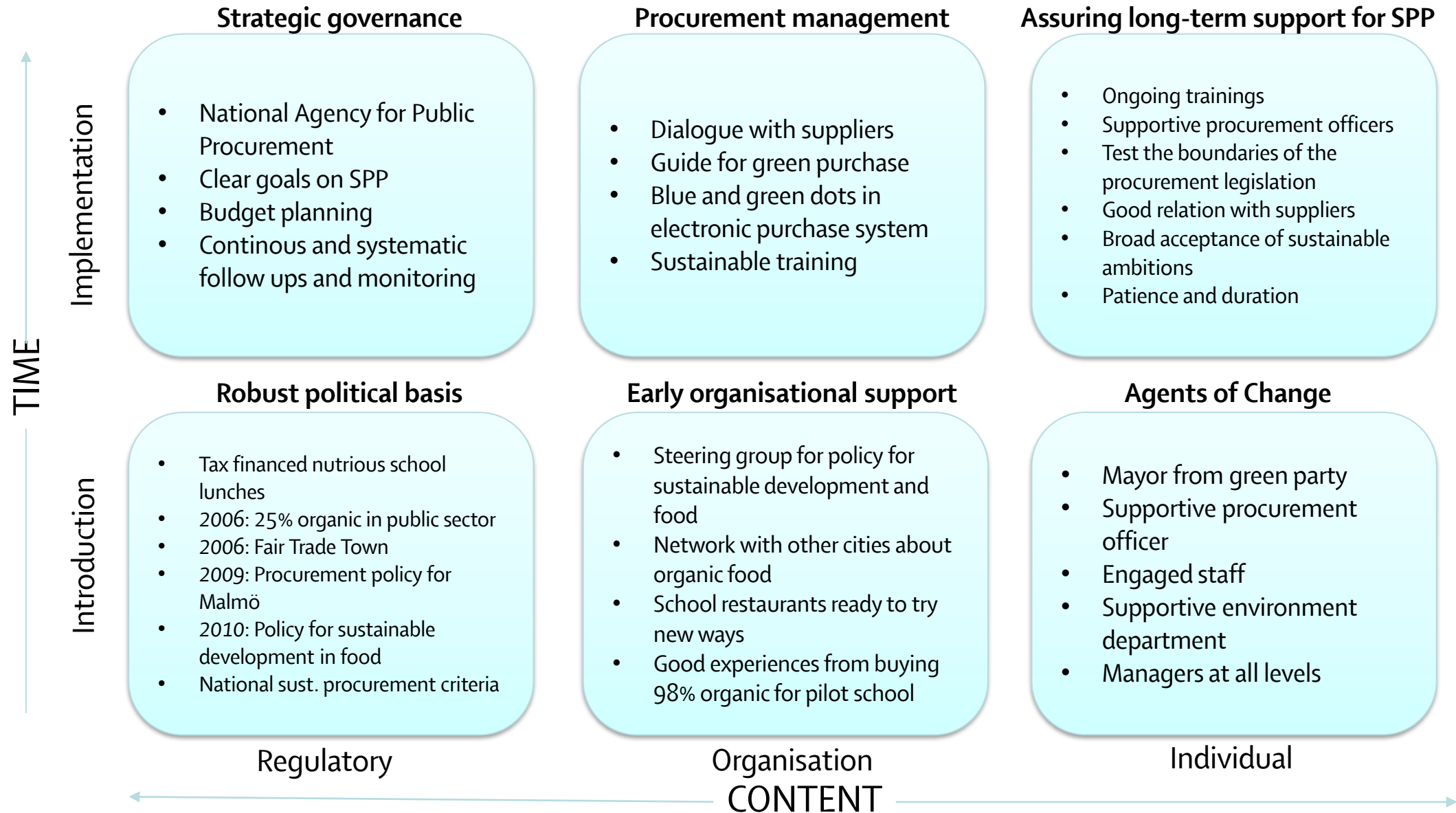
- Procurers do not know how to implement SPP-regulations → Capacity building needed



Gunilla Andersson, Environment Department, Unit for Lifestyle and Consumer Affairs, City of Malmö

