



Institute

NACHHALTIGKEIT. SUSTAINABILITY. DURABILITÉ. BONN.

MUPASS – Dialogue Forum on Sustainable Public Procurement for Strategic Policy Goals

Bonn, 28 – 30 October 2019

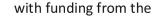
Presentations







with its





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- Embedding sustainabitlity into e-procurement Input Introduction from Tim Stoffel (DIE)
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- The use of different instruments to verify the compliance with sustainability criteria in public tenders by Denize Coelho Cavalcanti (Sao Paulo State / Brazil)

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- Market exchange to foster sustainability and transparency Input
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- Identifying and integrating (new) sustainability considerations into state supply chains by Gray Maguire (Western Cape Government, South Africa) and Kwasi Larnyoh (Institute of Local Government Studies, Ghana)
- Institutional anchoring of SPP in public administrations
 by Birte Detjen (Immobilien Bremen, State of Bremen) and Girish Daya (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), South Africa)



Day 1



Current status of SPP implementation Introduction by Dr. Maximilian Müngersdorff





Deutsches Institut für Entwicklungspolitik

German Development Institute

What is Sustainable Public Procurement (SPP) and how to implement it?

- Input for the session "Current status of SPP implementation" -

Dr. Maximilian MüngersdorffBonn, October 2019

What is SPP?



- Precondition: Acknowledgement that public procurement can serve strategic policy goals
- Brundtland Report (1987): economic, environmental and social sustainability
- All dimensions mirrored in the 17 SDGs of the UN's Agenda 2030
- SPP specifically mentioned as sub-target in SDG 12.7
- Definition SPP as umbrella term for all dimensions:

"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**."

(UK Sustainable Procurement Task Force 2006)

What is SPP?



Definition Green Public Procurement (GPP):

GPP can (...) be understood as: "...a process whereby public authorities seek to procure goods, services and works with a **reduced environmental impact throughout their life cycle** when compared to goods, services and works with the same primary function that would otherwise be procured."

(EC, 2008)



Source: www.noao.edu



Source: https://electrek.co

What is SPP?



Socially responsible public procurement (SRPP)

"SRPP aims to address the **impact on society** of the goods, services and works purchased by the public sector; thus it is e.g. about compliance with labour law, social inclusion, enhanced employment opportunities, equal opportunities, accessibility and design for all, ethical trade, human rights and decent work"



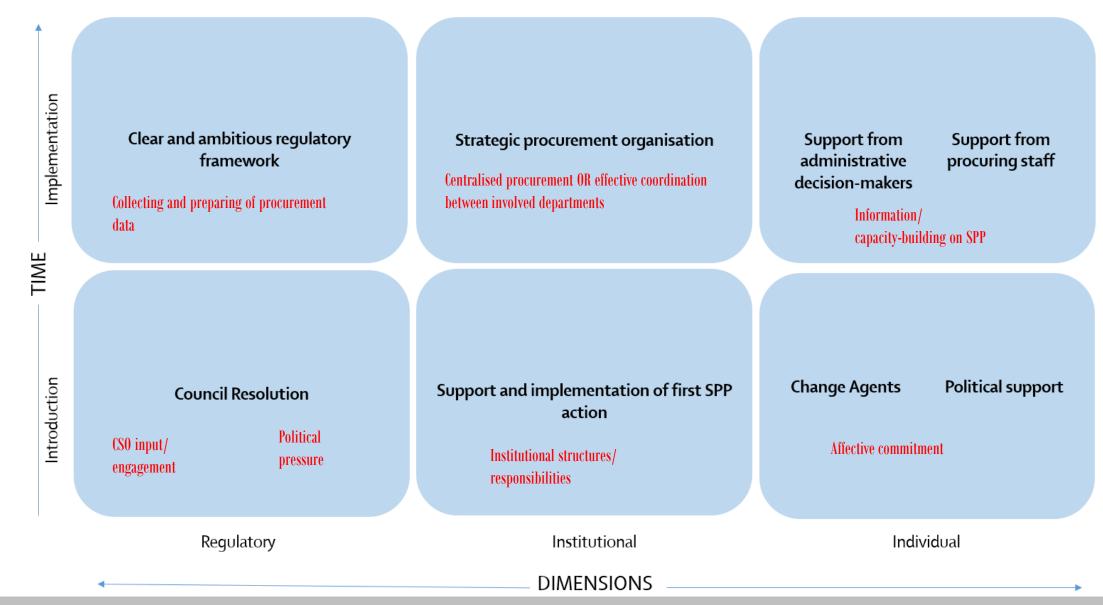
Source: https://www.omnia.co.za/sustainability/bbbee



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How to implement SPP?







Thank you!

The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

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Embedding sustainabitlity into e-procurement - Input Introduction by Tim Stoffel





Deutsches Institut für Entwicklungspolitik German Development Institute

Input: Embedding sustainability into e-procurement

Tim Stoffel

Bonn, October 2019

What is E-Procurement?



- Electronic Procurement / Digital Procurement
 - Utilising digital tools in the procurement process
 - + Rethinking the procurement process including pre- and post-award phases (EU)
- Aspects of E-Procurement
 - 1. Digitalisation of the **tender process**
 - ➤ Handling the steps of the procurement process electronically, e.g. setting up of procurement platforms
 - 2. Digitalisation of the supply chain
 - ➤ Handling the execution of the tender electronically, e.g. ordering goods from a framework contract (E-Fulfillment)

What is E-Procurement?



Aspects of E-Procurement

Digitalisation of the tender process

- Electronic access to information (legislation, guidelines, forms)
- Electronic tools for the planning phase (procurement search, registers)
- Tendering tools and platforms
 - Communications
 - E-tendering / E-Awarding
 - E-Auctions

Digitalisation of the supply chain

- Electronic tools for Contract Management
- Electronic catalogues

Implementation of E-Procurement



Most OECD countries make only partially use of e-procurement

9.7. Provision of e-procurement functionalities

	Announcing tenders	Provision of tender documents	E-submission of bids	E-reverse auctions	Notification of award	E-submission of invoices	Online catalogue
Australia	•	•	•	О	•	0	0
Austria	••	••	••	•	•	•	•
Belgium	•	•	•	•	•	•	•
Canada	•	•	0	O	•	•	•
Chile	•	•	•	O	•	0	•
Denmark	••	•	••	•	••	•+	0
Estonia	••	••	•	•	•	•	0
Finland	•	•	•	•	•	•	•
Germany	••	••	••	O	••	0	0
Greece	•	•	•	•	•	0	0
Hungary	•	•	O	O	•	0	0

OECD (2017) Government at a Glance

- E-Procurement in the Global South: Fast and (partially) thorough
 - Costa Rica, Mexico, South Africa ...



Potentials

- Standardising procedures
- New data on procurement
- Direct connection with the supply chain
- Additional tools for SPP



Potentials

- Standardising procedures
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Example

Integration of new standards

Potential:

Using the reform of the procurement system to comprehensively introduce sustainability aspects

Risk:

Electronic procedures without sustainability considerations might complicate individual integration of them (pilot projects, case-by-case decisions)

→ As smaller measures are more likely to be introduced it is paramount to integrate sustainability case by case



Potentials

- Standardising procedures
- New data on procurement
- Direct connection with the supply chain
- Additional tools for SPP

Example

- ➤ E-Catalogue of the City of Mainz
- Including information on sustainability aspects in product description
- Ranking products by their sustainability aspects
- Ensuring the integration of (more)
 sustainable products into the catalogue



Potentials

- Standardising procedures
- New data on procurement
- Direct connection with the supply chain
- Additional tools for SPP

Examples

- Enabling a better analysis of procurement
 - First step to more sustainable procurement decisions and planning
- Overview on integration of sustainability aspects
 - Following up on implementation: Making progress measurable



Potentials

- Standardising procedures
- New data on procurement
- Direct connection with the supply chain
- Additional tools for SPP

Examples

- Better integration of information from the supply chain
 - Enabling secure access to due diligence documentation (based on the 2017 Due Diligence Law in France) via data rooms
 - Electronic Catalogues
 - Building Information Modeling (BIM)
 - Blockchain technology?



Potentials

- Standardising procedures
- New data on procurement
- Direct connection with the supply chain
- Additional tools for SPP

Examples

- Life Cycle Cost Tools
- Product-group specific Excel tool of the German Environment Agency
- Online Life Cycle Costing and Emissions Tool by SMART SPP EU
- Sustainable Procurement Tool Helps with assessing the sustainability-risks of products according to German state laws, developed by Engagement Global and GIZ

Potentials and Limits of E-Procurement



According to the EC digital procurement has a lot to offer:

"The use of electronic tools in public procurement offers a range of important benefits such as:

- significant savings for all parties
- simplified and shortened processes
- reductions in red-tape and administrative burdens
- increased transparency
- greater innovation
- new business opportunities by improving the access of enterprises, including small and medium-sized enterprises (SMEs) to public procurement markets." (EC n.d. Digital Procurment)
- → No automatic consequences of digitalisation
- → The question is how we digitalise public procurement

Potentials and Limits of E-Procurement



What aspects have to be considered when digitalising public procurement?

- Not to exclude bidders (SMEs, local enterprises)
- Enabling public officials as well as potential bidder to use new systems
- Promoting transparency and data generation
- Inclusion of sustainability considerations

• ...



Thank you!

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Topics for Exchange



- Data generation for SPP
- Experiences with digital planning tools for SPP
- Experiences with SPP in digital tender platforms
- How to take along SMEs and local enterprises in e-procurement
- (Blockchain for SPP)



PP as a tool to support the local economy and disadvantaged groups - Food and Agriculture Organization of the United Nations (FAO)

by Luana Joppert Swenson



Using Sustainable (Food) Procurement for Strategic Policy Goals

Luana F. J. Swensson
Policy specialist for public procurement

MUPASS Dialogue Forum
Sustainable Public Procurement for Strategic Policy Goals
28 October 2019 /



Public food procurement initiatives











Public food procurement initiatives

Potential to influence both <u>food consumption</u> and <u>food production</u> patterns

Depending on the choice on:

- What food to purchase (such as local, diverse, nutritious, healthy culturally adequate)
- From whom (e.g. local and/or smallholder farmers, small and medium food enterprises, women, youth and/or other vulnerable groups)
- From what type of production practices (e.g. from agricultural production that ensures environmental sustainability and biodiversity

Delivery multiple benefits to a multiplicity of beneficiaries across the three pillars of sustainability

Inclusive procurement: "Deliberate way for governments to purchase goods or services from specific unfavoured or vulnerable supplier categories *[smallholder farmers and small and medium food enterprises]* in order to advance social and economic development" (Brooks et al, 2014)





Food Producers









Community



The experience of Brazil

Brazilian Food Purchase Programme (PAA)

- I. support family **farming production** by promoting its **economic and social inclusion**, and fostering **income generation**, **sustainable food production**, processing and industrialization
- II. support the **consumption** and valorization of food produced by family farming;
- III. promote access to food, in the quantity, quality and regularity necessary for people with food and nutritional insecurity;
- IV. promote and enhance biodiversity, organic and agro-ecological food production and encourage healthy eating habits at local and regional level;
- V. stimulate the development of cooperatives and associations
- VI. strengthen local and regional **networks for food commercialization** (Law No. 10.696/2003, Law No. 12.512/2011, Decree No. 7775/2012).



Brazilian National School Feeding Programme (PNAE)

- "Support of local and sustainable development, fostering the purchase of diversified and locally produced food from family farming producers" (Law No. 11.947/2009)
- At least 30% of federal budget must be used for direct purchase from family farming producers
- PAA and PNAE: Priority (among family farming producers) to:
 - vulnerable and marginalized populations (including land reform settlers, members of traditional communities, beneficiaries of social programme and women)
 - Organic and agro-ecological products (+ price premium)
 - Local products



Building on the Brazilian experience: The work of FAO









Program of Brazil-FAO International Cooperation



Sustainable schools

Healthy and adequate school feeding, with products from family farming

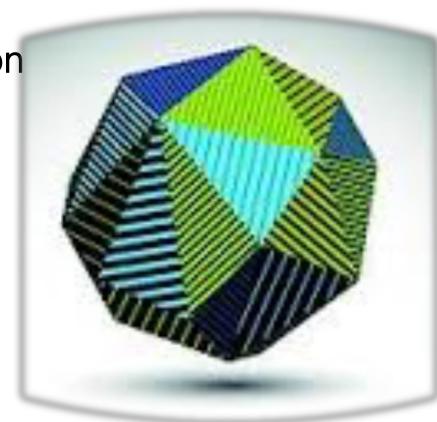
GCP/GLO/775/ITA

"Policy Support on Public Food Procurement for Government-led Home Grown School Food initiatives"



Key points for SFPP policies

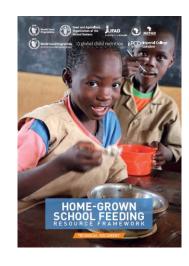
- Multisector coordination/collaboration
- 2. Alignments in policy and <u>legal frameworks</u>
- 3. Impact evalution





SCHOOL FEEDING

AND POSSIBILITIES FOR DIRECT CASE STUDIES FROM EIGHT COUNTRIES























INSTITUTIONAL PROCUREMENT OF FOOD FROM SMALLHOLDER FARMERS

The Case of Brazil

1 0 1 100.



