

Department of Economic and Social Affairs
Division for Public Institutions and Digital Government

Institutions and governance for accelerating sustainable public procurement

Report of the virtual expert group meeting convened by the CEPA working group on sustainable public procurement on 24 November 2020



United Nations

Acronyms

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| CASP | Cooperative Audit on Sustainable Public Procurement using data analytics |
| CEPA | Committee of Experts on Public Administration |
| DPIDG | Division for Public Institutions and Digital Government |
| GPP | Green public procurement |
| HLPF | High-level political forum on sustainable development |
| ISAM | INTOSAI Development Initiative – SDGs Audit Model |
| LDCs | Least developed countries |
| MEAT | Most economically advantageous tender |
| ODA | Official development assistance |
| PPE | Personal protective equipment |
| MAPS | Methodology for Assessing Procurement Systems |
| PP | Public procurement |
| SCP | Sustainable consumption and production |
| SDGs | Sustainable Development Goals |
| SPP | Sustainable public procurement |
| TAIEX | Technical Assistance and Information Exchange instrument of the European Commission |
| UN DESA | United Nations Department of Economic and Social Affairs |
| UNODC | United Nations Office on Drugs and Crime |
| VAT | Value-added tax |

Key messages of the virtual expert group meeting

- SPP has substantial potential as a key policy instrument for achievement of the SDGs. Scaling up peer-to-peer learning, improving collaboration, and using digital tools are all needed to further promote SPP practices. Efforts should be made at the national, regional and international levels to accelerate SPP aims.
- A match between national and subnational governance styles and SPP mechanisms is critical to engaging all relevant stakeholders in implementation. In Europe, a network- style of collaboration has been incorporated, supported by political priority, with governments collaborating with businesses, public institutions, local authorities and civil society organisations.
- There is currently a lack of understanding of how regulatory compliance works and can help manage supply chains. Revision of legal frameworks may be necessary in such cases, including improved fiscal incentives such as tax breaks and application of value-added taxes (VAT) on goods and services. Greater effort could also be made to encourage suppliers to do their part through promotion of ecolabeling, among other initiatives.
- Alongside regulatory reform, there is a need to improve measurement of SPP take-up, focus on effectiveness in procurement decisions and generate interest in SPP among top officials. The absence of awareness of SPP and buy-in by top management and political leaders can be a significant obstacle.
- Sustainability factors should be integrated into procurement processes rather than seeing SPP as an alternative to traditional approaches, which often use the lowest cost as a main consideration in procurement decisions without regard to secondary policy objectives.
- The capacity to manage SPP processes – especially in relation to day-to-day contract management – is a major challenge in many countries, calling for skills development, resources and a change in attitudes. Social aspects are often not taken into account, and there is a need to seek greater coherence among environmental, social and economic aspects of production and consumption.
- Enhancement of skill sets could be provided through targeted training, for example as part of academic programmes, with a view to ensuring that procurers are fully aware of the SPP methods and tools available to them, as well as strengthened efforts to promote procurement as a profession.

Introduction

This report summarizes discussions that took place at the virtual expert group meeting (EGM) on institutions and governance for accelerating sustainable public procurement convened by the CEPA working group on sustainable public procurement on 24 November 2020. 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. The EGM was held to gather inputs from leading experts and government officials involved in SPP that could support the Committee's deliberations and serve as the basis of a paper on the topic to be prepared by the working group members.

A commitment to SPP is made in the 2030 Agenda through target 12.7 on "Promoting public procurement practices that are sustainable, in accordance with national policies and priorities." Given that public procurement represents on average 13 to 20 per cent of GDP,¹ sustainable public procurement (SPP) could be seen as a crucial enabler of the Agenda's objectives.