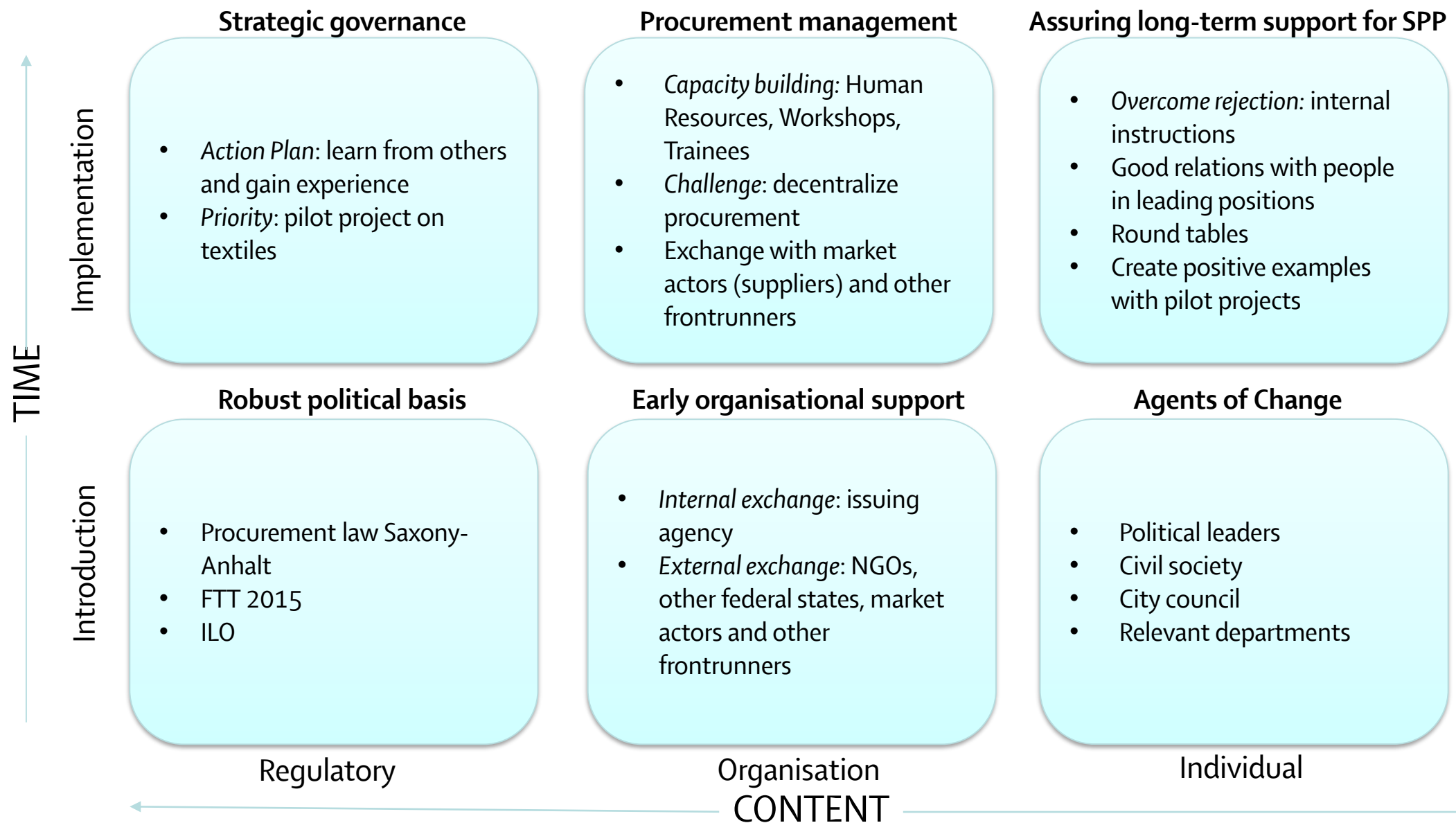


# SPP Map – Malmö, Sweden



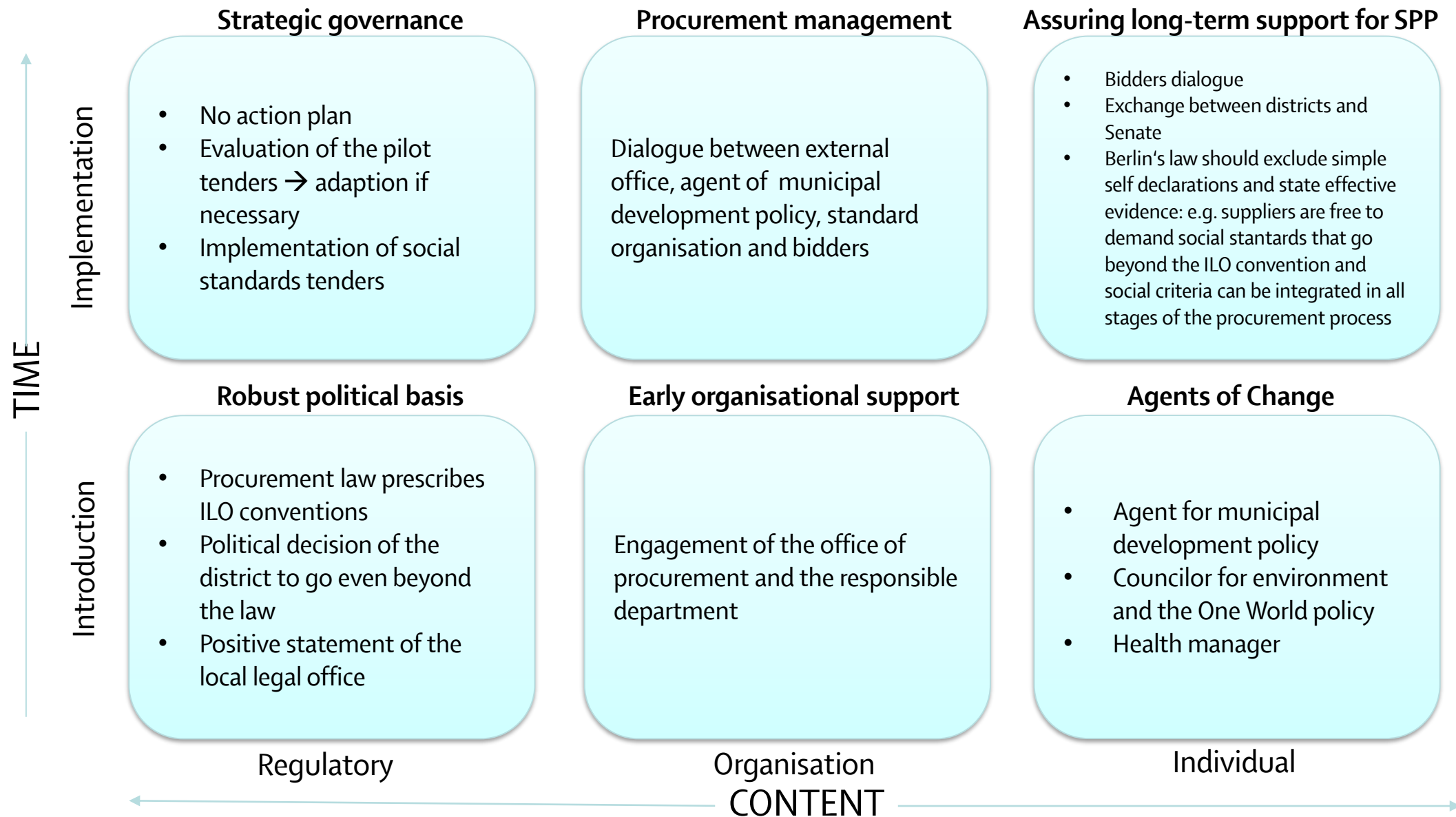


# SPP Map – Halle (Saale), Germany



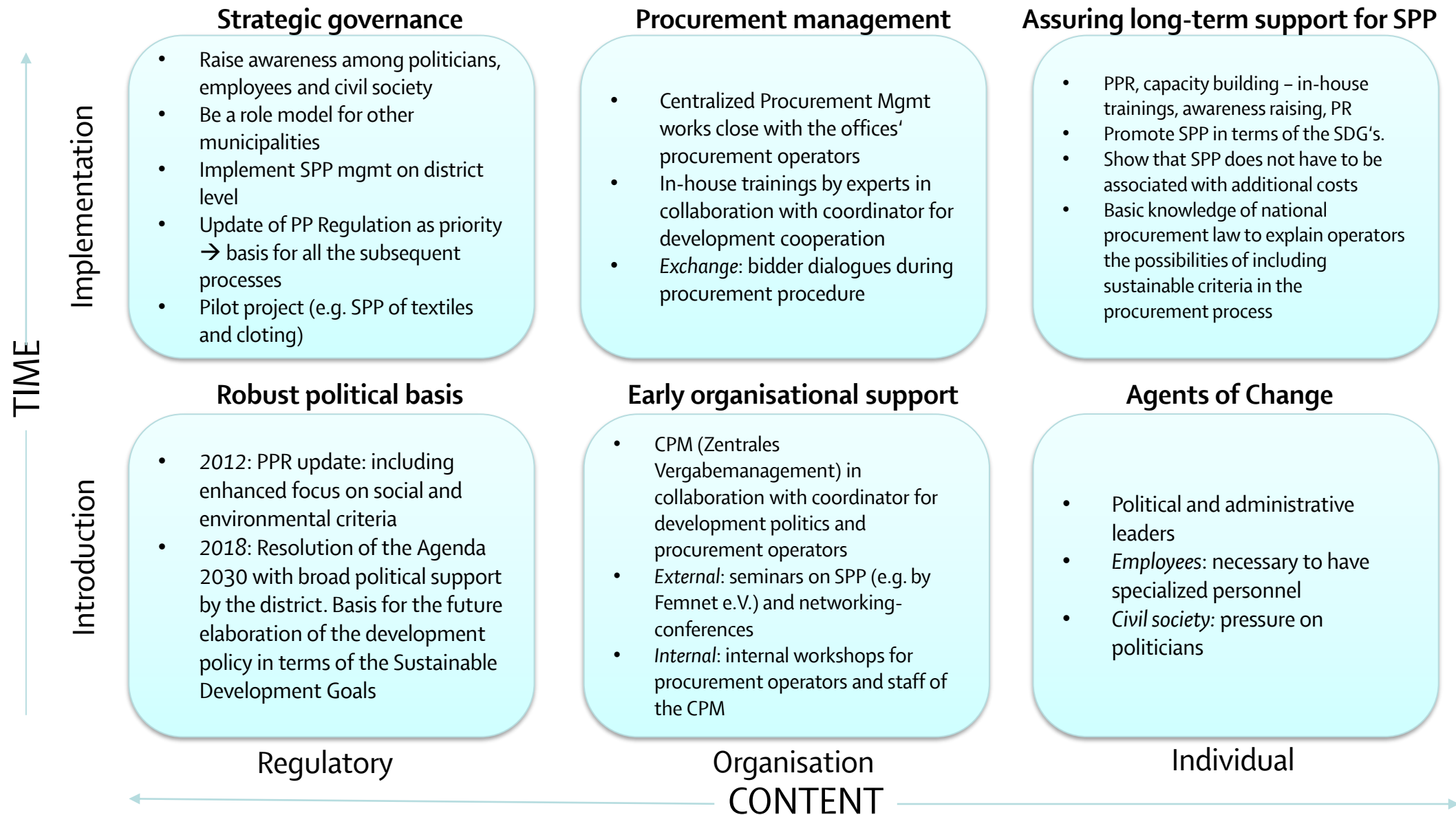


# SPP Map – Friedrichshain-Kreuzberg (Berlin), Germany





# SPP Map – Rhine District of Neuss, Germany



# SPP in practice – Copenhagen, Denmark

## Case: Contracts for sustainable food procurement

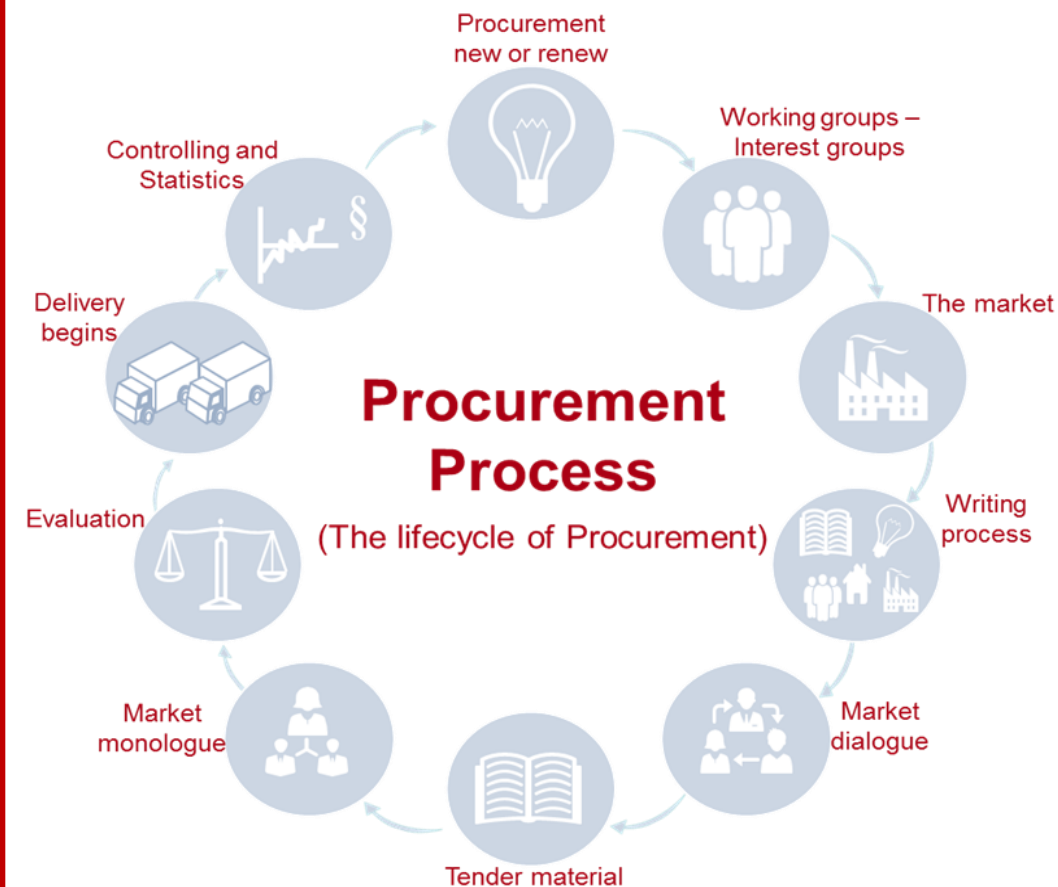
- Sustainable aspects as priority in procurement
- Goal: to be Co2 neutral by 2030

### Procurement Process

1. Collect working groups/interest groups to meet the demands of the citizens
2. Understand the market
3. Writing process: getting the market, politicians and interest groups together and get procurement material as result
4. Market dialogue meeting: with working groups and people from the market to present ideas
5. Write tender and publish it
6. After publishing, call a monologue meeting explaining the tender material to the market before opening it
7. Evaluation to find a winning supplier (criteria: quality of the food, seasonality, variety, price etc.)
8. After finding the winner the delivery starts (within an implementation period)
9. Contracts last 4 years. Suppliers have to provide relevant information for controlling and statistics
10. Control and follow up

