



Concept note and agenda

DRAFT 18-11-2020

Virtual expert group meeting on institutions and governance for accelerating sustainable public procurement

CEPA Working Group on Sustainable Public Procurement

Date: 24 November 2020

09:30-11:30 a.m. (New York time)

Registration: Zoom link to be provided upon confirmation of attendance

Purpose

The Working Group on sustainable public procurement of the United Nations Committee of Experts on Public Administration (CEPA), a subsidiary body of the United Nations Economic and Social Council, invites experts and practitioners to discuss institutional arrangements and governance mechanisms that could help accelerate adoption of sustainable public procurement practices with a view to informing the Committee's deliberations. CEPA will consider issues pertaining to sustainable public procurement in the decade of action and delivery for sustainable development at its 20th session in April 2021.

Background

SPP within the context of SDG 12: Ensuring sustainable consumption and production patterns

Procurement processes that consider social, economic and environmental factors are targeted in the SDGs. SDG 12.7 focuses specifically on promoting “public procurement practices that are sustainable, in accordance with national policies and priorities”.

The UNEP Assembly resolution on “Innovative pathways to achieve sustainable consumption and production” of 15 March 2019 (UNEP/EA.4/Res.1) addresses in paragraphs 8 and 19 as well as the

preambular “the role of Member States at all levels and their ability to transform markets and promote all pathways to sustainable consumption and production through sustainable public procurement”.

A recent progress report on the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, submitted for consideration to the 2020 HLPF ([E/2020/56](#)), includes sustainable procurement practices.

SPP can be defined as “the adoption and integration of Corporate Social Responsibility (CSR) principles into public procurement processes and decisions. The core subjects listed by ISO 26000 are: human rights, labor practices, the environment, fair operating practices, consumer issues, community involvement and development”(adapted from Word Bank).

Next to SDG budgeting, SPP is a crucial enabler and multiplier of sustainability. According to the World Bank’s [Global Public Procurement Database](#), public procurement represents on average of 13 to 20 per cent of GDP. Global expenditure in procurement is estimated at nearly 9.5 trillion US dollars and, according to the United Nations Office on Drugs and Crime (UNODC), 10 to 25 per cent of a public contract’s overall value may be lost due to corruption. Public procurement is therefore about huge amounts of money that can be spent sustainably or unsustainably. *Not* applying SPP is not neutral to the 2030 Agenda, but has a net negative impact.

The World Bank recognizes the importance of SPP: “Best practices in public procurement go far beyond saving money. It is also about government efficiencies and quality improvements of goods and services as well as transparency over what governments purchase in sectors critical for development, such as health, education, and water”. Sustainable public procurement is progressively embraced by countries as a strategic tool to drive sustainability and transform markets. Challenges include ensuring better integration in sustainable consumption and production policies, and scaling up the support to collaborative platforms, such as the 10YFP Sustainable Public Procurement Programme (UNEP, 2017).

It can be a major driver for innovation, providing industry with real incentives for developing sustainable products and services, and it may also provide financial savings for public authorities especially if you consider the full life-cycle costs of a contract, and not just the purchase price (EC, 2016). It has since long been recognized as a vehicle for growth (OECD, 2013). Other benefits of SPP mainstreaming, with or without an action plan/strategy, include:

1. Acceleration of sustainable innovation as regards products and services;
2. Emerging markets for sustainable products;
3. New jobs with a generally good future perspective;
4. Improvement of competitiveness;
5. Positive impact on people and planet

SPP within the context of SDG 16: Rule of law and effective, accountable and inclusive institutions at all levels

There are different institutional and governance approaches to SPP in different countries, all with their specific advantages and disadvantages, and there is meanwhile a long history and experiences developed and shared by national and subnational governments and, for example, INTOSAI, IBRD, ICLEI, and the [One Planet Network SPP programme](#) established in 2014.

What applies to the technical aspects of SPP and how to audit, also applies to the public administration and governance dimension: We should look at various models, because there is no one-size-fits-all approach. The different approaches vary between voluntary and obligatory schemes, and also as

regards the level of detail product group specifications are defined. Such product group specifications are by definition dynamic – they should move up with the development of more sustainable products and services.