SPP is progressively being embraced in the OECD area, as well as by other countries, as a strategic tool to advance sustainable consumption and production patterns and influence markets. Progress on SDG target 12.7 is expected to be monitored at the global level using a multi-part indicator, agreed by UN Statistical Commission in General Assembly resolution A/RES/71/313 on 6 July 2017. The globally-agreed indicator, of which UNEP is the custodian, measures:

1. Existence of a SPP action plan/policy/national programme and/or regulation mandating the implementation of SPP;
2. SPP regulatory framework and practice;
3. Number of staff dedicated to support the implementation of SPP policy or SPP practitioners;
4. Training/capacity-building of public procurement practitioners on SPP;
5. Practical support delivered to public procurement practitioners for the implementation of SPP;
6. SPP purchasing criteria/buying standards/requirements identified;
7. Existence of an SPP monitoring system;
8. Percentage of sustainable purchase of priority products/services.

Member States are encouraged to start using this indicator.

There are different institutional and governance approaches to SPP, each with their specific advantages and disadvantages. Some schemes are voluntary and others obligatory, and with a varying level of detail in product group specifications. As with all aspects of governance for the SDGs, various models should be considered as there is no one-size-fits-all solution. Peer learning between countries can also be an important accelerator of SPP and should be encouraged.

Guiding questions for the meeting were as follows:

- How to scale up peer learning?
- How to improve collaboration and exchange of product group specifications?
- How to use digital tools to support SPP?

¹ <https://www.worldbank.org/en/topic/governance/brief/global-public-procurement-database>

- 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?

Summary of the discussion

The virtual meeting consisted of nine presentations within a two-hour period, plus a dedicated question and answer segment with Mr. Louis Meuleman, CEPA member and Coordinator of the Environmental Implementation Review of the European Commission serving as the moderator. The presentations covered matters related to using SPP as an accelerator of the SDGs and as a modern tool to expand or create new markets for more sustainable products and jobs, while improving competitiveness. Concrete cases from the Netherlands, the Republic of Korea and Costa Rica, and at the regional level from Africa, helped shed light on challenges and opportunities associated with SPP practices.

Opening

The EGM was opened by Ms. Geraldine Fraser-Moleketi, Chair of CEPA and Chancellor of Nelson Mandela University. Key points from Mrs. Fraser-Moleketi's remarks included the following:

- According to the OECD, the main purpose of SPP is to seek equality between environmental, social and economic aspects of production and consumption. The harmonization of relations between market participants such as manufacturers, suppliers, consumers and the environment when purchasing goods and services should also be considered.
- In the public sector, procurement managers are required to comply with new sustainable regulations where these exist and to look at suppliers who are able to provide sustainable offerings. This has also been seen in the construction sector where there has been an adoption of green public procurement to improve environmental performance.
- Regarding the public private interface, the focus on sustainable procurement sometimes becomes challenging in application. This has proven to be the case in the cocoa industry, where Ghana and Côte d'Ivoire, which together produce up to 2/3 of the world's supply, introduced a living income differential (LID) on all 2020 and 2021 cocoa sales. Under the LID policy, the proceeds are to be used to raise the income of cocoa farmers, who earn on average just over a dollar a day. Cocoa brands publicly announced their commitment to this LID. However, there has been information suggesting that some brands were trying to undermine or avoid paying the LID premium.
- Sustainable procurement is not just a vision for application, but it impacts the life of people in developing and developed countries and there is a need to look at how to engage in a manner

that shows willingness to take governance and the entire issue of public procurement through to the fullest. It is not just sound theory or good handbooks but practices that makes a difference in ensuring that no one is left behind.