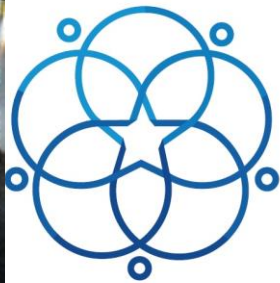


Betina Bergmann Madsen, Senior advisor Food Procurement, City of Copenhagen





# SPP Implementation in Latin American Municipalities



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# SPP in practice – Rio de Janeiro, Brazil

## Case: SPP + Solidary Economy + Fair Trade

- More than 1.500 public schools and day-cares → 1.5M meals per day in rural areas in and around the city
- Fair Trade Town since 2015

## Implementation of SPP

- Open markets for small producers from favelas and rural areas around the city (food, fashion and textile)

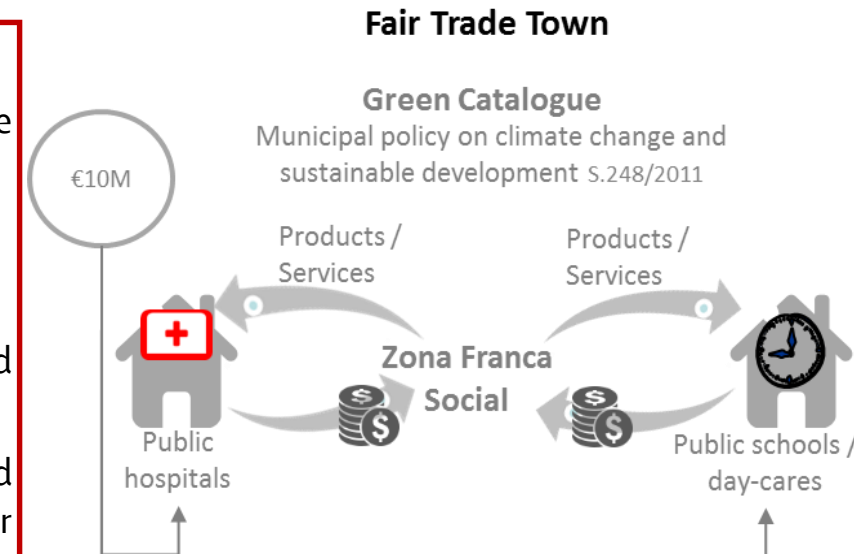
Project **Zona Franca Social** (social free zone): Direct PP of goods and services for local schools, day-cares and public hospitals. The government pays them directly (not more than €12 000 per year per entrepreneur<sup>1</sup>) → €10M in procurement for small producers from favelas around Rio

- Support local sustainable food production with local fairs and SPP for school feeding
- Green Catalogue: law on climate change and sustainable development states that sustainable products should only be compared with other sustainable products when purchasing

## Goals

- 2020: 30% of school feeding from small producers
- Promote local development and capacity building
- Support local market and city hall to have access to products from solidarity and cooperative Economy Business

<sup>1</sup> Limit established by a national law



Ana Asti, Municipal Secretariat for Development, Employment and Innovation, Rio de Janeiro



# SPP in practice – São Paulo, Brazil

## SPP Programme – Socio-Environmental Catalogue

### Regulatory

- 2003: Start of the SPP programme with the accession to the Marrakesh Task Force
- 2005: Label with social-environmental criteria as an essential tool for SPP programme
- The law about procurement is the same for federal states and municipalities

### Organisation: Coordination of social-environmental label

**Environmental Secretary:** goods and general services with sustainable criteria, promotion of social policies, water and energy consumption, reduction of waste generation, reduction of pollutant emissions, use of recycling materials and practice reverse logistics in their contract, etc.

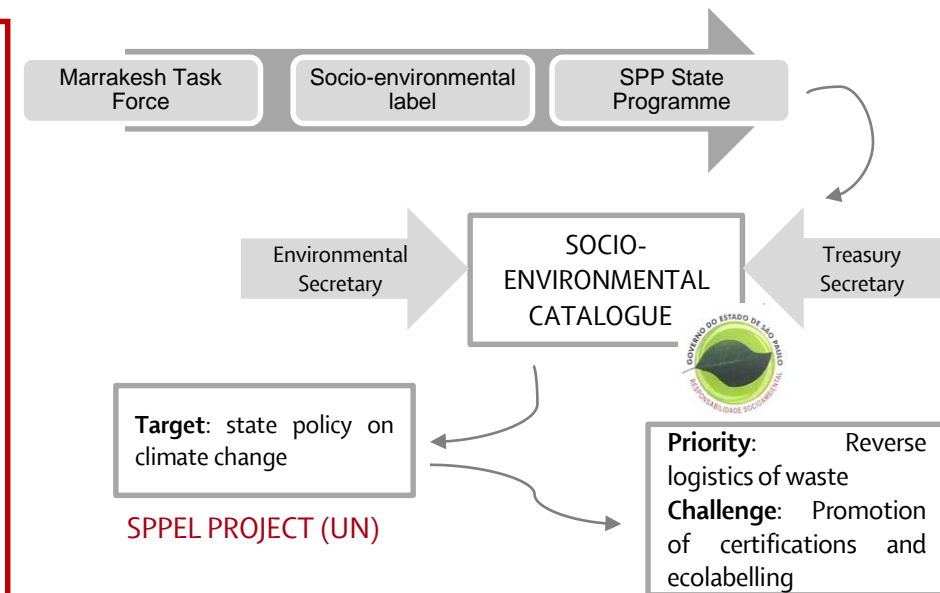
**Treasury Secretary:** transparent management of the procurement e-system

### Implementation of SPP

- Monitoring the use of label in procurement for food and services with codes
- 25 billion Reals per year (~6 billion €) per year for SPP

### Goals

- 20% of SPP until 2020
- Reverse logistics of waste in public contracts
- Promote the use of certifications, standards and eco-labels and show its importance for the development and verification of criteria before and after the procurements



Denize Cavalcanti, Secretariat of Environment, State of São Paulo



# SPP in practice – Puebla, Mexico

## Case: Disposable vs. Reusable

Plastic/unicel consumption in Puebla's city council per year:

- 14 000 liters in bottles
- 141 000 spoons
- 61 000 unice cups
- 95 000 plates

### Implementation of SPP

- Use of alternative materials (ceramic, steel, glass, etc.) to reduce the consumption of plastic and unice utensils. The city council and GIZ planned a SPP strategy comparing costs for the municipality in Puebla
- The study made with GIZ proved that replacing materials could allow around 60% annual savings in costs of acquisition, use and disposal → approved sustainable purchasing law: it is mandatory for the municipality of Puebla to purchase reusable materials
- Hazardous detergents are banned in the municipality because of the pollution they cause to the Atoyac River

### Main goals

- Create awareness about environment and generate a recycling culture

<sup>1</sup> Costs were converted from Mexican Pesos (MXN) to Euros using the exchange rate of 1 EUR = 22.82 MXN (13/11/2018, <https://www.oanda.com/currency/converter/>).