ALIGNING PUBLIC PROCUREMENT RULES AND

PRACTICES TO SUPPORT THE IMPLEMENTATION OF HOME-GROWN SCHOOL FEEDING (HGSF) INITIATIVES:

The case of Ethiopia



Thank you

Contact us

Luana.Swensson@fao.org

FAO Nutrition and Food Systems Division (ESN)



The use of different instruments to verify the compliance with sustainability criteria in public tenders

by Denize Coelho Cavalcanti



Secretariat for Infrastructure and Environment



São Paulo State SPP Program



Sustainability criteria and verification in public procurement

Bonn, October 28 th, 2019

INTRODUCTION



2003 - Accession to the Marrakesh Task Force (Rio +10)

2005 – Act 50.170 Socio-eco Label 2008 – Act 53.336 SPP State Program



HOW IT WORKS



SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT Sustainability Criteria

SOCIO-ECO CATALOG (PRODUCTS AND SERVICES)

TREASURY AND PLANNING SECRETARIAT

Procurement esystem management





SOCIAL AND ENVIRONMENTAL CRITERIA



> Act 50.170/2005 - Socio-Eco Label criteria

- Promotion of social policies
- > Enhancement of transparency
- Savings in water and energy consumption
- Reduction of waste generation
- Rational use of raw materials
- Reduction of pollutant emissions
- > Less aggressive technologies to the environment
- Use of low toxicity products
- > Technologies with reduction of GHG emissions

Yes, a little subjective...



SOCIAL AND ENVIRONMENTAL CRITERIA



- > So, we work with some concepts focused on technical specifications to be more objective:
 - ➤ Promotion of social policies accessibility and social inclusion of people with disabilities, inclusion of recyclable waste pickers
 - > Enhancement of transparency labeling, safety data sheets
 - > Savings in water and energy consumption technical standards and energy efficiency programs
 - ➤ Reduction of waste generation recyclable materials and/or recycled components and reverse waste logistics clauses



SOCIAL AND ENVIRONMENTAL CRITERIA



> A few more examples:

- > Rational use of raw materials use renewable and natural raw materials
- Reduction of pollutant emissions chemical safety requirements
- ➤ Less aggressive technologies to the environment ecolabel systems (FSC and CERFLOR about sustainable forest management)
- Use of low toxicity products national technical standards and international directives (eg. RoHS European Directive)
- > Technologies with reduction of GHG emissions Brazilian Vehicle Labeling Program





- Conformity assessment mechanisms:
 - Mandatory
 - ➤ Established by the National Institute of Metrology and Quality Regulations (INMETRO)
 - > Voluntary
 - Established by the National Institute of Metrology and Quality Regulations (INMETRO)
 - > International regulations (eg. FSC)
- Mandatory certifications are always mentioned at technical specifications (eg. PBE/INMETRO and ABNT NBRs)
- ➤ Voluntary mechanisms sometimes are mentioned at specifications and sometimes are used **just to verify compliance with the criteria** (eg. FSC/CERFLOR x ABNT Ecolabel)



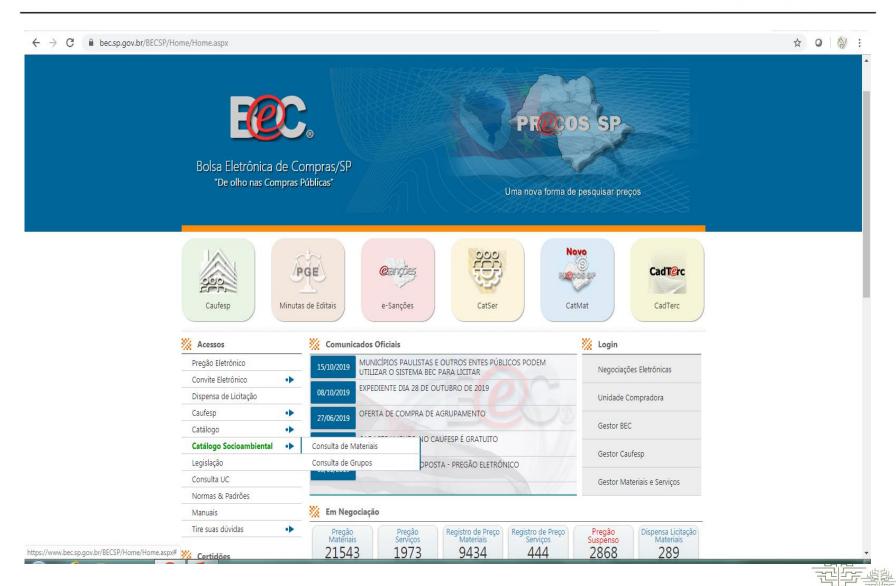
TYPES OF VSS CONSIDERED



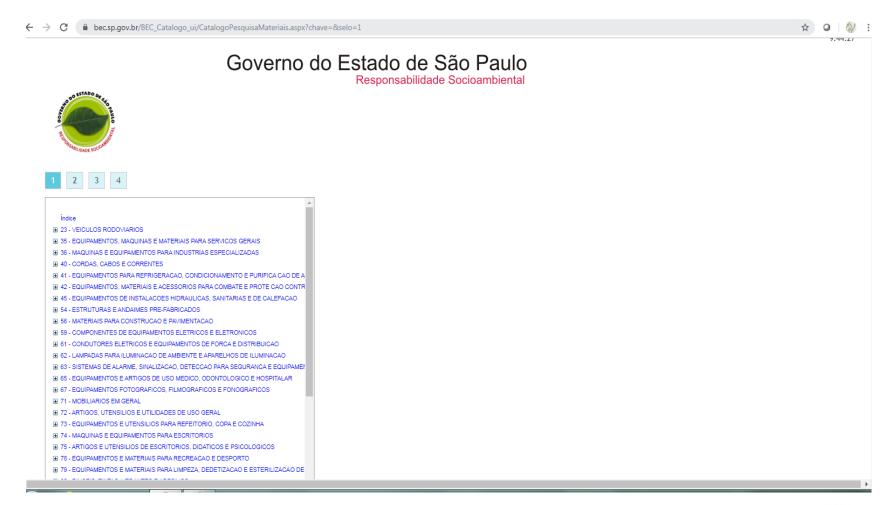
- > Type I
 - ➤ Verified by a third part (ABNT NBR ISO 14024) Ecolabels
- > Type II
 - ➤ Self declarations (ABNT NBR ISO 14021)















■ bec.sp.qov.br/BEC_Catalogo_ui/CatalogoPesquisa3.aspx?chave=&pesquisa=Y&cd_item=&cd_Grupo=41&cd_Classe=4110&cd_Material=161594 Separador de Garrafas, Porta Ovos; Medidas: 1860 x 735 x 797 Mm (axlxp); 60 Hz; Consumo: 55 Kwh/mes; Voltagem: 127 V; Peso Aproximado: 76 Kg; Painel Blue Touch. Gavetao de Frutas e Legumes, Drink Express, Turbo Freezer, Ice Twister: Garantia Minima de 12 Meses; Fabricado de Acordo Com Legislacao Vigente; Com Selo Procel, Eficiencia Energetica Letra A; 5463688 - Refrigerador Domestico, Vertical, 1 Porta, Branco, 110v REC Especificação Técnica: Refrigerador Domestico: Vertical, 1 Porta, Frost Free, Sistema de Porta Reversivel; Capacidade Líquida Minima: 342 Litros, Sendo 295litros do Refrigerador e 47 Litros do Freezer; Na Cor Branca; Com 03 Prateleiras e Gavetas; 110v; Garantia Mínima 12 Meses; Com Selo Procel Letra "a"; 5428599 - Refrigerador Domestico, 76 Litros, Preto, 110v 😻 🖫 🖺 Selo Socioambiental - Critérios Considerados: Economia No Consumo de Energia; Especificação Técnica: Refrigerador Domestico; Frigobar; Com Capacidade Minima 76 Litros; Na Cor Preta; Com Prateleiras, Gaveta Multiuso, Porta-garrafas e Porta-latas; Medindo: Aproximadamente (807 x 482 x 519)mm = (axlxp); Com Controle de Temperatura; 110 V; Peso Aproximado 30 Kg; Com Forma de Gelo, Separador de Garrafas, Termostato; Garantia Minima 12 Meses; Conforme Normas Vigentes; Com Selo Procel Letra "a"; 5410703 - Refrigerador Domestico, Verticl, Duplex, 220v, Branco REG Especificação Técnica: Refrigerador Domestico; Vertical, Duplex, Sistema Frost-free; Capacidade Total Mínima de 400 l e Máxima de 450 L, Freezer Com Capacidade Mínima de 75 Litros; Na Cor Branca; Prateleira/gaveta Plástica No Freezer, Prateleirasem Vidro Temperado/acrílico, Gavetas Plásticas; 220v; Prateleiras de Portas e Cestos, Termostato Ajustável, Compressor Hermético, Sapatas Niveladoras; Garantia Minima 12 Meses; Conforme Nbr/abnt Vigentes;

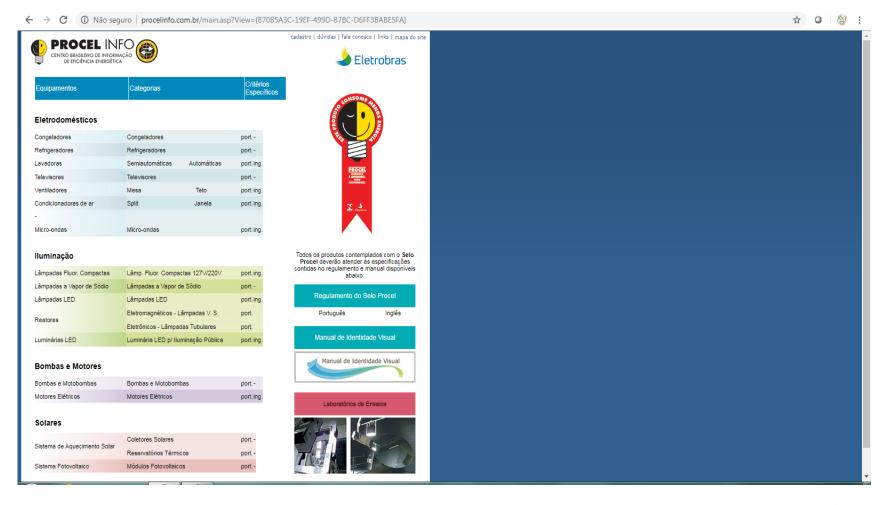




genda:	Sua Pesquisa Retornou: 19 Registro(s)	
Item com Selo Socioambiental 🛮 🖺 🚉 Item BEC 👢 Item com Negociação	Ordenar Resultado Por: ☐	
Grupo 75 - Artigos e Utensilios de Escritorios, Didaticos e Psicologicos(19) Classe 7520 - Materiais e Suprimentos Uso Didatico, Pedagogico, Psicologico, Papelaria, Pinceis e Acessorios para Pintura Manual(19) Material	5448816 - Papel Sulfite de Papelaria, formato A2,75g, branco Grupo: 75 >> Classe: 7520 >> Material: 127817 Selo Socioambiental - Critérios Considerados: Fomento a Politicas Socias, Minimizacao Da Geracao de Residuos, Racionalizacao do Uso de Materias-p Rimas, Utilizacao de Produtos de Baixa Toxicidade, Economia No Consumo de Energia. Especificação Técnica: Papel Sulfite de Papelaria; Gramatura 75g/m²; Formato A²; Medindo (594 x 420) Mm; Alvura Minima de 90%, Conforme Norma Iso; Opacidade Minima de 87%; Umidade Entre 3,5% (+/-1,0), Conforme Norma Tappi; Corte Rotativo, Ph Alcalino Cor Branco; Embalagem Revestida Em Bopp; Produto Com Certificacao Ambiental Fsc Ou Cerflor, Com Selo e Codigo de Licenca Impressos Na Embalagem;	
127817 - Papel Sulfite de Papelaria(19)	5373468 - Papel Sulfite de Papelaria 150 G/m2,a3,(297x420)mm,branco Grupo: 75 >> Classe: 7520 >> Material: 127817 Selo Socioambiental - Critérios Considerados: Fomento a Politicas Socias, Minimizacao Da Geracao de Residuos, Racionalizacao do Uso de Materias-p Rimas, Utilizacao de Produtos de Baixa Toxicidade, Economia No Consumo de Energia. Especificação Técnica: Papel Sulfite de Papelaria; Gramatura 150 G/m2; Formato A3; Medindo (297x420)mm; Alvura Minima de 90%, Conforme Norma Iso para Papel Branco; Opacidade Minima de 86% a 92%; Umidade Entre 3,5%(+/-1,0),conforme Norma Tappi; Corte Rotativo, Ph Alcalino Cor Branca; Embalagem Revestida Em Bopp, Com Nome do Fabricante Impresso; Produto Com Certificacao Ambiental Fsc Ou Cerflor, Com Selo e Codigo de Licenca Impressos Na Embalagem;	
	5373450 - Papel Sulfite de Papelaria 180g/m2, A3,(297x420)mm,branco Grupo: 75 >> Classe: 7520 >> Material: 127817	
	Selo Socioambiental - Critérios Considerados: Fomento a Politicas Socias, Minimizacao Da Geracao de Residuos. Racionalizacao do Uso de Materias-o Rimas. Utilizacao de Produtos de	