Based on assessments of several countries' efforts to prepare for SDG implementation, in 2017 CEPA identified public sector corruption as a major challenge in many countries. Corrupt practices often pervade public procurement and other core government processes.

Peer learning between countries can be an important accelerator of SPP and should be stimulated. Examples: EU TAIX Peer to Peer projects (where NL/Rijkswaterstaat has hosted around 6 multi-country SPP workshops already); project by the African Peer Review Mechanism under the African Union.

Factors affecting adoption of SPP practices, in accordance with national policies and priorities

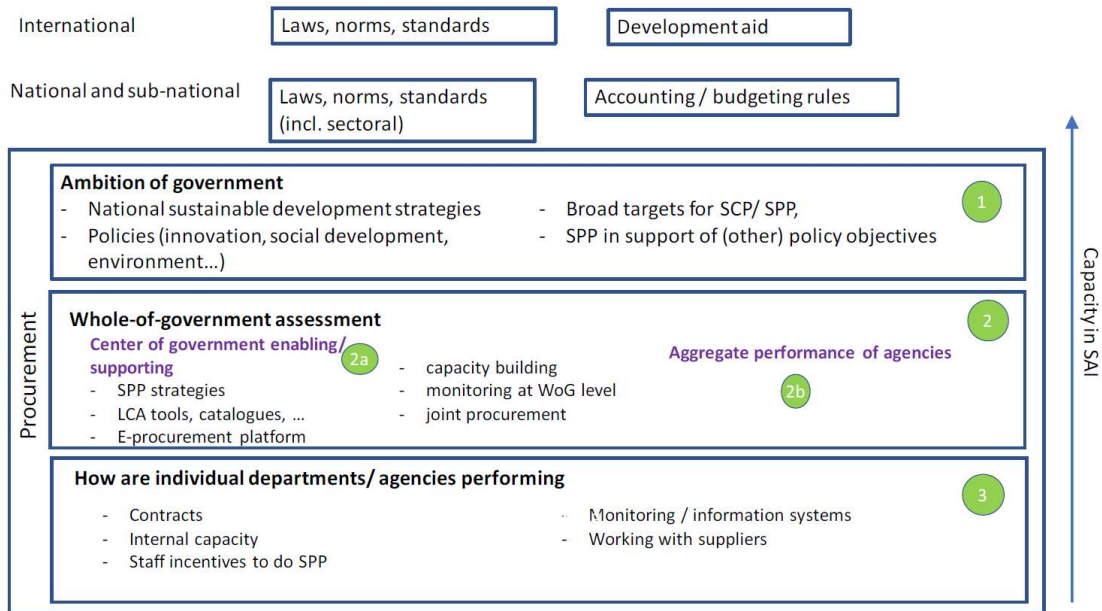
The INTOSAI Development Initiative has supported audits of sustainable public procurement within the context of the SDG audit model. An [expert group meeting](#) on the subject in July 2019 discussed the development of a pilot audit at a whole-of-government level sustainable public procurement process/initiative(?). One of the insights was that sustainable public procurement should be looked at within the context of the public procurement system in a specific country context. It was also concluded that international law relevant for sustainable public procurement does not only include procurement-centered law, but also trade law, investment agreements, ILO Conventions, environmental treaties, etc. Audits should also pay attention to the accounting and budget rules and to the way they may foster or impede sustainable procurement practices (INTOSAI, 2019).

The INTOSAI experts also found that sustainable public procurement often requires collaboration of government departments (or the center of government) with potential suppliers in order to enable them to upgrade to more sustainable products. Whether sustainable public procurement is mandatory or voluntary varies across countries. Moreover, in some countries, some levels of government may face mandatory requirements while others are just encouraged to include sustainability elements in procurement.

Finally, the 2019 expert group meeting discussed internal capacity on government, specific tools to facilitate SPP, the role of public-private partnerships, and performance measurement around SPP. Further work has been done among others by the SAI regional entity for Latin America OLACEFS, including a [webinar](#) held in June 2020.

The model of a national SPP system as developed by INTOSAI for audits (see figure 1) could be helpful in determining where institutional and governance mechanisms to strengthen SPP could create leverage.