<sup>2</sup> Costs for plastic bottles, spoons, plates and unice cups consumed by Puebla's city council per year.

<sup>3</sup> Average costs of the proposed alternative materials were considered.

## Costs analysis<sup>1</sup>

	Plastic or unice <sup>2</sup>	Alternative materials <sup>3</sup>
Cost of acquisition	€ 15 286.90	€ 3 410.71
Cost of use	N.A.	€ 2 754.73
Cost of disposal	€ 11.02	€ 2.55
<b>TOTAL COSTS</b>	<b>€ 15 297.92</b>	<b>€ 6 167.99</b>
<b>TOTAL ANNUAL SAVINGS</b>	<b>€ 9 129.93</b>	





# SPP in practice – Chihuahua, Mexico

## Northern Mexico's challenges

- No best practices, only challenges
- Border with USA
- Lack of resources, large territorial extension and communities with low population density → difficult to deliver goods to many communities

## Challenge faced in PP

- Cultural differences, even in the same country and strong North American influence; People in the North of Mexico are less aware about environmental issues and consume more plastic
- Frequent cases of corruption in PP. Consequences:
  - Dilemmas in the design of procurement
  - Lower efficiency
  - Difficult decision-making about when and how to choose local and small producers

## Goals

- Working on E-procurement system. Committed to have better data analysis
- Support local producers
- Only buy from environmentally aware enterprises



Rocío S. Olmos L. General Director of Institutional Development, Attorney General's Office, Chihuahua



# SPP in practice – Heredia, Costa Rica

## Searching new ideas for sustainable projects in Heredia

### Challenge

- No action plan on sustainability issues → only ideas for projects to be developed

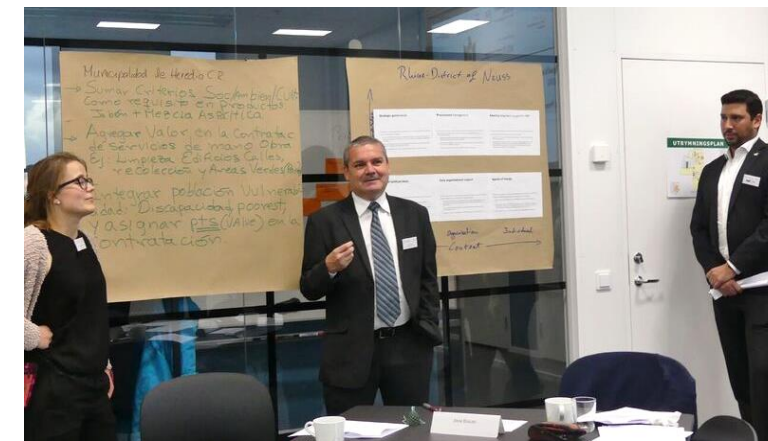
### Implementation of SPP

**Example of a successful project in Heredia:** Contracted cleaning services in a very unstable region developing a scoring system for cleaning companies that created more jobs in the region. The main objectives of this project were to fight poverty, improve living conditions and boost the region economically and socially.

**Upcoming plan:** The municipality plans to acquire land for a sustainable public park. The objective of the park is to generate jobs for its maintenance and use the natural resources obtained in a sustainable way. This would be done by hiring people from a specific community in order to generate employment in a marginalized area.

### Goals

- Add social, environmental and cultural criteria as a requirement in public contracts
- Adding value in the hiring of labor services integrating the vulnerable population (disabled, poor, etc.)