SPP as an accelerator of sustainable development

Ms. Lamia Moubayed Bissat, CEPA Member and Director of Institut des finances Basil Fuleihan under the Ministry of Finance in Lebanon, spoke on “Sustainable public procurement: an accelerator of sustainable development in time of crisis. A financial tool for new markets, jobs and innovation”. Key points from Ms. Bissat’s presentation included the following:

- With the world facing and unprecedented pandemic, which is causing economic and financial challenges, there’s a sense of pressure with an increasing sense of urgency. Considering SPP and the final decade to implement the 2030 Agenda, a severe downward spiral in all economic activities is to be expected. This situation is bringing back big government at the centre for action. Not only for addressing COVID-19, but also in relation to how to achieve environmental sustainability and to address the deepening social inequality caused by COVID-19.
- SPP principles and practice can be leveraged to support sustainable development, to make public procurement truly fit for purpose. Yet, findings suggest that while environmental considerations are widespread, the social aspects of SPP are given less consideration.
- Evidence shows that while some high-income countries have progressed substantially in implementing SPP, implementation in low- and middle-income countries remain a big challenge. Portraying SPP as an almost guaranteed win-win is too simple. There is a need to identify context specific barriers first. There is a need to understand better what makes SPP implementation effective and how to identify the stakeholders. This is especially important in low and middle level income countries.
- Mr. Carsten Hansen’s recent review of SDG 12.7 focuses on barriers for SPP implementation.² This module suggests that effective SPP require intervention across four dimensions: legislative and policy framework (L), organizational and buy-in (O), capacities and tools (C) and supply market readiness (M). An interesting characteristic of the model is that it acknowledges the impact of the SPP cost factor. In low- and middle-income countries, the cost factor is amplified. Considering that only 1 per cent of official development assistance (ODA) is spent on SDG 12, there is currently not enough resources dedicated to promoting SDG 12.

Three ideas were highlighted for further consideration:

- It is important to work on the definitions of SPP: There is a need to start viewing public procurement as sustainable, without having reference SPP. SPP is not an alternative form of procurement. The definition of PP should be reengineered to integrate sustainability, to make it part of the definition of public procurement. This could be important for practitioners and decision makers for advancing at the policy level.

² <https://greengrowthknowledge.org/research/waking-trillion-dollar-giant-sustainable-public-procurement-and-2030-sdg-agenda>

- It is important to modify the diagnostics tools: PP practitioners know that the tool used for measuring and diagnosing public procurement is called the Methodology for Assessing Procurement Systems (MAPS). This methodology assesses the procurement systems based on four pillars (legal, institutional, market and accountability). If concerns were integrated for broad social and environmental impact, this would be a practical method to advance SPP.
- Work more on SDG 12.7.1: To better monitor country level implementation, SDG 12.7.1 is critical for bench-marking progress to ensure continued momentum for SPP implementation.

Mr. Juraj Nemeč, CEPA member and 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 spoke on SPP as a modern financial/fiscal tool, creating new markets for sustainable products and jobs, improving competitiveness. Key points from Mr. Nemeč's interventions included the following:

- The most critical economic goals on both sides of the procurement markets involves procurers and suppliers. The main goal of SPP is to purchase in an effective manner which implies that items have to be bought at the best quality-to-cost ratio. However, this is connected with significant realization problems as effectiveness is normally not covered by procurement legislation. Only a few countries have legislation on planning, but this is more on the technical aspects of planning. There is a need to take into account other laws.
- It is important to consider the broader aspects of procurement, including impact on suppliers and markets. Competitiveness should not only lead to savings, but also improve the functioning of national markets. However, competitiveness in many regions is still low. According to academic research, there should be about six offers to get a good price and to push markets to function competitively. For that reason, there is a need to ensure that public procurement is fully accepted as a tool to promote innovation.

Interactive discussion following the first set of presentations

During the interactive discussion that followed, participants observed that:

- Through UNEP's two-three-year reviews on the progress of SPP, it is clear that SPP is mostly implemented in highly industrialized countries. There is even an acceleration of implementation in Asia, where it is often mandatory and connected to ecolabels. For example, in China, there is a list of products which are mandatory for state procurement, directly connected to the national ecolabels. This makes it easier in terms of competition and confusion between different labels.
- In the least developed countries (LDCs), a significant problem is the availability of greener and more sustainable products. Many countries are forced to limit their ambitions as they cannot find the products on the market, as well as the capacity to implement. This does not mean that developing countries should not move forward on SPP. Countries should still prioritize certain product groups for local production, or to become export champions.
- SPP should be part of day-to-day procurement. SPP is good procurement. MAPS has a specific SDG module, which is becoming more complete and robust. It was tested in Norway by the

OECD. The testing was successful and led to further improvements. Regarding the linkage between MAPS and indicator 12.7.1, the former refers to the performance of the procurement system while the latter is the number of countries that are implementing SPP policies.