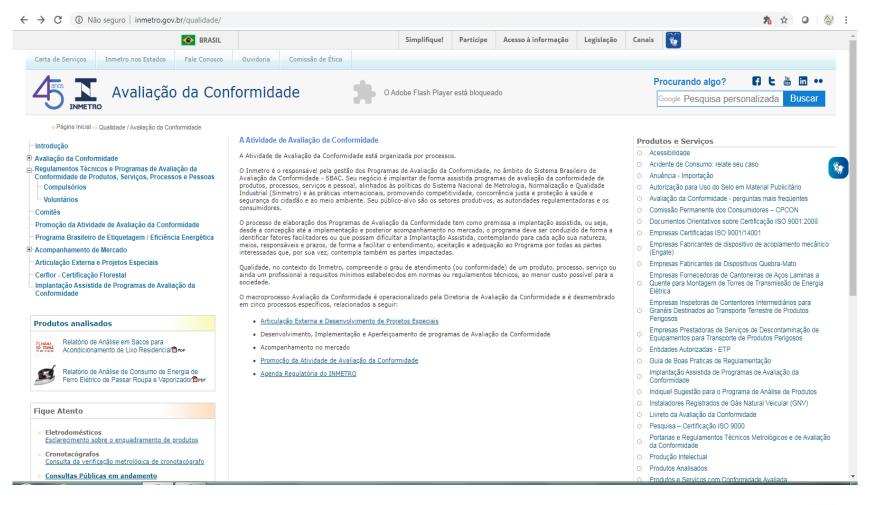














PROPOSAL ABOUT ECOLABELS



Adopt **SPPEL** (Sustainable Public Procurement and Ecolabelling Project) methodology, from UNEP – 10YFP, and improve the use of national and international ecolabel systems in public procurement:

- National
 - ➤ ABNT Ecolabel (GEN)
 - > Ecocert
- International
 - **➤** EPEAT
 - > Fair Trade
 - Rainforest Alliance



CHALLENGES



- ➤ Ecolabel systems should be adopted as a "map", as a reference for technical specifications, but should not be required exclusively and/or eliminatory in public procurement
- ➤ Law enforcement agencies understand that they should only be used to verify compliance with sustainability criteria by suppliers and manufacturers





Denize Cavalcanti

Technical Coordination – São Paulo SPP Program Secretariat for Infrastructure and Environment

https://www.infraestruturameioambiente.sp.gov.br/cpla/consumosustentavel/sustainable-public-procurement/

dcavalcanti@sp.gov.br





Day 2



Introduction - Service Agency Communities in One World of Engagement Global

by Dr. Jeanette Schade





SKEW - Service Agency Communities in One World

Dr. Jeanette Schade, Project Manager Fair Trade, Fair Procurement

MUPASS - Municipalities Promoting and Shaping Sustainable Value Creation – DIE/GDI Project

> Dialogue and Transfer Forum on Public Procurement -Municipalities as Agens of Change, Bonn, 29. October 2019

Im Auftrag des































Engagement Global – Service for Development Initiatives



On behalf of the Federal Ministry for Economical Cooperation and Development (BMZ)





The Service Agency Communities in One World

Mandate:

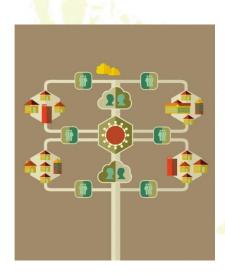
Since 2001 the Service Agency has been operating on behalf of Germany's Development Ministry, the BMZ, as its competence centre for municipal development cooperation.

Goals:

To strengthen practical engagement for development by municipalities (policymakers and administrators) and local communities (civil society)

Forward-looking themes:

- Developing partnerships with municipalities in countries of the South and in emerging economies
- Migration and development at the local level
- Fair procurement as a municipal contribution to fair trade
- Global sustainable municipality







Our Activities on Fair Trade and Fair Public Procurement

- Awarding municipalities for their fair trade performance
 Capital City of Fair Trade Award
- Fair Public Procurement Network
- Sustainability Compass (together with GIZ)
- Legal advice on sustainable procurement
- Lending out of product samples (e.g. protective clothin
- Developing and funding projects with/of municipalities and civil society actors
- Publications, studies, conferences
- Funding of coordinators for municipal development policy with a procurement focus















BE PERSISTENT!

Thank you for your attention!

Michael Marwede

Head of the Fair Trade and Migration Division

Email: michael.marwede@engagement-global.de



Market exchange to foster sustainability and transparency – Input Introduction from Dr. Maximilian Müngersdorff





Deutsches Institut für Entwicklungspolitik German Development Institute

Input for the session "Market exchange to foster sustainability and transparency"

Dr. Maximilian Müngersdorff Bonn, October 29, 2019

Introductory Remarks



- Market exchange can be beneficial for both procurers and market actors
 - procurer learns about what the market already offers or could offer + what criteria s/he can include into the tender documents
 - the market actor learns what the procurer actually wants and whether participating in a tender is attractive or not
 - → Especially when it is about new or special criteria in tenders, an exchange with the market can be extremely beneficial for both sides

Example City of Bonn



- Goal: purchase of ethically produced working clothes
- § 28 of the German Award Rules:
 - Equal participation
 - Transparent handling of results
- Broad participation (besides procurers and firms, e.g. also civil society and representatives from other municipalities)
- Dialogue focused on technical product specifications



Foto: Barbara Frommann

Example City of Copenhagen



- Years of intensive market dialogues with food producers around Copenhagen
- Goal: increasing the level of organic food items in public canteens
- Today most farms around the city shifted to organic production + the share of organic food items in public canteens is at over 90%
- No extra costs for products but for knowledge, education, market exchange



Input for the debate



- Market exchange and especially bidder dialogues are recourse intensive and thus, rather the exception than the rule
- BUT: our interviews showed that there is the clear wish to intensify such dialogues, especially when it comes to SPP
- Insight from last year's dialogue fora: practitioners from the Global South are particularly skeptical
- => What could be types or conditions of market exchanges that ensure both a high level of sustainability and transparency without opening the backdoor for corruption?



Thank you!

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Effects of SPP – Input "Buying Social - Good Practices implementing Socially Responsible Public Procurement from across Europe"

by Philipp Tepper





Buying Social - Good Practices implementing Socially Responsible Public Procurement from across the world

Philipp Tepper

Coordinator, Sustainable Economy and Procurement MUPASS Dialogue Forum 2019, Bonn

ABOUT



ICLEI - Local Governments for Sustainability is a global network of more than **1,750 local and regional governments** committed to **sustainable urban development**.

Active in 100+ countries, we influence sustainability policy and drive local action for low emission, nature-based, equitable, resilient and circular development.

Our Members and team of experts work together through peer exchange, partnerships and capacity building to create systemic change for urban sustainability.

1750+ LOCAL AND REGIONAL GOVERNMENTS

25% OF THE GLOBAL URBAN POPULATION

22 OFFICES WORLDWIDE

AND MORE THAN 20% OF THE GLOBAL POPULATION

ACTIVE IN 100+ COUNTRIES

DEVELOPMENT PATHWAYS

ICLEI AROUND THE WORLD



Serving our network from 22 offices around the world



ABOUT PROCUREMENT & ECONOMY



Since 1996 ICLEI has been advocating for, promoting and demonstrating the value of sustainable, innovation, circular and strategic procurement.

ICLEI provides professional information, advice, networking opportunities, training and tools to public authorities wanting to implement better, more cost-effective procurement practices.

ICLEI has a strong voice on the European and international stage.

- We are a member of the European Commission's Green Public Procurement Advisory Group,
- lead or co-lead a number of international initiatives supporting the uptake of sustainable procurement,
- and work actively on the ground with public authorities to implement better procurement.





Every purchasing decision we make has an impact ...

... on the environment, economy and society.

SRPP: a definition



Socially responsible public procurement (SRPP): a definition

SRPP aims to address the impact on society of the goods, services and works purchased by the public sector.

- Compliance with labour law
- Social inclusion
- Enhanced employment opportunities
- Equal opportunities
- Accessibility and design for all
- Ethical trade, human rights and decent work



KEY INITIATIVES for implementing SRPP





Initiated and co-ordinated by ICLEI, Procura+ is a network of European public authorities and regions that connect, exchange and act on sustainable and innovation procurement.

16 YEARS



16

COUNTRIES



42

PARTICIPANTS



63m

POPULATION



A SRPP story from the Procura+ Network



TRANSPORT FOR LONDON

Working with suppliers to achieve social opportunities

Since 2009, TfL has worked in partnership with suppliers to provide opportunities to people from a range of backgrounds, while also ensuring the deliverability of its future business plan. This approach has been reinforced by the Greater London Authority's Responsible Procurement Policy (2017). By inserting Stategic Labour Needs and Training (SLNT) into contracts, and working with other third sector organisations, TfL has successfully increased the routes into supply chain employment, helping to create 5,400 supply chain apprenticeship starts and over 5,000 workless job starts.



www.procuraplus.org

<u>Target:</u> Support suppliers to address skills shortages and underrepresentation in the transport and infrastructure sector



Make ICT Fair



Socially Reponsible Public Procurement of ICT

Public authorities have the power to use procurement to create better working conditions and protect the rights of workers and communities by purchasing products that have been procured in a socially responsible manner.

The Procura+ Interest Group on Socially Responsible Public Procurement (SRPP) aims

- to support public authorities in procuring information and communication technology (ICT) hardware products and
- to foster the exchange on procurement activities as part of the Make ICT Fair Project.

With the expertise of <u>Electronics Watch</u>, <u>Procura+ Network</u> and <u>ICLEI Europe</u>, procurement guidance including criteria and verfication schemes are being developed that consider social responsibility throughout the whole supply-chain of ICT products. These are applied by five pilot authorities: <u>Greater London Authority</u> (GLA), <u>Region Stockholm</u>, <u>Barcelona City Council</u>, Advanced Procurement for Universities and Colleges Scotland (<u>APUC</u>), and <u>Gemeente Haarlem</u>.





This project has received funding from the European Union's EuropeAid programme under grant agreement CSO-LA12017/388-226. The sole responsibility for any error or omissions lies with the editor. The content does not necessarily reflect the opinion of the European Commission. The European Commission is also not responsible for any use that may be made of the information contained herein.

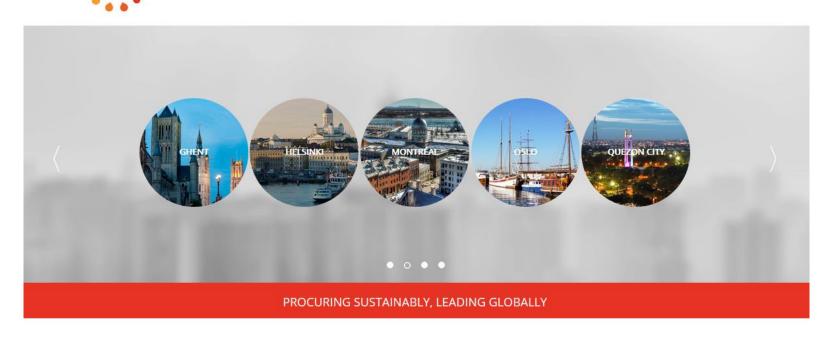


http://www.procuraplus.org/interest-groups/Socially-Responsible-Public-Procurement

OBAL LEAD CITY NETWORK

ON SUSTAINABLE PROCUREMENT





GLCN Cities are leading by example globally in sustainable procurement implementation. The cities have established clear and measurable targets and are working on strategies to deliver on them.