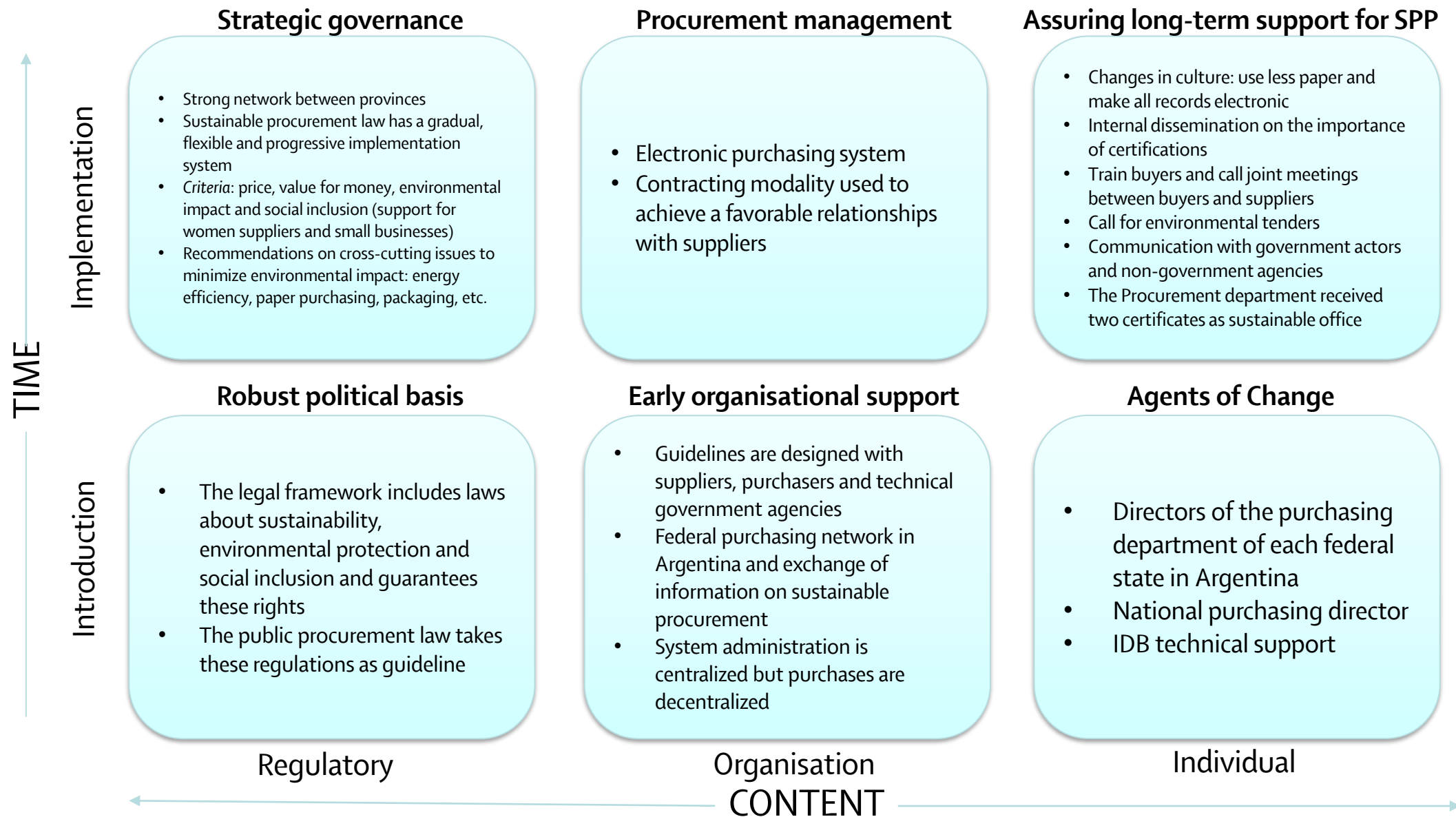


Enio Vargas, Municipal provider, Municipality of Heredia





# SPP Map – Buenos Aires, Argentina







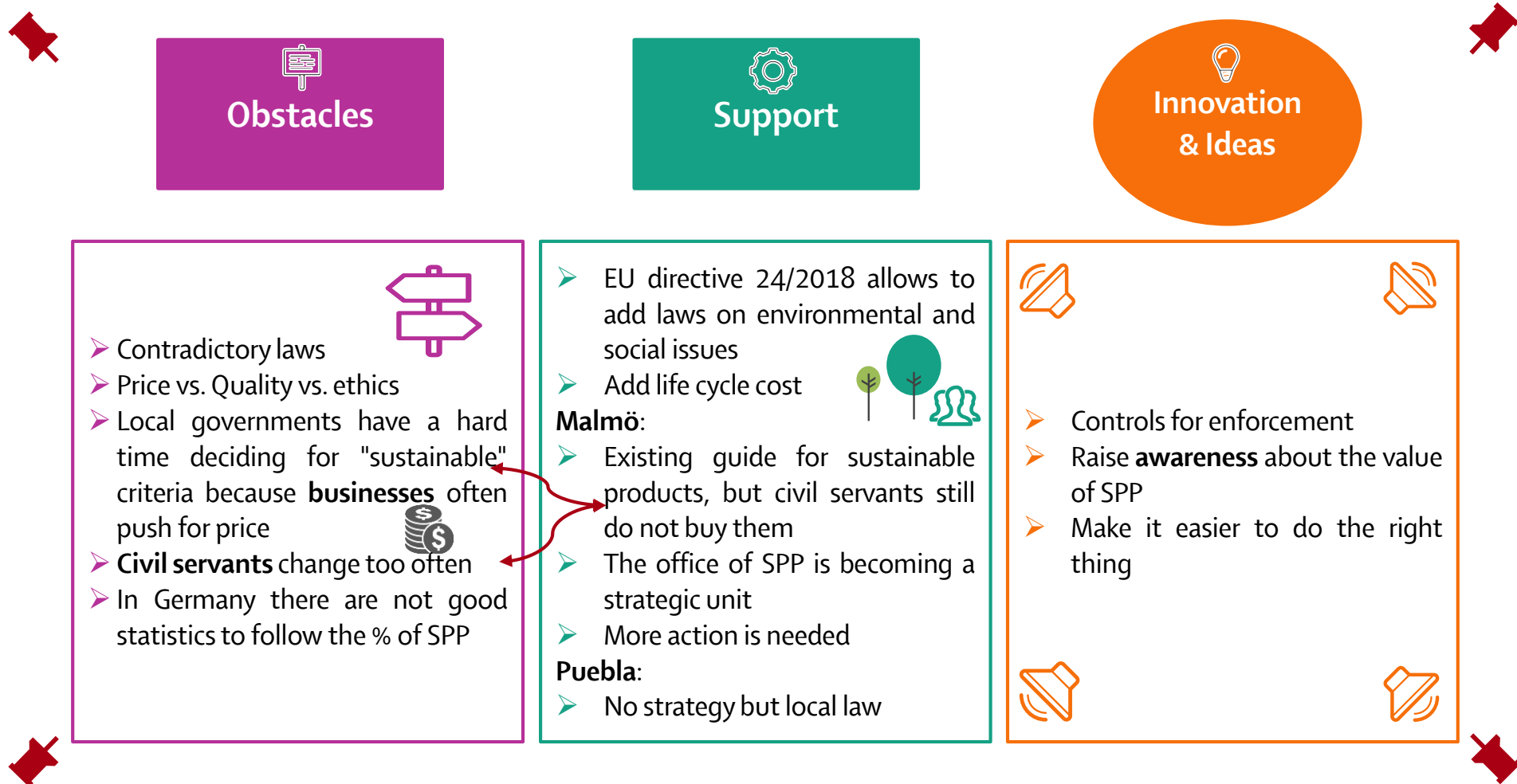
# World Café





# World Café: Organisational Support

Specific factors and reforms related to the administration of each municipality are key to the introduction of SPP. However, some factors instead of serving as **organisational support** and drive the development of the city, are rather obstacles or stumbling blocks to the implementation of SPP. In some cases it is necessary to have a department to advise procurement officers on sustainability issues.








# World Café: Exchange

Municipalities often **exchange** SPP experiences with other municipalities in a formal or informal way. Each representative of the invited municipalities shared their concrete experiences at local, national and international level. They also expressed what they would like to learn from other cities, academic institutions, governmental organisations, NGOs, etc.



Level of Exchange	Partners	Experiences
Municipal	<ul style="list-style-type: none"><li>• Municipalities in other European countries</li><li>• Specialized local NGOs</li><li>• Public schools and hospitals</li></ul>	<ul style="list-style-type: none"><li>• Dialogue between bidders and procurers from other municipalities</li><li>• Examples of guidelines for SPP and norms for regulations</li><li>• Implementation of pilot projects</li><li>• Exchange ideas on administrative organisational structures</li><li>• Internships in other municipalities</li></ul>
	 City Council – local politicians <ul style="list-style-type: none"><li>• Communication with Brazilian Federal Government on SPP issues and tools</li><li>• Municipalities in São Paulo State use the e-procurement system and SPP tools</li></ul>	
	 Gothenburg - circular criteria in tender	 Procurement network fair in Hamburg. German northern municipalities meet for conferences, networking, etc.