- The Marrakesh Process is country-specific and helps advance awareness of the practitioner and the community of procurers on SPP. There is a need for both micro and global governance levels, but there is also a need for contextualized work. This is the strength of the Marrakesh Process.
- A difficult barrier to overcome is working on the individual level. Regarding public procurement and procurers, the transition is difficult and underestimated. There is a need for tools. Therefore, for example, data banks can help with guidance and coaching, including external expertise, guiding principles and regulations. A large number of such tools have been developed, but it is still not sufficient. Exchange and peer learning from good experiences need to be strengthened.
- MAPS is a good foundation. If an SPP module is incorporated into MAPS, it could likely strengthen the capacity to implement.
- Many developing countries currently do not exercise sustainable procurement, and procurement officials are not familiar with how to create or prepare the Most Economically Advantageous Tender (MEAT). Only applying the economically advantageous criteria is not sufficient. It should be part of the evaluation.

Challenges and solutions at the local level

Mr. Mark Hidson, Deputy Regional Director and Global Director, ICLEI, spoke on SPP challenges and solutions at the local level. Key points from Mr. Hidson's presentation included the following:

- It is important to move to a framework where procured products or services take into account sustainability. A factor often left out is the behavioural and change management aspects in the context of public procurement. If there is no change management within organizations, SPP is less likely to happen or it will be more time consuming to implement.
- In terms of the policy framework, experience shows the need to create mandatory frameworks. An SPP target cannot be generic because it cannot be measured. It needs to be sector specific and meaningful to any given product or service group, which can be challenging.
- There is currently a lack of understanding of how legal compliance works, in particular in supply chains. There are wider options available before moving into procurement. Prices do not reflect the true costs of services. There is a need to look into fiscal incentives, tax breaks, VAT on products and services. Such factors can be a more feasible and faster approach to launch sustainable products on the market, rather than going through public procurement.
- It is also important to look at how products and services are produced. It is critical to support sustainably sourced material and efficient production. This comes prior to public procurement. Public procurement is the very last stage when considering sustainability. Investment strategies

must also be considered. There needs to be sufficient market analysis and market intelligence to better understand the setting. In many regions of the world there are issues in terms of corruption. This has to be put into the policy framework of the country.

- Given budgetary constraints, public authorities are not always able to define exactly what is needed, and therefore businesses may not produce or create the requisite goods or services. This can lead to a situation where private contractors overcommit. Businesses also do not always have the expertise and in some cases cannot deliver what they have said they will deliver in terms of environmental, social and/or innovation aspects. For that reason, there is a need to look at the contract management side of SPP. Life cycle analysis is important while doing life cycle costing is very complicated.
- On the capacity side, public procurers are not recognized as a profession in many areas of the world. In Europe, efforts are being made to make it a profession, incorporating the subject matter into educational establishments and developing degrees and professional trainings on procurement.
- There is also a lack of understanding on the senior management level. There is a lack of data, partially because it is difficult to collect. A significant amount of time is being spent to collect information, but there is currently not a strong enough methodology behind these efforts.
- There is a key problem with the verification of products. Public authority often does not have the resources or skills to verify products, to be able to confirm that the products are indeed sustainable.
- Creating a mandatory framework and looking at sector-specific products and services, as well as goals and processes of public procurement is important. Looking at eco designs, products and services is also key. While encouraging a market dialogue, it is crucial to look at mandatory information on recycled content, design for recycling, and the lifespans of products. The next phase is to look at the role of e-procurement. That is a significant part of sustainability that has not been discussed or utilized much as of yet.