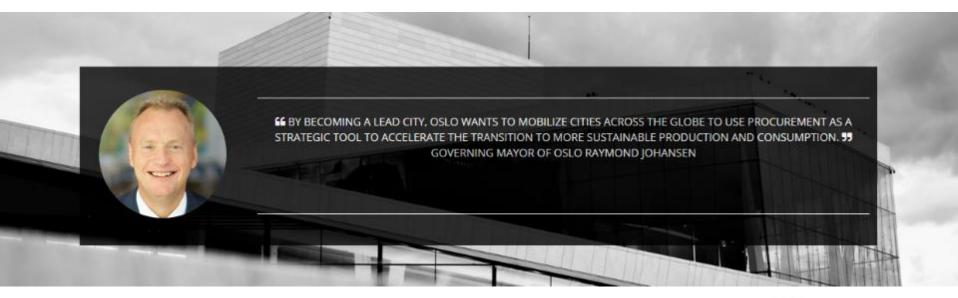




As leading cities, we act as ambassadors of sustainable and innovation procurement to lead to a resource efficient, low carbon and socially responsible society worldwide.

www.glcn-on-sp.org









Challenge for SRPP –

8 ILO Conventions and 10 principles of UN Global Compact compliance not monitored - beyond capacity of public authorities





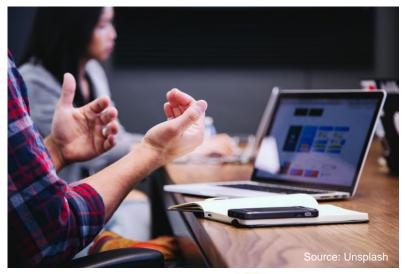
Approach - 2013 Oslo

Compliance monitoring through a framework agreement on contract management in supply chains

~€120.000 contract value per year

Open to all Norwegian public institutions

Failure to comply can result in breach of contract







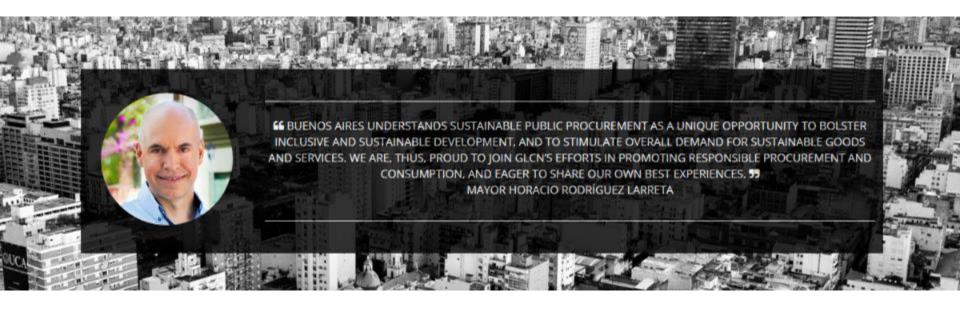
Results -

>60 public authorities joined the Agreement Enabling smaller authorities Collaboration leverages lower cost of supplier monitoring



BUENOS AIRES





BUENOS AIRES - ARGENTINA



Challenge for SRPP -

to promote economic autonomy for women through their incorporation into the public market for the purchase of goods and services



BUENOS AIRES - ARGENTINA



Approach –

General Directorate of Purchasing and Contracting has developed the 'Seal Company Women Project'

Gender perspective in the procurement processes and public procurement of goods and services

Result -

Procurement as a tool for Buenos Aires City Government to start implementing gender equality in economic development.

GHENT-BELGIUM







GHENT-BELGIUM



Challenge for SRPP -

Lack of transparency in textile supply-chains

Market was not ready to deliver the level of environmental and social impact required





GHENT - BELGIUM



Approach -

framework agreement of 1.200.000 EUR 5 lots - varying degrees of social and environmental performance toolbox for each level of performance, listing the proof bidders had to submit

contract clauses apply to ensure due diligence

Result -

Toolbox 'Socially Responsible Workwear'





Coming soon: EC DG GROW Buying Social Guide 2020



ICLEI is updating the EC DG GROW 2011 "Buying Social" guide on social considerations in public procurement, with the objective of guiding and supporting contracting authorities in the use of socially responsible considerations.

The guide shall offer:

- Concrete and practical recommendations on how to carry out a public procurement procedure with a socially responsible character
- Concrete and practical recommendations on the tools which can be made available by national and local authorities in order to help contracting authorities achieve socially responsible procurement procedures and purchases
- Easy to understand explanations and clarifications of the legal concepts linked to the application of EU legal provisions to achieve socially responsible public procurement procedures

EASME/DG GROW Call for Good Practice



Call for good practices on Socially Responsible Public Procurement

- ·light regime · · reserved contracts · · fair trade ·
 - ·design for all · ·decent working conditions ·

Would you like to be featured?

procurement@iclei.org



The collection of good practices takes place in the framework of the project "Collecting good practices and raising awareness on socially responsible public procurement" of EASME and DG GROW.



CONNECT WITH US



Thank you for your attention

Philipp Tepper

Email: philipp.tepper@iclei.org

More resources:

www.sustainable-procurement.org

Sign-up to our newsletter ,Procura+ Update'













Effects of SPP – Input "Effects of public procurement in disadvantaged groups – The case of South Africa"

by Lerato Shai



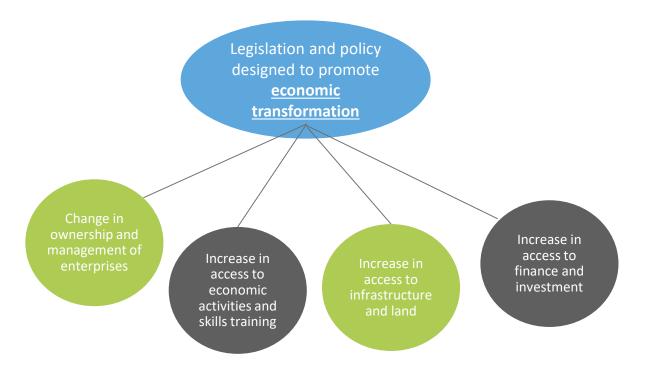
Lerato Shai 29 October 2019

Public Procurement in the context of Broad-Based Black Economic Empowerment (BBBEE) in South Africa

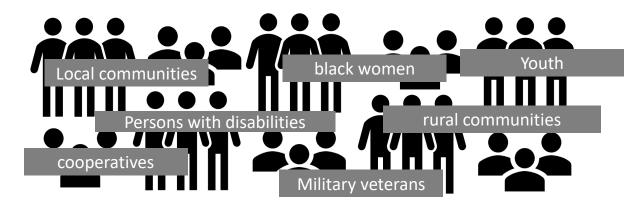
Lessons learned for Sustainable Public Procurement

Paper authors: Lerato Shai, Comfort Molefinyana and Geo Quinot

What is BBBEE?



for and by black people



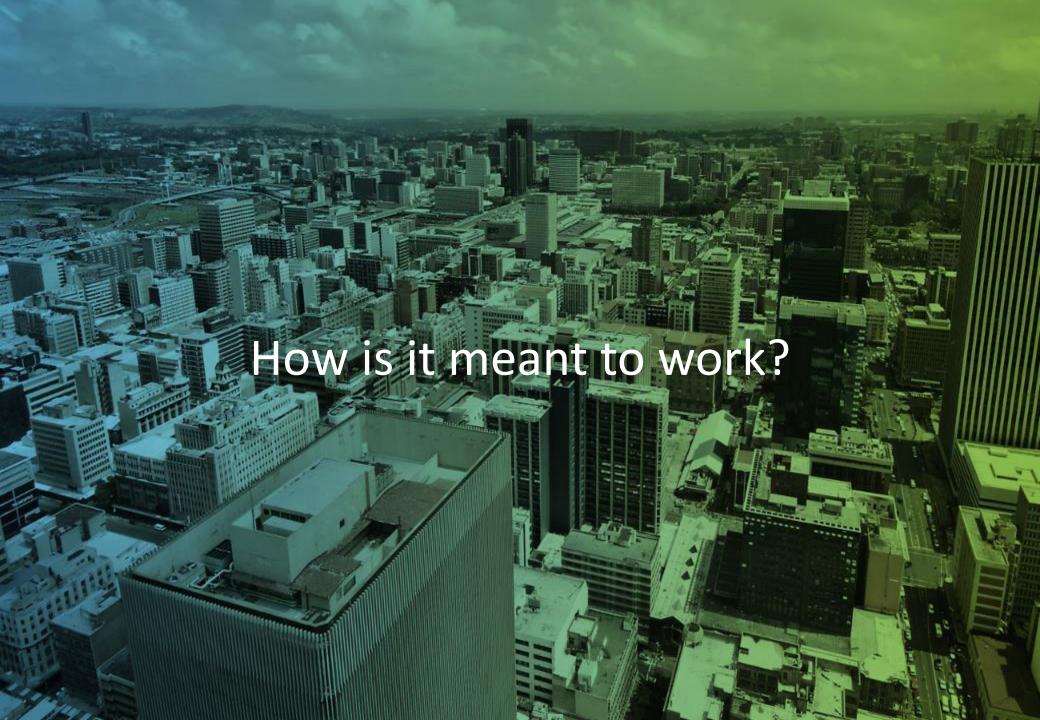
to enable their **meaningful participation** in the economy

How?

Introduction of incentives in the public procurement system to achieve social objectives. Contracts are awarded with preferences for firms that achieve the desired empowerment for black people

i.e. firms that meet requirements for a set of elements:

- ownership
- management and control
- skills development
- enterprise and supplier development
- socio-economic development



The state and the private sector combine several inputs

Processes,
systems
and
governance

Human
resource
capacity

Financial
resources

undertake a set of activities

Public sector: Procure goods and services with preference for black empowered firms

Private sector:

- Transfer voting rights and economic interest to black people
- Recruit and retain black employees across all management levels
- Train black people
- Procure and support black owned enterprises and suppliers
- Assist charitable organization with predominantly black beneficiaries

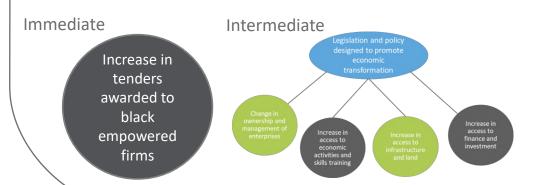
to generate a set of outputs

Firms undergo verification of activities undertaken

Verified firms participate in public procurement tenders

A high-level derived logic model for BBBEE

which over time lead to a set of outcomes



and ultimately the desired impact.



For this to happen, the following key assumptions need to be true:



There is a **shared understanding** of the conceptualisation of BBBEE amongst all relevant stakeholders



Implementing spheres of government's policies and regulations are aligned and complementary



The incentive acts as a catalyst for private sector selfregulation in **making the requisite changes to qualify**



Elements of empowerment and the activities that are measured are the appropriate determinants of the outcomes



Elements of empowerment are uniformly verified

Has it worked in practice?

"Yes, if it was not implemented companies would have not gone out of their way to ensure black people are employed, procure from black suppliers and so forth. They would not have done that if no one forced them to do it.

...BUT, the extent to which that improvement is happening, and rate at which the change is happening can be debated."

Interview respondent

"Yes, if it was not implemented companies...would not have done that if no one forced them to do it."

BBBEE level	2016/17 (R billion)	% of total spent
Level 1	54	30%
Level 2	30	17%
Level 3	13	8%
Level 4	20	11%
Level 5	4	2%
Level 6	3	2%
Level 7	2	1%
Level 8	5	3%
Non contributors	2	1%
Unspecified	44	25%
Total	177	100%

Of the total spending that could be analysed from the Central Supplier Database, 47% was spent on suppliers who are Level 1 and Level 2 BBBEE compliant.

The figures from April to December 2017 show an increase in the proportion of Level 1 suppliers from 30% to 34% of the total spending.

Target group	Total spent (R billion)
Black women	19
Black youth	8
Black rural/township businesses	5
Black Military veterans	0.50
Black disabled	0.24

Also spending on suppliers that prioritise the target groups. However, data limitations and the lack of historic data to track trends, little can be said about the extent to which this will lead to the desired change.

"...BUT, the extent to which that improvement is happening, and rate at which the change is happening can be debated."

Fronting

Three forms:

- Window dressing
- Benefit diversion
- Opportunism

"The other form of resistance is also picked up on the number of increased cases of fronting" – Interview respondent

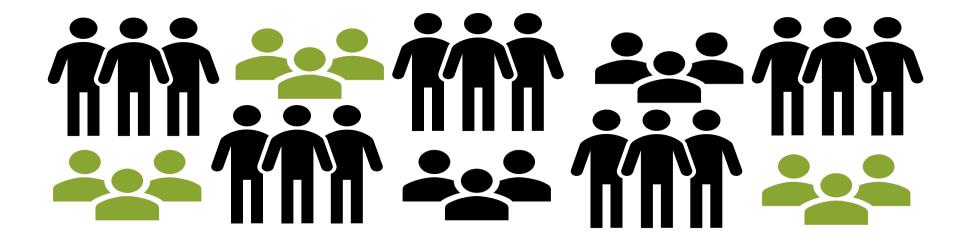
Non-compliance

than the minimum points to achieve a BBBEE rating. Key reason is that this is yet another cost of doing business in South Africa Milovanovic (2010)

Corruption

"act of unfairly or illegally influencing a decision-making process through the giving or receiving of a benefit (gratification) for the person making the decision or a third party connected to the decision maker"

...to enable meaningful participation of black people in the economy



- Critiques on BBBEE's contribution to enrichment and the elitism of a few individuals and procurement contracts largely benefiting established businesses.
- The large number of those intended to be beneficiaries of BBBEE remained excluded from participation in the economy.