Figure 1: A simplified representation of a national sustainable public procurement system, with entry points for audits



Source: [INTOSAI](#)

Topics to be considered

At the webinar, recommendations could be discussed such as on how to scaling up peer learning, on improving collaboration and exchanging on product group specifications, on using digital tools to support particularly SPP, and on suggestions for legal frameworks. The role of the national/subnational context will also be discussed as will the match between SPP institutions and governance, and the dominant (sub)national governance style (hierarchical, network or market governance). For example, the relatively successful approach in the Netherlands is – matching with the preferred governance style of voluntary collaboration (network governance) – not rule-based but based on incentives and partnerships, supported by quality standards for SPP in various product groups.

Guiding questions

- How to scale up peer learning?
- How to improve collaboration and exchange of product group specifications?
- How to use digital tools to support SPP?
- How to strengthen legal frameworks?
- Is there a match between SPP institutions and governance, and the dominant (sub)national governance style (hierarchical, network or market governance)?
- Where there are mismatches, is this because of low political priority or for other reasons?
- Is low political priority linked to lack of knowledge?
- Even if there is a mismatch, there may be unexpected and underused opportunities. What are they? What institutional and governance interventions could support SPP under which typical conditions?

References

- EC, 2016. Buying green! :a handbook on green public procurement : 3rd edition. Publications Office, LU.
- INTOSAI, 2019. Report Expert Group Meeting: Elaboration of a model to audit the implementation of the SDGs [WWW Document]. URL <https://publicadministration.un.org/en/news-and-events/calendar/moduleid/1146/ItemID/3018/mctl/EventDetails> (accessed 10.13.20).
- OECD, 2013. Mapping out good practices for promoting green public procurement.
- UNEP, 2017. Global Review of Sustainable Public Procurement.
- Word Bank, n.d. Definition of procurement [WWW Document]. URL <http://pubdocs.worldbank.org/en/936511561562347300/Definitions> (accessed 10.10.20).

Draft agenda

| Time (min) | Topic | Who | |
|------------|--|--------------------------------------|---|
| 5 | Opening/welcome | Geraldine Fraser-Moleketi | Chair of the Committee of Experts on Public Administration (CEPA) |
| 10 | Scene-setting: institutional and governance dimension of sustainable public procurement | Louis Meuleman (moderator) | CEPA Member / Visiting professor public governance, Leuven University, Belgium |
| 7 | SPP as accelerator of the SDGs – also under instable circumstances? | Lamia Moubayed Bissat | CEPA Member / President of the Institut des finances Basil Fuleihan at the Lebanese Ministry of Finance |
| 7 | SPP as a modern financial/fiscal tool, creating new markets for sustainable products & jobs, improving competitiveness | Juraj Nemec | CEPA Member / Professor of Public Finance and Public Management, Masaryk University and President of the Network of Institutes and Schools of Public Administration in Central and Eastern Europe |
| 7 | SPP & new markets for sustainable products & jobs, improving competitiveness | Tania Perich Iglesias (TBC) | Director, ChileCompra (TBC) |
| 10 | | <i>Q&A</i> | |
| 7 | SPP challenges and solutions at local level | Mark Hidson | Deputy Regional Director and Global Director, ICLEI |
| 7 | Concrete SPP example from The Netherlands | Ivo Bonajo, Joan Prummel | Coordinators SPP, Ministry of the Interior and Ministry of Infrastructure & Water of the Netherlands |
| 7 | Concrete SPP examples from Southern Africa | Neil Cole | Executive Secretary of the Collaborative Africa Budget Reform Initiative |
| 7 | Concrete SPP example from (Asia-Pacific country) | TBC | |
| 7 | Concrete SPP example from Tunisia | Sonia Ben Salem (TBC) | Director, TUNEPS |
| 7 | Concrete SPP example from Costa Rica | Julissa Sáenz | SAI Costa Rica |
| 5 | SPP & new markets for sustainable products & jobs, improving competitiveness | (TBC) | |

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|---------|--|-----------------------|--|
| 15 | | Q&A | |
| 7 | The way forward; towards recommendations | Louis Meuleman | CEPA Member / Visiting professor public governance, Leuven University, Belgium |
| 5 | Closing comments | TBC | |
| 120 min | | | |