National and regional experiences with SPP

Mr. Ivo Bonajo, Sustainability Manager Central Government, Ministry of the Interior and Kingdom Relations spoke on national SPP approaches in the Netherlands. Key points from Mr. Bonajo's presentation included the following:

- In accordance with the analytical framework introduced, there has been two phases in the Netherlands' SPP history. In the first phase, emphasis was on a network style approach. The key to activate sustainable public procurement is by starting networks and piloting. It also proved that SPP is possible, and it delivered insights, for example that it is not always more expensive. In the second phase, in order to create sustainable procurement volume, it was necessary to shift focus more towards instruments. It has been determined that key was setting more targets on the organizational level, which was difficult to accomplish. In the end, a strategy was formulated which was approved by the council of ministers. This is an integrated strategy with SPP being a key assignment within the strategy. Internal organizational targets were also

incorporated in the national climate agreement. That was an important step to attain more attention at the highest levels within the organization. These steps are recent, with the strategy being from last year, but a growing number of governmental organizations within the Netherlands find legitimacy within these policies.

- The challenge is to find the right balance between the different government styles. There is a need to facilitate the cultural and behavioural change necessary for SPP. To increase impact, experiences must be shared, nationally and internationally. In the Netherlands, PIANOo, the Dutch Public Procurement Expertise Centre, is the institution in place for this purpose.

Mr. Joan Prummel, International Advisor Circular Economy, Rijkswaterstaat, Ministry of Infrastructure and Water Management, spoke on international peer learning in the Netherlands. Key points from Mr. Prummel's presentation included the following:

- In the Netherlands, amongst many sustainable policies, there is a plan to become 100 per cent "circular" by 2050 and 50 per cent by 2030. A circular economy describes an economy which minimises waste and maximises use of natural resources, as an alternative to the "regular" economy with little consideration to reuse and waste³. Three important areas from the perspective of the Netherlands include, i) a circular economy should be a sustainable economy, ii) procurement accelerates, and iii) the circular economy does not stop at the borders of a country. If the aim is to become circular by 2050, there is a need to start sharing and to start stimulating others to become circular as well, as the Netherlands depend on import and export. Therefore, to achieve a circular economy, the rest of the world has to move in this direction as well.
- Regarding the Netherlands' efforts to encourage international adoption, a plan was set to develop the circular economy in Europe. For that reason, a "green deal" approach was established. The Dutch "green deal" is a small learning network with public and private procurers, learning together how procurement can function as a lever to stimulate the circular economy. The Netherlands aims to contribute to the establishment of such networks in Europe, to advance collaboration.
- The Netherlands is also participating in the Technical Assistance and Information Exchange instrument of the European Commission (TAIEX). The Netherlands is currently working in Asia and North America through the SPP programme, connected to South America and Africa as well. There's great interest in how procurement works as an instrument for advancing sustainability. Some countries are also interested in how to set up their own "green deals", with focus on a more sustainable economy and procurement practices.
- For a global circular economy, everyone needs to change their procurement. Many tools have been created in the Netherlands, with most being translated into English to allow for further dissemination to other countries. The Netherlands seeks to share the Dutch experience with interested countries while also learning from others.

³<https://www.un.org/development/desa/en/news/sustainable/good-practice-circular-economy.html>

- International peer to peer learning accelerates national and international aims. The network style in Europe, but also in other regions, further promotes collaboration. Political priority also helps, for national and international aims.