For this to happen, the following key assumptions need to be true:



There is a **shared understanding** of the conceptualisation of BBBEE amongst all relevant stakeholders



Implementing spheres of government's policies and regulations are aligned and complementary



The incentive acts as a catalyst for private sector selfregulation in **making the requisite changes to qualify**



Elements of empowerment and the activities that are measured are the appropriate determinants of the outcomes



Elements of empowerment are uniformly verified



Design

- Political support and willingness is important
- Clear conceptualisation of the intervention develop a theory of change
- Legislation and regulatory environment are key enablers

Implementation

- Clear delineation of roles amongst key stakeholders institutional anchoring
- Capacity and human resources, particularly for oversight to ensure coherence
- Monitoring and evaluation framework developed upfront to track effectiveness

THANK YOU



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Effects of SPP – Input "Sustainability in value chains in information and communication technology products"

by Dr. Rita Strohmaier

Social responsibility in value chains of IT products



Rita Strohmaier Graz Schumpeter Centre University of Graz, Austria

MOTIVATION

CHALLENGES IN THE IT VALUE CHAIN:

1. complexity of the global supply chain

- vertical disintegration of the value chain
- globalization of production

2. precarious working conditions

- flexible employment and peak production
- high proportion of migrant workers and student workers
- health and safety issues, etc.

3. conflict minerals

 extraction of essential minerals and metals for IT manufacturing in countries marked by political instability and social crisis

Digitalization puts further pressure on scarce resources, fuels workers' and human rights violations and increases environmental damage.

RESEARCH DESIGN

RESEARCH QUESTION

How can public procurement drive companies to meet their social responsibility?

FRAMEWORK

review on sustainable supply chain management (SSCM)

downstream

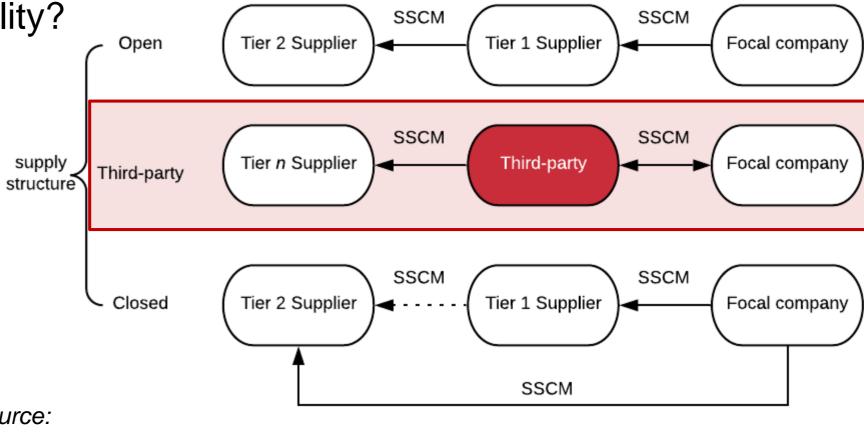


Fig.: SSCM configurations. Source: Koberg and Longoni (2019, p. 1089), adapted.

upstream

RESEARCH DESIGN

RESEARCH QUESTION

 What is the current and prospective impact of socially responsible public procurement (SRPP) on global value chains?

FRAMEWORK

 expert interviews with pioneers in the field of SRPP (public authorities, procurers, companies and third parties)

type of actor	#	function or regional scope
public agency	3	1 from Germany, 2 from Austria
public procurer	3	2 from Germany, 1 from Austria
		3 multinational companies; 1 vendor
Company	5	house; 1 flagship initiative for fair IT
		2 certification providers, 1 monitoring
third party	4	organization, 1 NGO on the ground
total no. of		
interview partners	15	

Table: Interview partners by type and function or regional scope.

RESEARCH DESIGN

RESEARCH QUESTION

 What are the biggest challenges related to the diffusion of SRPP?

FRAMEWORK

 analysis of expert interviews and secondary data in a social innovation system

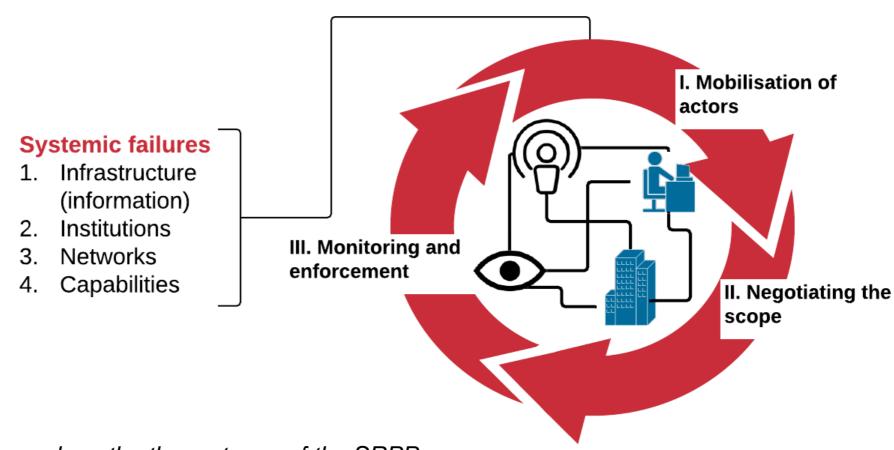


Fig.: Systemic failures along the three stages of the SRPP policy cycle. Own illustration.

SRPP | EFFECTS

"Those who are now winning a contract, must set up [the necessary structures]. And those who are losing, will lose immensely [...]. Five years into the future, there won't be as many competitors as there are today."

"We must continue to tickle the industry. The manufacturers would continue business-as-usual if we didn't make these requests. But if we continue like this, we will get deeper and deeper into the supply chain."

"The companies have not yet grasped that it is necessary. They notice that a market is forming. But unfortunately it will take some time before they are ready to translate this into concrete processes and outputs."

PROSPECTIVE EFFECTS

Companies:

- SRPP is gaining momentum (social media, political awareness).
- SRPP will likely lead to market concentration (survival of the fittest).

Public authorities/procurers:

- Distance between leaders and laggards in corporate social responsibility is growing.
 - Overall response to SRPP is positive, but not self-sustaining.

Third parties:

- Radical shifts take time.
- Yet, the time window for transformative change is short, due to digitalization and the de-coupling of Western and Asian markets.

SRPP | EFFECTS

CURRENT EFFECTS

- sluggish implementation of labor and social criteria in public tenders
- no sustained impact of SRPP on supply chain management so far

Obstacles for the adoption of SRPP include:

- changing political winds and organizational leadership
- lack of information on SRPP methodologies
- considerable time expenditures and specialist knowledge required for contract work and monitoring

"And then [the client] is saying: I determine what will be bought. The procurer can feel free to buy color and paint the devices green in case he feels better then."

"We talk to many purchasers who want to use their influence toward more responsible supply chains, but don't quite know where to start and what steps to take that will actually make a positive

difference '

"We do not have a ready-made solution, apart from a general request in the tender documents that the ILO core criteria must be complied with. Everybody signs this. Verifying this? No chance. We just have to believe it."

SRPP | SYSTEMIC FAILURES

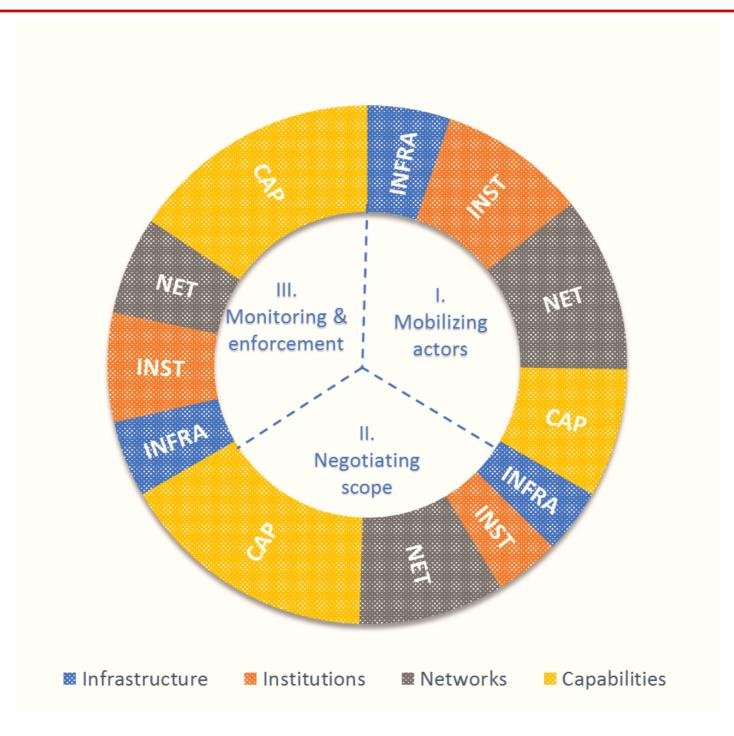


Fig.: Systemic failures along the SRPP policy cycle. Own illustration.

SRPP | PROBLEMS AND SOLUTIONS

FAILU RES	PROBLEMS	SOLUTIONS
INFRA- STRUCTUR E	I. limited awareness of SRPPII. limited knowledge about practical methodologiesIII. lack of supply chain transparency	 information sources (competence centers, helpdesks, national sustainability platforms) data repositories on public tenders independent monitoring organizations
INSTITUTION S	 I. missing regulations II. fragmentation of public procurement III. lack of a common sustainability standard and verification schemes 	 database on best practices in srpp agreement on an international standard institutional backing of monitoring organizations complementary regulatory measures
NETWORKS	I. lack of political and organizational leadershipII. low rate of cooperative procurementIII. internal orientation of the industry	 regulatory measures public procurement centralization establishing communication channels and dialogue platforms
CAPABILITIES	I. lack of strategic thinkingII. time and financial resourcesIII. inability to monitor the global value chain	 intermediaries (viz., performers, trainers, content experts, information brokers [Edler and Yeow, 2016]) building up skills for comprehensive project management cooperative procurement upgrading the job of public procurer

CONCLUSION

- In the absence of hard regulations, the diffusion of SRPP crucially depends on political and organizational leadership.
- Intermediaries are necessary to bridge the knowledge gap along the policy cycle (e.g. competence centers, inter-/national platforms, monitoring organizations).
- Soft institutions (common standards, procurement centralization) are paramount.
- Only if the issue of sustainability becomes anchored in the mindset of clients and procurers, SRPP can eventually induce catalytic demand effects.
- In order for the public procurer to become an integral part of the global supply chain and the company to create innovative strategies for improving the working conditions in the producing countries, a broad multi-stakeholder approach is imperative.
- Joining forces would help build up trust among the different actors and facilitate supply chain transparency.

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THANK YOU!

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Effects of SPP – Input "Sustainability in food value chains" by Dr. Vivian Valencia



Sustainability in food value chains: Public procurement for food systems transformation

Dr. Vivian Valencia

Assistant Professor, Farming Systems Ecology

Wageningen University & Research

October 29, 2019

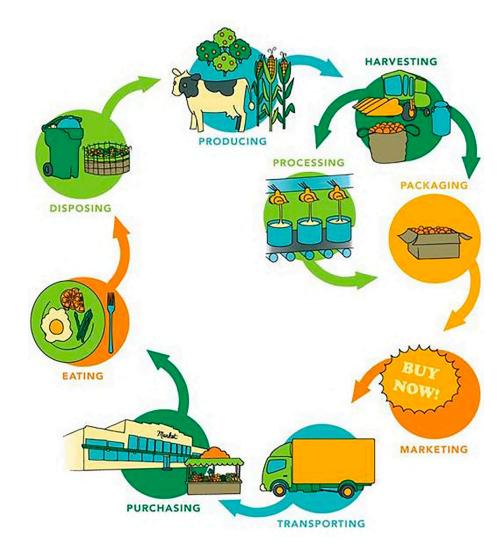








Public procurement & Food Systems



How can public procurement improve our food systems?

More sustainable agricultural systems

That actually produce a diversity of food

Re-structure value chains that

- Support local economies
- Make rural areas more (economically) dynamic
 - Contribute to food and nutrition security

Sustainable Public Procurement in Brazil: "Zero Hunger" Programs

- Brazil's "Zero Hunger" Programs
 - Social welfare programs and development policies
 - Particular innovation: linking public nutrition programs and investments in family farming sector
 - E.g., School Lunch Program (PNAE) and Food Acquisition Program (PAA)
- **Social movements** in the 80s and 90s were key in mobilizing gov. support for land distribution and to address issues of increasing hunger and malnutrition.





Brazil's School Lunch Program: PNAE

- Established in the 1950s, **original aim**: improve nutrition among neediest children in poorest areas
- Redesigned in 2009: now it also seeks to contribute to **social and rural development**.
- 30% must be procured from small-scale farmers
- Price premium for organic production
- Reduced hunger, increased access to healthy foods, improved nutrition and dietary habits

What about the impacts of these SPP programs on agricultural systems and value chains?







PNAE: You should also know that...

- Brazil changed its legal framework to allow for a simplified procurement model:
 - Waived bidding process
 - "Positive discrimination" for family farmers
- This required
 - Legal definition for "family farmer"
 - Set top limit for how much each farmer can sell per year
 - Establishment of purchasing prices based on market prices

South of Brazil











How did SPP change rural areas and food systems?



Agriculture

Community

- Creation of a new alternative market, for diverse, fresh, healthy foods
- Short food circuits
- More organized farmers in cooperatives

Consumption

 Increase availability of fresh and healthy food for consumption both in schools and community

Conclusion

- SPP is an important tool to support development objectives
- SPP in food systems may simultaneously:
 - Support family farming sector (stable, predictable institutional market)
 - Create new markets (e.g., for vegetables)
 - Stimulate less environmentally damaging modes of agricultural production (e.g., organic)
 - Address issues of food and nutrition security
- We need bold and ambitious SPPs!