# World Café: Exchange



## Level of Exchange

### National

## Partners

- Joint audits on suppliers
- Specialized national NGOs
- FTT Group
- Department offices
- National Agency on PP (reference group on social environmental criteria)



- Collaboration agreement with Chile
- Federal public procurement network
- Environmental Protection Agency



- Development policy networks
- Experts forum on Consumption + production
- KEPOL – coordinators and Managers
- Femnet e.V
- SKEW
- Weed, CIR, CCC

- Global SPP network - leading cities
- ICLD
- MUFPP
- Communication with UN about environment and capacity building for public agents
- Catering companies



- Standards Institute
- ISO Standards
- Committee 20400



- Green deals:
- Circular procurement
- Logistics / transport
- Network on social procurement



- Procura+
- European network on SPP
- EU Commission

## Experiences

- Tender criteria
- Moral support
- Monitoring
- Networking events
- Exchange about labels and SPP for food (e.g. school catering)



- Municipalities' network about green public procurement
- Interregional project about circular economy in procurement



Food Procurement Network

- Internships in other countries e.g. GoEurope
- Workshops and seminars



- PianOo
- Learning networks

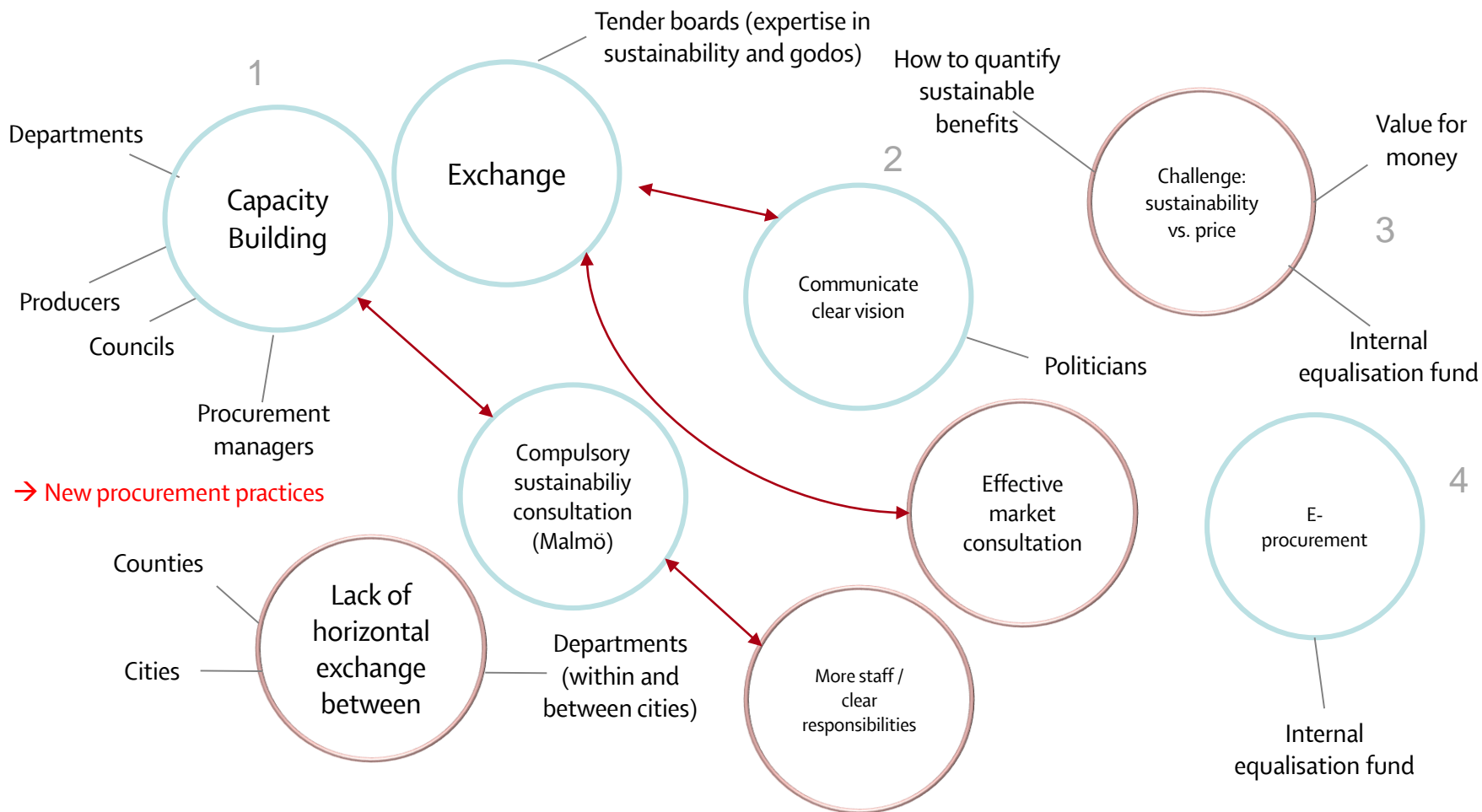
### International





# World Café: Procurement Management

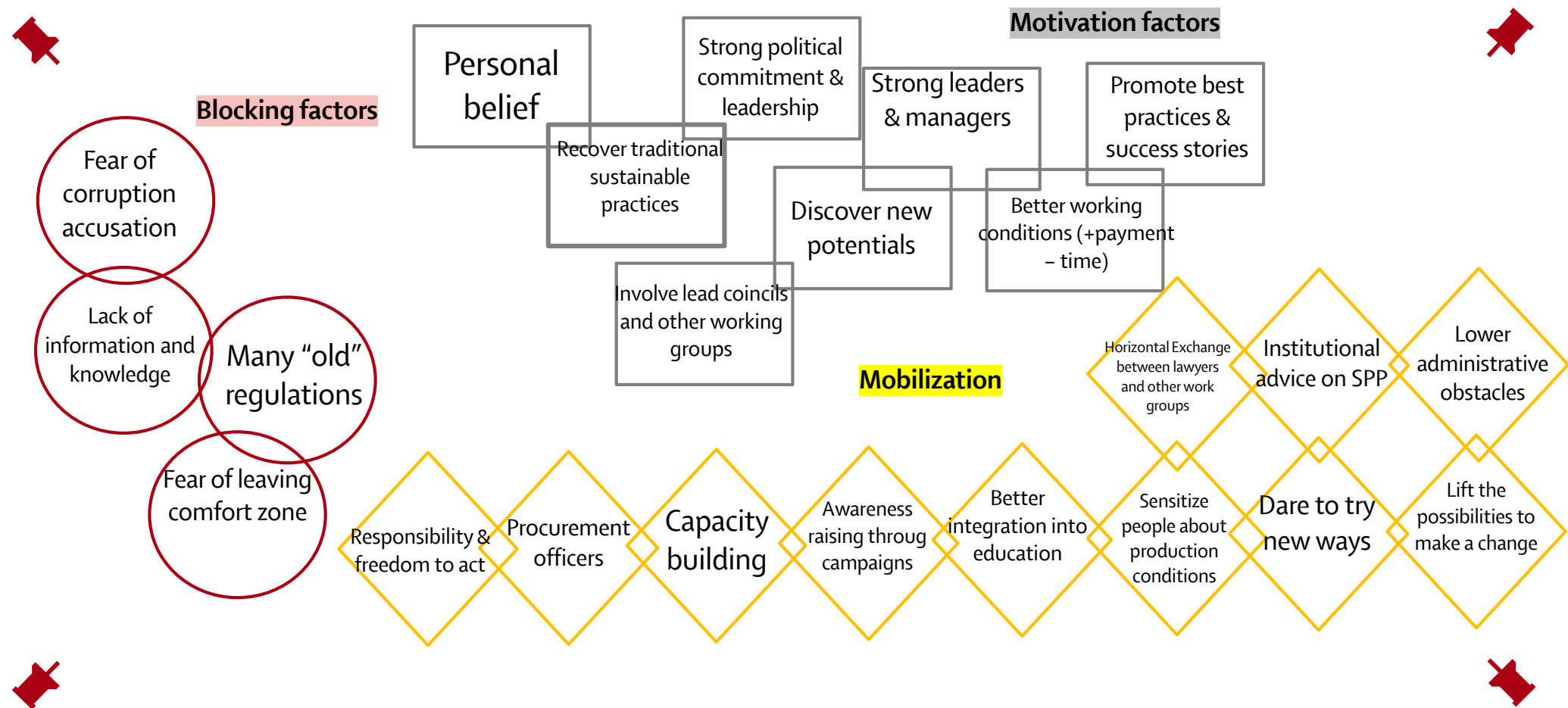