Mr. Neil Cole, Executive Secretary, Collaborative Africa Budget Reform Initiative, spoke about the experience with SPP in African countries. Key takeaways from Mr. Cole’s remarks included the following:

- In some countries in Africa, introducing SPP cannot assume that the basics of a procurement and a functioning procurement system already exists. Measures to make procurement more sustainable will rest on a foundation where there is fundamental practices of good procurement systems in place. There are certainly things going wrong in procurement that need to be addressed when thinking about sustainability going forward.
- Within the public sector, there is not enough planning taking place. The impact of lack of SPP planning will affect the focus on human rights issues, labour practices and realizing the best possible solutions. Sufficient time is needed for planning, which may tie in with budgeting and planning cycles.
- Rules are not always well understood across the public sector. Existing legislation, which is already in compliance with international standards, is not always well understood across the public sector. Therefore, even with legislation in place, the capacity to execute legislation does not necessarily follow.
- Inadequate contract management is evident within the public sector in developing countries where there is limited capacity across all ministries, departments and agencies to ensure that quality, the timing of delivery, and the cost agreed on for the goods is adhered to throughout the duration of the contract. Corruption also plays a big role. Considering sustainability, these key areas that contribute to the problem at the moment will need to be tackled, and it should be noted that these areas manifest differently from country to country. There is a need to think about how to put in place procurement practices that are more sustainable.
- In the private sector, the view is almost opposite of that of the public sector. Adequate time needs to be allocated towards planning, to ensure cost effectiveness. Cost, especially in the public sector, cannot be the only consideration. There is a need to look at equity and ethical behaviour.
- The elimination of delay is critical for the private sector, as it concerns the delivery of goods and services and the completion of a given project within the established time frame, as well as the budget cost estimates. Where the private sector is better performing than the public sector is when it concerns contract management. Particularly this year it has become evident that with the procurement of personal protective equipment (PPE) and other related medical equipment to support the fight against COVID-19, that where procurement took a shorter period of time because emergency measures were used, problems arose within contract management.

Mr. Joon Sung Ahn, Associate Researcher, Sustainable Lifestyle Office, Korea Environmental Industry and Technology Institute spoke on “Green public procurement of Korea”. Key points from his presentation included the following:

- In the Republic of Korea, a local version of the SDGs has been developed, namely the K-SDGs. The vision is to make the country more inclusive and sustainable. There are 5 strategies and 17 targets associated with K-SDGs, based on the 2030 Agenda, but developed to address local needs in the Republic of Korea. Amongst the 17 targets, number 12 is on “sustainable consumption and production”. For target 12.7, the Republic of Korea aims to increase the percentage of green public procurement to 70 per cent by 2030 and to increase the number of eco-labelled products in consumer goods to 73 by 2030. In 2021, the Republic of Korea will move to the 4th action plan for promoting the purchasing of green products by transforming every aspect of people’s lives to become eco-friendly. The K-Green New Deal agenda will also be reflected in all policies.
- The Korean Eco-label Programme was launched in 1992, and in 2005 an enforcement act for purchasing of environmentally friendly products went into effect. The environmental impact of products is measured based on the greenhouse emission reduction. There are now many public institutions purchasing green products. Regarding implementation mechanisms, stakeholders including several ministries are involved. As of May 2019, there were about 15,000 products supplied by almost 4,000 companies under 165 product categories which carry the Korean eco-label.
- GPP support measures includes the monitoring of cities’ GPP records on a regular basis. Currently there are four staff on monitoring duty, and there is also the green products information platform where green guidelines are published each year. Both online and offline physical training is offered as well as sharing of best practices. Also, there are business incentives to help local governments improve their GPP agenda.
- GPP is being monitored frequently. The Republic of Korea has electronic systems in place that enable monitoring of entities’ GPP performance. Total expenditure in green products in the Republic of Korea has increased by about 5 times in 2019 compared to 2005, which was the first year of the initiative.
- Composition by GPP has changed. Building and construction material are now taking the largest share. Local governments are the key players, at almost 50 per cent of consumption of GPP by organizations in 2017. A recent survey confirmed that the main obstacle to GPP in the Republic of Korea is a lack of diversity in products. Also, price is an issue. It is hard for suppliers of green products to compete with the ordinary market for conventional goods that does not necessarily comply with environmental requirements.
- Sustainability impact of GPP in the Republic of Korea shows that there is a growing market for eco-labelled products.