Day 3



Identifying and integrating (new) sustainability considerations into state supply chains

by Gray Maguire and Kwasi Larnyoh



BETTER TOGETHER.

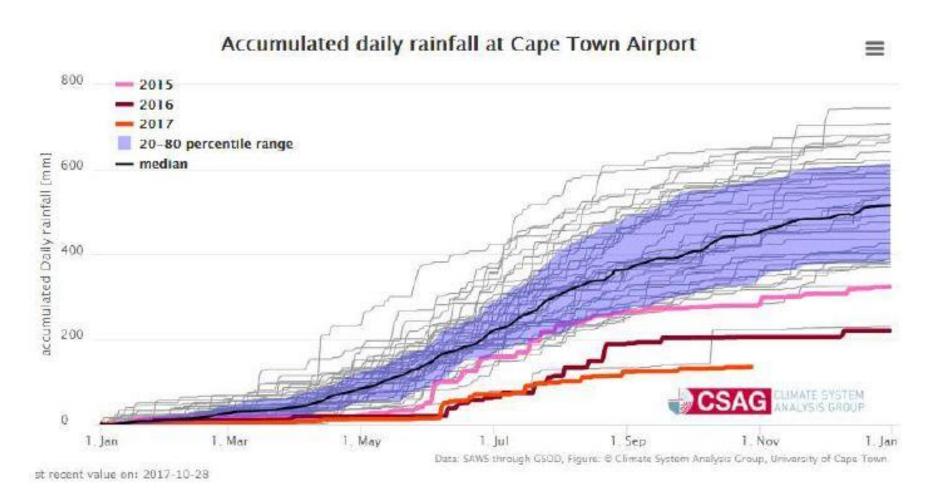
SUSTAINABLE PUBLIC PROCUREMENT

State procurement as an ecological solution"



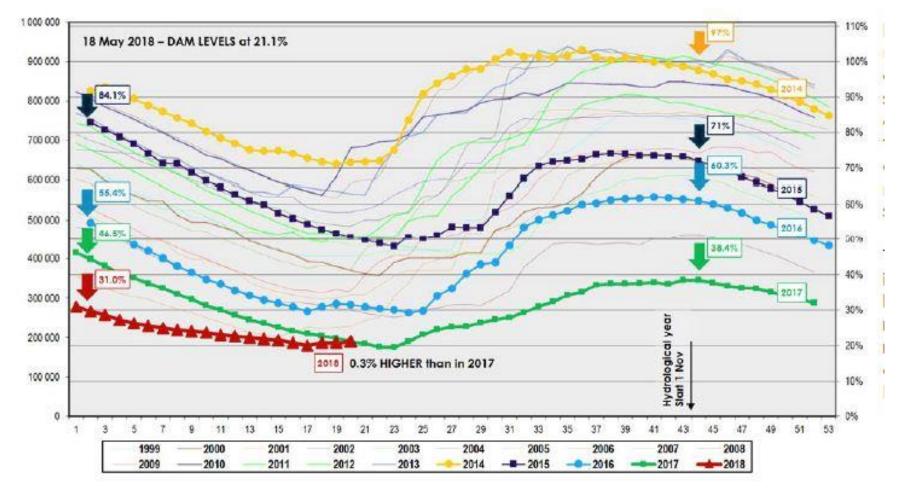
30 October 2019

The cause:





The impact – Dam levels





The effect - Day Zero





Assessment of responses - EIIF

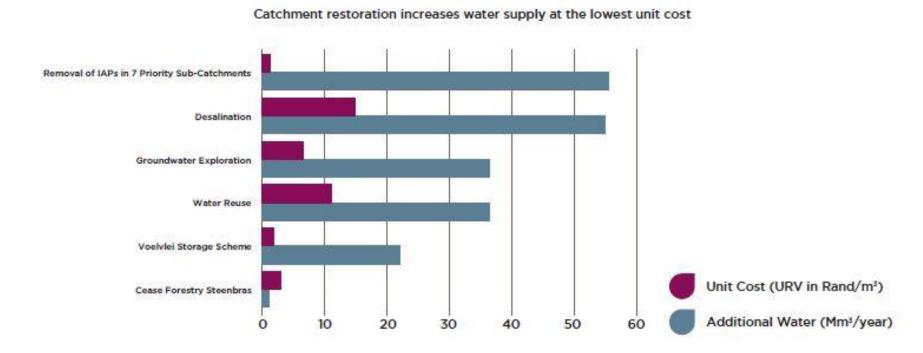
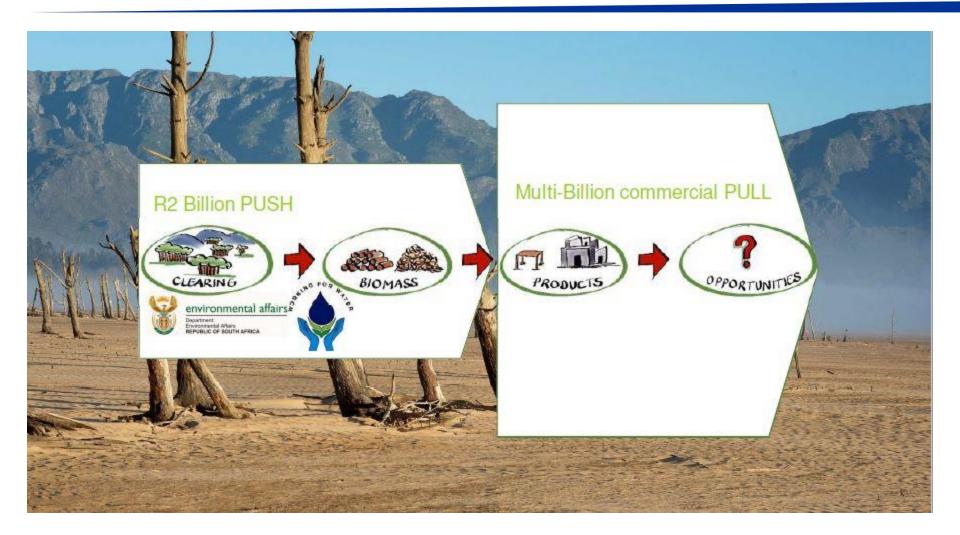


Figure 3: Water supply gain and unit cost (URV) comparison between different catchment restoration and other supply options in the Western Cape (including raw water treatment costs where applicable) (TNC 2018)

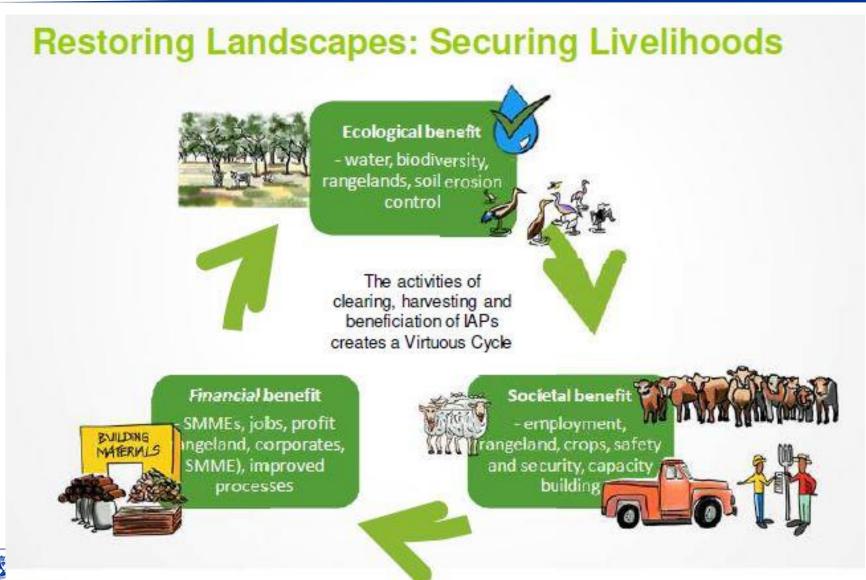


Solution development





Conceptual flow



Alien produce

Energy products

Heat and power

Wood chips Torrefied wood chips

Wood pellets Torrefied wood pellets

Firewood

Compressed logs

Lump charcoal

Charcoal briquettes Bio-oil and syncrude













Material products

Timber

Woodplastic Composite Fibrecement

Wood Poles

Wood laths

Biochar

Mulch

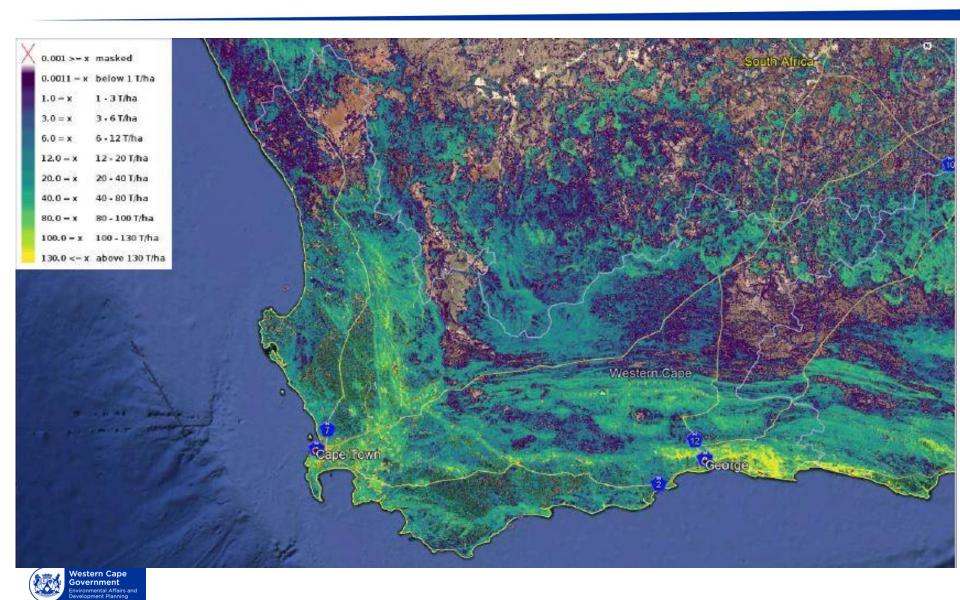
Game feed

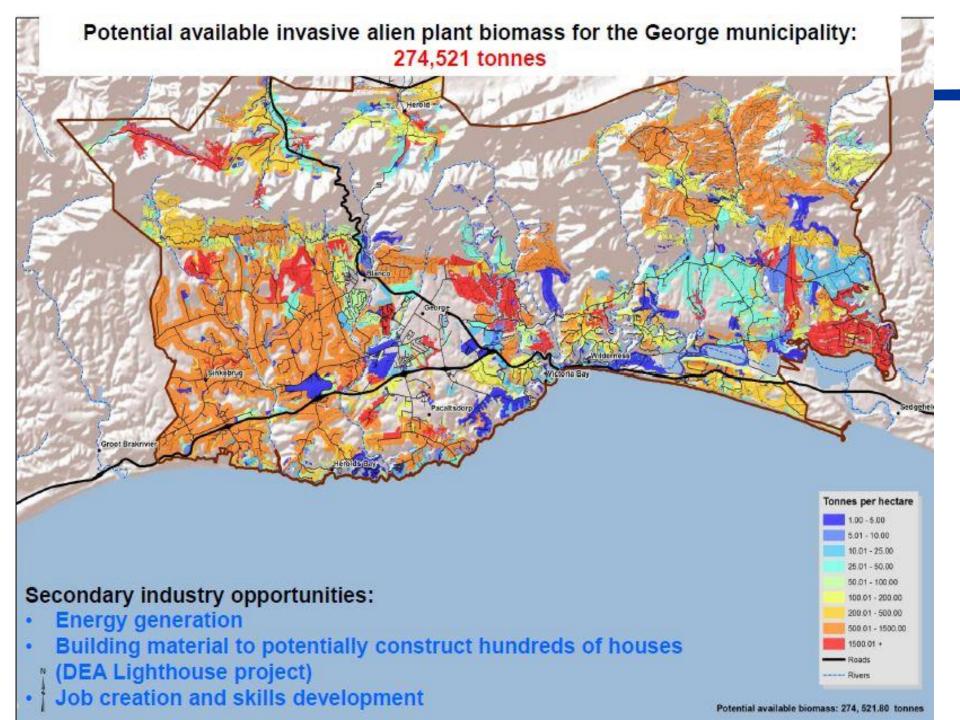






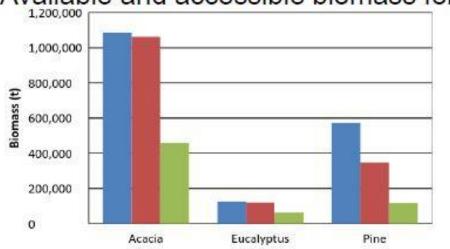
Mapping





Prioritisation

Available and accessible biomass for VAI



Total

Available: slope <200

Accessible: <200m from road/track

Only ca. 30% biomass

available and accessible for VAI



Stakeholder engagement









Stakeholder engagement





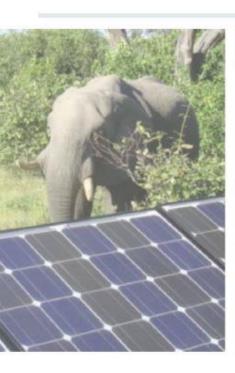




Finance and Business support

The Need for the Green Outcomes Fund

The GOF responds to key bottlenecks in South Africa's green economy



CHALLENGES AFFECTING SOUTH AFRICAN GREEN SGBs

- Low local investor interest
- Lack of business development support, including technical capacity to develop and execute a growth plan
- Limited access to market