Successful SPP implementation requires organisation and structure. Working on reforms in the **procurement management** could be helpful and necessary for some municipalities.





# World Café: People

Every municipality needs change agents to drive its development by focusing on matters such as organisational effectiveness, improvement and sustainability. It is important for the city government and administration to identify what factors motivate or block people to be change agents. The focus is on the **people** and their interactions.





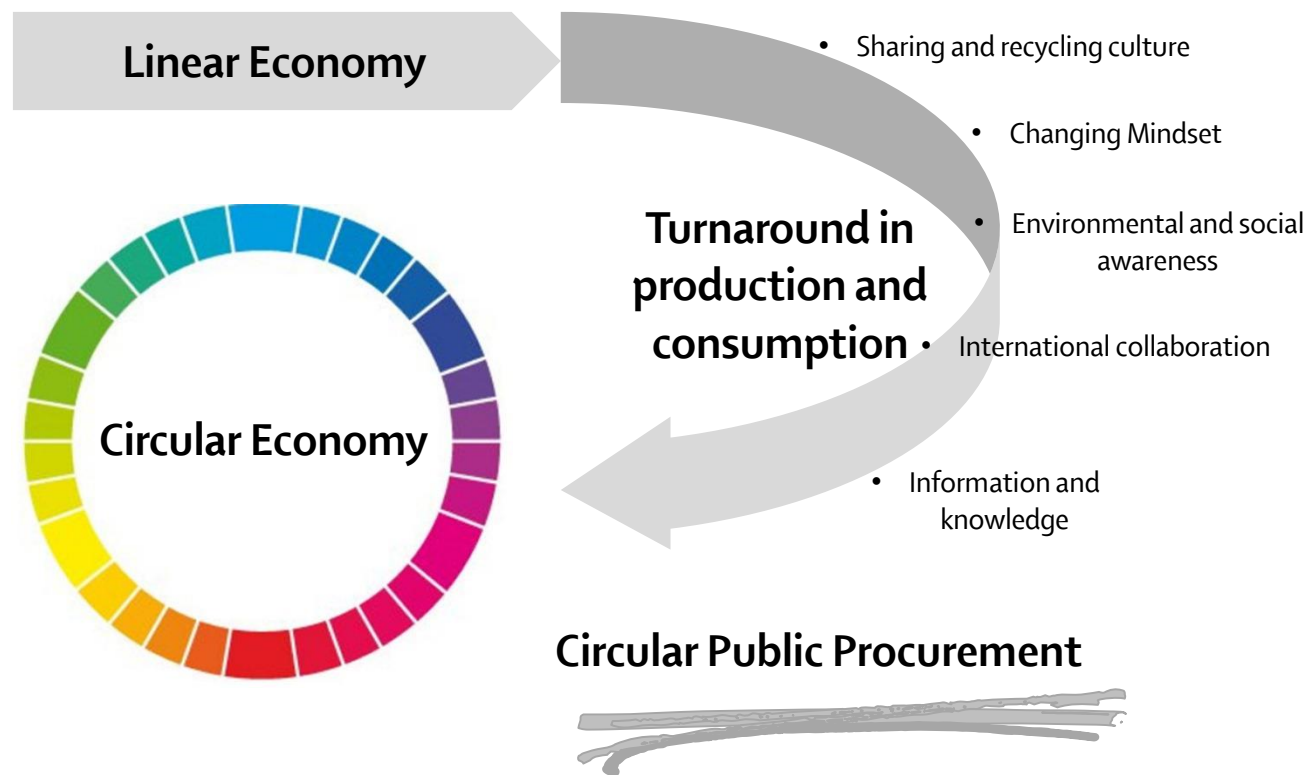


# Conclusions, future challenges and opportunities





# Where do we stand now? - Profound System Transformation



## About the MUPASS Project

### Targets

- ✓ Identifying success factors of well performing SPP governance on municipal level
- ✓ Assessing the effectiveness of SPP verification instruments in value chains
- ✓ Setting up new transfer and dialogue networks for municipalities in the Global North and the Global South on SPP

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### Challenges & opportunities

- Verify impacts of SPP
- Relationships between end users and producers
- Keep driving sustainable development in agricultural and food production
- Verification of compliance with social standards
- Understand and minimize the obstacles that municipalities face internally when implementing fair and sustainable PP

**Thank you!**

**¡Gracias!**

**Danke!**

**Obrigado!**

**Dank!**

**Tak!**

**Tack!**

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