Julissa Sáenz, Audit Area of the Financial Administration System - SAI Costa Rica, Comptroller General of the Republic, Costa Rica spoke on SPP Cooperative audit using data analytics. Key points from her presentation included the following:

- The region is currently undertaking a comparative audit on sustainable public procurement using data analytics (CASP) which is INTOSAI’s first pilot to apply IDI’s model for the audit of the

SDGs (ISAM). ISAM is a guide intended to support SAIs in conducting high level audits of the implementation of the SDGs based on the ISAM. ISAM is based on five principles, focused on: i) results; ii) recognition of the diversity of SAIs; iii) the international standards (ISSAIs); iv) inclusiveness; and v) added value.

- Fourteen SAIs from the region are participating in the comparative audit with the coordination of SAI Costa Rica, including IDI-INTOSAI coordinators and regional resource teams. The audit is in line with SPP literature, being that SPP is considered a tool to achieve the SDGs and efforts should be made towards making all public procurement sustainable, considering the social, environmental, and economic dimensions, and focusing on value for money on a whole life cycle basis. This is different from traditional purchases, in which the lowest price is sought, and where secondary policy objectives are not considered. Therefore, effectiveness and efficiency in purchasing is achieved by applying the criteria of value for money, circular economy, social and environmental issues, and even innovation. For that reason, Government has an important impact on the behaviour of the suppliers of goods and services. The audit design considers that public procurement has great potential for the entire analysis in participating countries.
- Regarding challenges and opportunities faced, there's an interest from SAIs to audit public procurement but most of them did not have enough understanding of the basic concepts. As a consequence, this was perceived as a risk. The initial approach from many SAI teams, however, has been to do a compliance audit with more focus on fraud and corruption. Therefore, a training was designed to address these matters. A series of webinars and classes were organized, taking advantage of the virtual environment.
- Another challenge is that the legislation of most countries from the region is not consistent with the SPP approach. Given SAIs usual biased towards using legislation as audit criterium, auditing SPP is challenging and requires close follow-up of the audit processes and also through the internal quality control until a report is issued.
- Data analytics is a challenge, depending on the quality of information available and the countries' capacity. Regarding the audit status, due to a delay caused by the pandemic, it is currently in its planning stage. SAIs have been through a very fruitful learning curve, outcomes being the development of the CASP model and the related course.
- The post-pandemic regional economic recovery will require the implementation of successful SPP practices for the construction of a more equitable world.

Mr. Enrico Degiorgis, Coordinator Green Public Procurement, Environment Directorate-General, European Commission spoke on the European Union Green Public Procurement (GPP) Policy. A few highlights from his remarks includes the following:

- One of the main policy documents dates back to October 2017. In regard to the strategic public procurement framework, when the Commission adopted this communication, it identified public procurement as a strategic area, considering that it represents an estimated 14 per cent of GDP at the EU level. To advance and develop partnership to improve public procurement in practice, the strategic document has identified six priority areas. The first priority area is to boost strategic procurement, considering the green, social and innovative aspects. The second area is

on the professionalization of public buyers. The third is to increase access to procurement markets (SMEs, IPI). The fourth is to improve transparency, integrity and data. The fifth is to boost the digital transformation of PP. The sixth is to cooperate, to produce together.