CHALLENGES AFFECTING SOUTH AFRICAN FUND MANAGERS

- High start-up costs, especially for innovative (green) strategies
- Lack of quality green SGB pipeline
- · Limited technical understanding of green issues

GOF RESPONSE

- Stimulates local investor interest by subsidising green SGB investments
- Pays for successful business development support
- Involves local investment community in growing green SGBs

GOF RESPONSE

- Stimulates local investor interest by subsidising green SGB investments
- Supports sourcing of green SGBs through partners
- Provides technical support on green issues

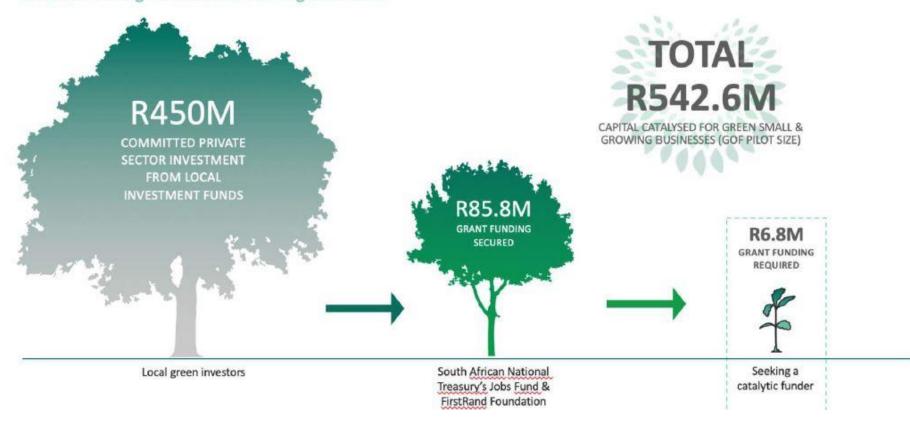


Finance and Business support

A Catalytic Funding Request

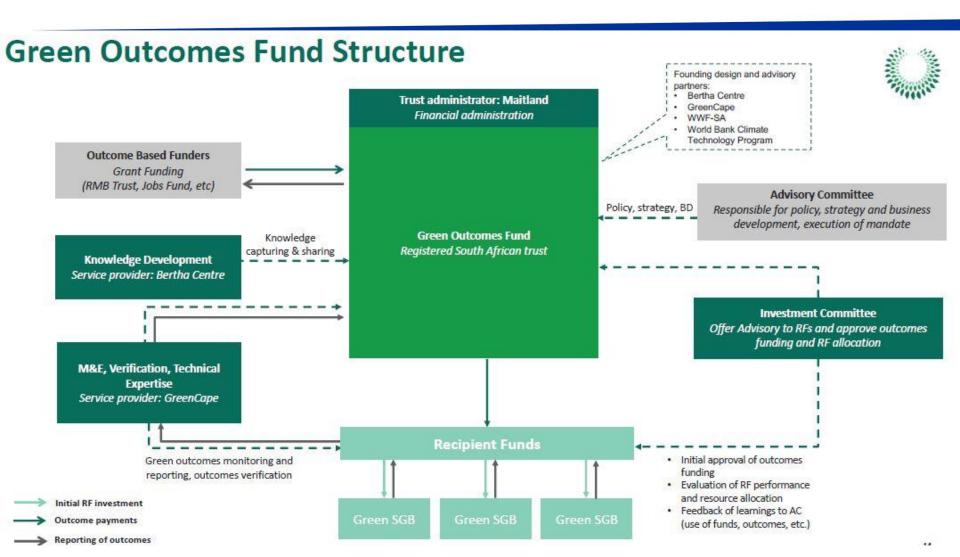


The GOF has raised R85.8M to capitalise the GOF, and now seeks R6.8M in catalytic grants to unlock a total of R542.6M for green Small & Growing Businesses





Finance and Business support





Outcomes

Sector	Category	Metrics
All	Mitigation / Diversion	CO2-equivalent emissions mitigated or saved (CO2e)
All	Job Creation	Green sector direct and indirect jobs created (# of jobs)
Energy	Access to green energy	Persons reached by reliable green energy grid/source that were with and without prior access to the traditional energy grid (# of people)
Energy	Generation	Green energy generated (kWh p.a.)
Energy	Mitigation / Diversion	Energy efficiency – energy saved based on deemed savings values (kWh p.a.)
Waste	Mitigation / Diversion	Waste to landfill avoided, avoided waste incinerated, waste recycled / re-used, chemical recovery (metric tons p.a.)
Water	Mitigation / Diversion	Water use reduction, wastewater treated
Water	Generation	Water sourced from an alternative sustainable resource (cubic meters p.a.)



Business support & investment





Business support & investment





Business support & investment





Output:





Procurement engagement – Economic Procurement Policy

- 1. Creating greater awareness and understanding of the WCG's overall, departmental and commodity specific progress in procurement spend on local B-BBEE suppliers, sustainability metrics and procurement spend by location.
- 2. Review and continually reform (streamlining) procurement processes and administration
- 3. Institute a comprehensive biennial survey of suppliers and prospective suppliers
- 4. Establishing a community vendor database (CVD) within existing provincial supply chain structures that enables exempted microenterprises and township businesses to compete for specific contracts in their communities



Procurement engagement – Economic Procurement Policy

- 5. Strengthening data its use and analytical capability within the supplier database and across all WCG departments
- 6. Build a public facing Public Procurement Portal that builds on current versions of the supplier database to allow private firms to contract with government suppliers
- 7. Strengthening the capability within PT and key implementing department to conduct strategic sourcing with an expanded economic focus
- 8. Strengthening the capacity within departments implementing strategic sourcing to undertake focused supplier development programmes that target improved supplier performance for selected suppliers.



Alien produce

Energy products

Heat and power

Wood

Torrefied wood chips Wood pellets Torrefied wood pellets Firewood

Compressed logs Lump charcoal Charcoal briquettes Bio-oil and syncrude















Material products

Timber

Woodplastic Composite Fibrecement

Wood Poles Wood laths Biochar

Mulch

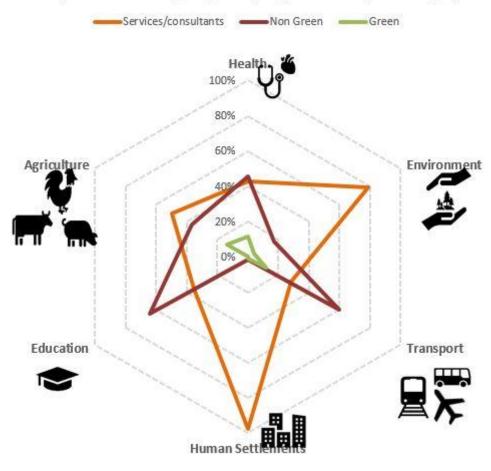
Game feed





State demand assessment

Comparison of budget spend per per Sector per Category





State Demand

220117 5 7777		Total:			56,573,149.58
Transport	GREEN	WOOD		R	82,448.97
Health	GREEN	WOOD	1	R	August Vin Deline I file
Health	GREEN	WATER PURIFICATION	1	R	12,501.00
Environment	GREEN	PLUMBING HEATERS FUEL AND GAS BURN	1	R	111,093.00
Education	GREEN	FURNITURE	1	R	1,149.8
Human Settle	GREEN	FURNITURE	1	R	296,444.34
Transport	GREEN	FURNITURE	1	R	3,618,853.10
Environment	GREEN	FURNITURE	1	R	241,311.3
Health	GREEN	FURNITURE	1	R	38,500,508.4
Education	GREEN	FILTER	1	R	10,256.5
Transport	GREEN	FILTER	1	R	125,806.1
Environment	GREEN	FILTER	1	R	91,514.7
Health	GREEN	FILTER	1	R	660,259.9
Education	GREEN	BUILDING MATERIAL	1	R	26,013.0
Transport	GREEN	BUILDING MATERIAL	1	R	10,577,124.2
Health	GREEN	BUILDING MATERIAL	1	R	1,065,064.29
Health	GREEN	BOILER, FURNACE	1	R	105,358.90
Transport	GREEN	AIR PURIFYING EQUIPMENT	1	R	564.2
Health	GREEN	AIR PURIFYING EQUIPMENT	1	R	37,927.00
Transport	GREEN	AGRICULTURAL SUPPLIES	1	R	2,075.5
Health	GREEN	AGRICULTURAL SUPPLIES	1	R	89,268.29

Thank you

Contact Us



BETTER TOGETHER.

Gray Maguire

Green Economy

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IDENTIFYING AND INTEGRATING SUSTAINABILITY CONSIDERATIONS INTO STATE SUPPLY CHAINS

MUPASS FORUM 2019

Kwasi Larnyoh
(Institute of Local
Government Studies, Ghana)

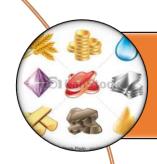


Sustainable procurement...

...is a process which incorporates sustainability considerations throughout the procurement process in order to achieve optimal value for money in delivering development objectives. (World Bank, 2019)



It's about:



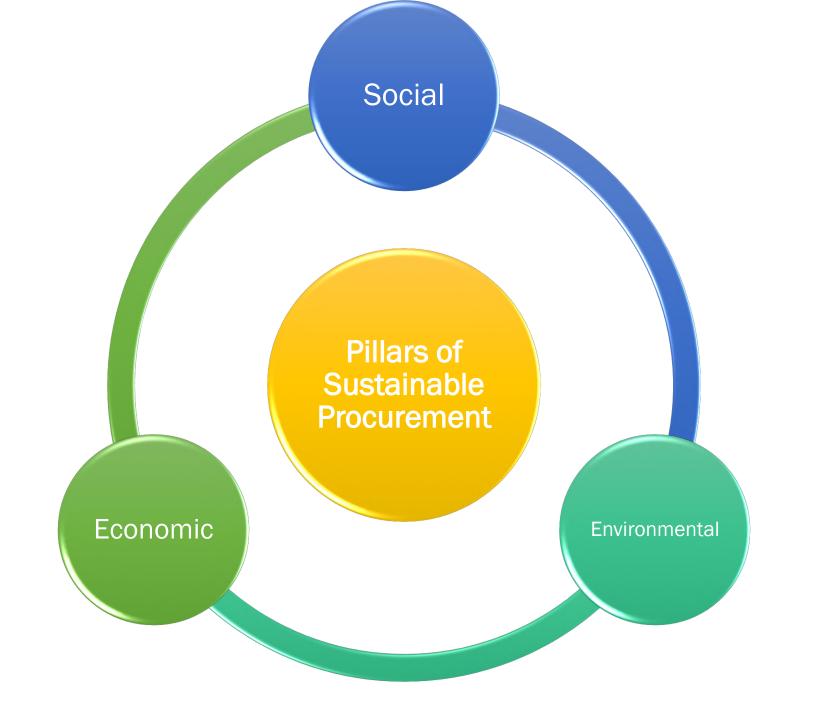
Respect for resources



Respect for people



Respect for the environment



Integrating sustainability considerations helps to:

- achieve value for money
- sustain economic development
- improve ethical behaviour of suppliers / contractors
- fight corruption by formalising the procurement process
- reduce harmful emissions and waste generation
- improve air and water quality
- strengthen MSMEs

It is important to integrate sustainable considerations in the <u>overall procurement</u> <u>planning process</u>

Integrating sustainability considerations can be done through

- Development and implementation of laws and policies
- Establishing SPP in public procuring entities
- Integrating sustainability considerations throughout the procurement process/stages
 - Prequalification stage; Specification; Evaluation and Selection; Negotiation; and Contract Management stages
- Ensuring competencies, practices and techniques that should be in place to enable the successful implementation of SPP.
 - Develop and undertake training and capacity building programmes for all stakeholders



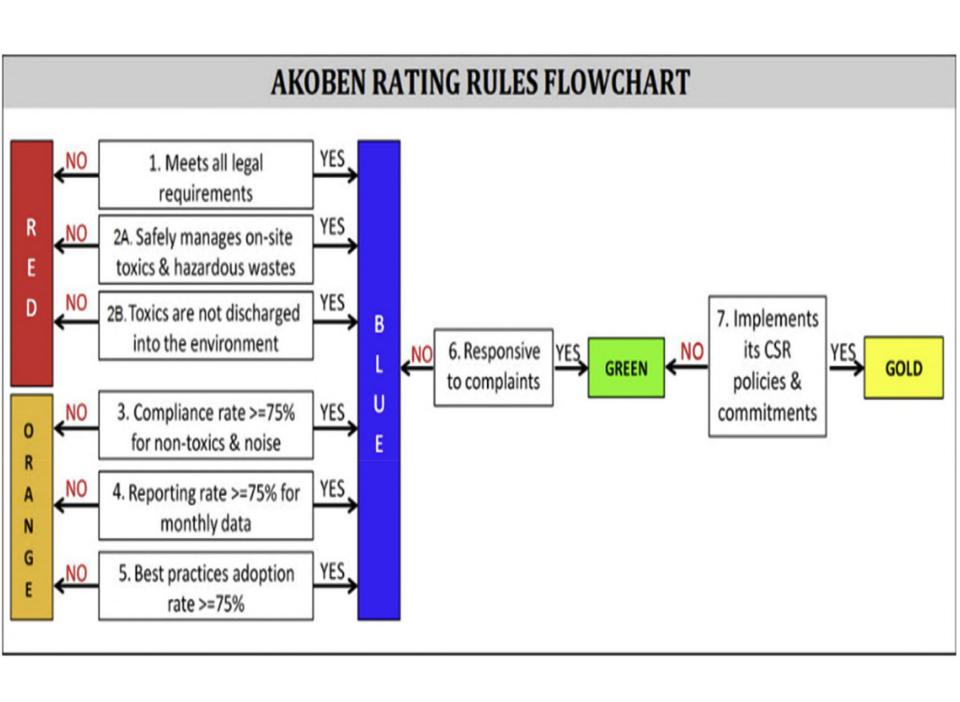
AKOBEN literally means is "war horn"

It symbolises loyalty, devotion and service.

It is a symbol of vigilance and wariness

- Akoben is a special audit programme used to assess the environmental performance of mining and manufacturing companies in Ghana through a rating and disclosure system by the Environmental Protection Agency.
- It was developed in the year 2011
- It uses a five colour rating system
 - To ensure adherence to approved and standardised environmental protection policy
- Analysis of over one hundred performance indicators from qualitative, quantitative and visual data form the basis of the Akoben rating
- Ratings are disclosed to the general public and the media annually

Rating	Performance	Implication			
RED	Poor	Serious risk			
ORANGE	Unsatisfactory	Not in compliance			
BLUE	Good	In compliance			
GREEN	Very Good	Applies best practices			
GOLD	Excellent	Committed to social performance			



 Akoben motivates companies to minimize environmental risks by reducing pollution and strengthening on-site monitoring systems

 It helps restore and reclaim disturbed land for productive uses.





Institutional anchoring of SPP in public administrations by Birte Detjen and Girish Daya



Girish Daya

GSP II | 29 – 30 October 2019

Governance Support Progamme II













Public Procurement – an economic driver!













Public Procurement in South Africa (SA)

South Africa is a developmental state.

The Local Government White Paper of SA emphasizes developmental government as it has direct economic and social responsibilities towards its people.

GIZ Support

- Pursued through a Bi-lateral agreement between South Africa (SA) and Germany
- In partnership with the Office of the Chief Procurement Officer (OCPO) of SA
- In collaboration with 8 partner municipalities:

EASTERN CAPE: Amathole District Municipality; Chris Hani District Municipality; Inxuba Yethemba Local Municipality and Raymond Mhlaba Local Municipality

MPUMALANGA: City of Mbombela; Ehlanzeni District Municipality; Steve Tshwete Local Municipality and Thaba Chweu Local Municipality









Aim of Public Procurement in SA

- Modernize the state procurement system to be fair, equitable, transparent, competitive and cost-effectiveness;
- Enable the efficient, economic, effective and transparent utilization of financial and other resources, including state assets, for improved and sustainable service delivery; and
- Promote, support and enforce the *transparent and effective management* of state procurement.
- Address cross-cutting themes including governance, achievement of policy goals, value for money, efficiency and effectiveness, ease of doing business with government, ICT, innovation, project delivery, sustainable procurement and procurement performance management.









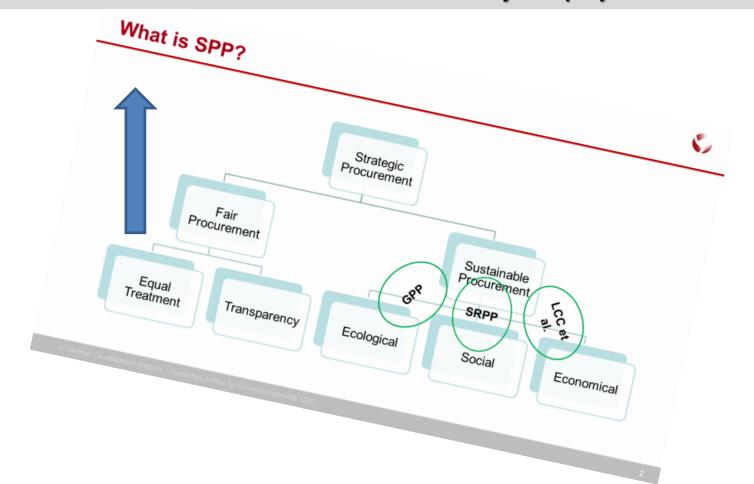




- Conducted a public procurement review and implementation analysis in all GSP II partner municipalities.
- An international consultancy team to provide tailor-made technical capacity building support in public procurement. This will provide municipalities with the necessary skills and organisational set-up to introduce a modern and standardised procurement system.
- Support research on the optimization framework on organisational arrangements for PP units in Government, esp. Municipalities, e.g. attendance of DIE conferencing on Sustainable public procurement x 2
- Support Contract Management
- Support to the Public Procurement Bill (anticipated to be enacted by April 2020)
- Supporting a PP Council towards professionalization



Where are we with regards to SPP? Public Procurement Initiatives by GIZ (SA)



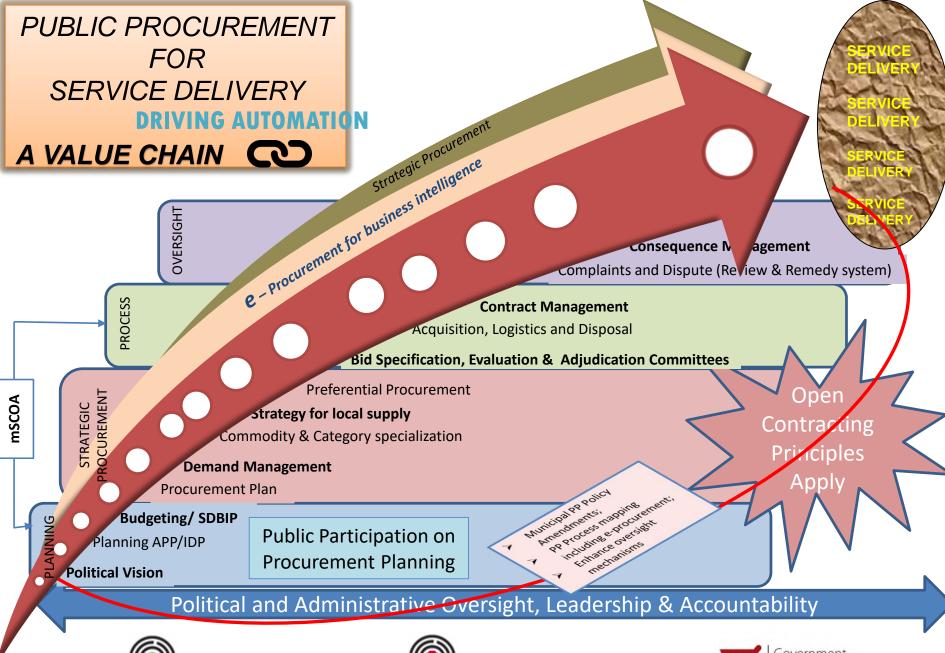






Current Scope of Public procurement requirements in SA

- The <u>determination of a value chain</u> in alignment with the OCPO's modernization concept including e-procurement, business intelligence and the professionalism of PP practitioners. The value chain must be aligned to the latest legislation governing South African public procurement;
- <u>A guideline</u> to review the PP value chain in alignment with the modernization concept and analytical procurement data;
- <u>Development a scientific tool</u> for assessment of the governance, operations, oversight and monitoring of PP in municipalities;
- An <u>assessment and an analysis of gaps</u> with recommendations for improvement;
- <u>Insights and feedback</u> on findings and recommendations for sustainable public procurement.









PUBLIC PROCUREMENT SYSTEM

TECHNICAL COMPETENCY STATEMENTS

INSTITUTIONALISATION

LEGISLATIVE ENVIRONMENT

- Legislative Regulatory
 Framework
- 2. Departmental Policies and procedures

SUPPLY CHAIN STRATEGY

- 3. Planning and strategic SCM alignment and integration
- 4. Demand planning and forecasting
- 5. Global supply chain

INSTITUTIONALISATION

- 6. Establishment of the SCM system
- 7. SCM Governance
- 8. SCM committee system
- 9. SCM secretariat and support services
- 10. Individual capacity development in the SCM system
- 11. SCM advocacy and internal stakeholder relationship management
- 12. Sustainability, social and environmental factors in the SCM system
- 13. Process ownership and management in the SCM system
- 14. SCM master data management
- 15. Risk management and internal controls in the SCM
- 16. Technology in the SCM system

DEMAND MANAGEMENT

- 17. Needs analysis
- 18. Confirmation of funding
- 19. Specification Compilation
- 20. Supplier database
- 21. Annual Procurement Plan

STRATEGIC SOURCING

- 22. Analysis of the supply chain environment
- 23. Total cost of ownership
- 24. Conduct a market analysis
- 25. Analyse products and services required
- 26. Conduct a spend analysis
- 27. Supply base analysis
- 28. Sourcing segmentation
- 29. Supplier classification and positioning
- 30. Category and portfolio management

ACQUISITION MANAGEMENT

- 28. Compilation of bid documents
- 29. Advertisements and briefing sessions
- 30. Receipt and opening of bids
- 31. Evaluation and adjudication of bids

ACQUISITION MANAGEMENT

- 32. Compilation of a list of prospective service providers
- 33. Analysis of procurement requests
- 34. Acquisition processes/methods
- 35. Negotiation with suppliers

CONTRACT MANAGEMENT

- 36. Contract initiation
- 37. Contract Administration
- 38. Management of contract performance
- 39. Managing and resolving disputes with suppliers
- 40. Supplier performance management

LOGISTICS & INVENTORY MANAGEMENT

- 41. Logistics and Inventory management system
- 42. Requisition of goods and services
- 43. Placing of orders

LOGISTICS & INVENTORY MANAGEMENT

- 44. Receiving of goods
- 45. Returning of goods
- 46. Goods distribution
- 47. Warehouse management
- 48. Stock-taking
- 49. Matching documentation
- 50. Preparation of documentation for payment/accounts payable

MOVABLE ASSET

- 51. Management of movable assets strategy
- 52. Internal transfer
- 53. External transfer
- 54. Physical verification
- 55. Disposal
- 56. Maintenance
- 57. Leasing
- 58. Safeguarding
- 59. Thefts and losses
- 60. System maintenance
- 61. Reconciliation
- 62. Reporting

DISPOSAL MANAGEMENT

- 63. Preparation for disposal
- 64. Disposal process

RISK MANAGEMENT & SCM PERFORMANCE

- 65. Risk management on a case-by-case basis
- 66. Anti-fraud and corruption
- 67. SCM abuse mechanism
- 68. SCM performance and reporting
- 69. Optimal system utilisation
- 70. Safeguarding SCM information

NEED TCD's for:

- Infrastructure and construction
- Immovable assets
- PPP's

ON SUSTAINABLE PUBLIC PROCUREMENT

A.	Provision in legislation		13.7%
В.	How to bring mindset changes		15.7%
C.	Impact on of sustainability on environment & people		7.8%
D.	SME / economic sustainability impact and strategy E-processes, digitalization & relation to		5.9%
E.	E-processes, digitalization & relation to sustainability		7.8%
F.	Impact on service delivery		7.8%
G.	SME / economic sustainability development		2.0%
Н.	From policy to practice, how to implement it		5.9%
I.	Readiness and organizational changes		11.8%
J.	How to focus away from cheap suppliers		2.0%
K.	How to integrate Innovation	1	2.0%
L.	How to monitor sustainability		9.8%
M.	Balance cost – benefit - budget		7.8%

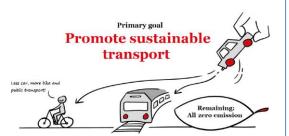


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Closed

A recent learning Journey in Germany and Netherlands







Sustainability in practice: Transportation as a Social Return on Investment



A recent learning journey to **Germany and Netherlands**



What are the barriers?

- SRPP regulations are not binding.
- lack of knowle



WEED: World Economy, Ecology & Development e.V. NGOs supporting the implementation of sustainability







Thank you for the opportunity to present at the DIE conference on Sustainable Public Procurement



Entwicklungspolitik

German Development Institute

NACHHALTIGKEIT. SUSTAINABILITY. DURABILITÉ. BONN.



Participants of MUPASS Dialogue Forum ©DIE

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