- In terms of the specific areas of GPP, there are ample tools and guidance available. One of the main tools offered is GPP criteria and background reports, with the idea of establishing common criteria. These are developed to avoid that any authority (city level etc.) defines their own criteria, creating confusion which could also reduce the impact possible on the market. This is done through a broad stakeholder consultation which is open to everyone. There are regular updates of these EU GPP criteria, especially for products which are part of the global market.
- The Commission has provided legal guidance on how to include green requirements in PP and tools to help provide training activities in this area has been developed. A help desk available to all procurers has also been established, to allow procurers to ask questions related to how to include green requirements in PP.
- On the latest development, almost one year ago, the Commission published communication on the European green deal in which a role for PP was identified so public authorities including the EU institutions should lead by example and ensure that their procurement is green. The commission committed to propose further legislation and guidance.
- As a follow up to the European green deal, in March 2020 the commission adopted a new circular economy action plan which includes a dedicated section on public procurement. This section envisages the definition of minimum mandatory green public procurement criteria through sectorial legislation. The Commission will also continue providing support with guidance and voluntary tools.

Concluding observations

Mr. Juwang Zhu, Director, Division for Public Institutions and Digital Government, UN DESA, made the following points:

- The EGM has provided very helpful input into the CEPA meeting next year. More discussion on how to harness digital technologies and digital transformation to advance the sustainable procurement could also be of interest.
- The EU Commission has been leading SPP take-up, which could be leveraged to create partnerships between the global North and South and share the expertise and experience of developed countries with developing countries that are trying to advance in this area.

The moderator, Mr. Louis Meuleman, observed in conclusion that:

- Both obstacles and opportunities were considered during the EGM, for example the cases of the Netherlands and the Republic of Korea both highlighted successes and constraints. On obstacles, gaps were mentioned such as that of the social aspects which often are not taken fully into account. The absence of awareness and buy-in by top management and political leaders in low- and middle-income countries is a challenge. Notably, only 1 per cent of ODA is devoted to

supporting implementation of SDG 12 although public expenditure represents about 15 to 30 per cent of GDP.

- Another obstacle is that businesses at times overpromise on the sustainability characteristics of their products, with governments not always being able to verify that deliverables meet requirements. Weakness arise due to inadequate contract management by public authorities, for example in life cycle costing of goods. The need to improve planning, procurement and contract management was stressed. Difficulties encountered in obtaining sustainable products due to limited supply options was also noted.
- The behavioural aspect of procurement was mentioned, as well as change management. People need to be trained to be procurers. Procurers are not always fully aware of what they need to do to effectively execute sustainable procurement. Fiscal incentives were mentioned as well as the lack of data and labelling products being an issue.
- Public procurement methods should, in general, reflect sustainability requirements rather than relegating SPP to a specialized category. Also, having ambitious policy targets, such as in the Netherlands, can prove to be fruitful. It was also emphasized that there is a need for mandatory frameworks to further support the implementation of SPP that are sector-specific and linked to policy priorities. Doing so calls for greater efforts to foster ownership on the part of political leaders and top managers in the public sector..

Participating experts

Ivo Bonajo, Sustainability Manager Central Government, Ministry of the Interior and Kingdom Relations, The Netherlands

Neil Cole, Executive Secretary, Collaborative Africa Budget Reform Initiative

Enrico Degiorgis, Coordinator Green Public Procurement, Environment Directorate-General, European Commission

Joon Sung Ahn, Associate Researcher, Sustainable Lifestyle Office, Korea Environmental Industry and Technology Institute, Republic of Korea

Geraldine Fraser-Moleketi, Chancellor, Nelson Mandela University and Chair of the Committee of Experts on Public Administration

Mark Hidson, Deputy Regional Director, European Secretariat and Global Director, Sustainable Procurement Centre, Local Governments for Sustainability

Josefine Hintz, Sustainable Economy and Procurement Officer, European Secretariat, Local Governments for Sustainability

Alison Kinn Bennett, Senior Advisor, Sustainable Products and Purchasing, United States Environmental Protection Agency

Louis Meuleman, Coordinator, Environmental Implementation Review, European Commission, Visiting Professor at KU Leuven and Vice-Chair of the Committee of Experts on Public Administration

Lamia Moubayed Bissat, Director, Institut des finances Basil Fuleihan, Ministry of Finance, Lebanon and member of the Committee of Experts on Public Administration

Juraj Nemeč, Professor of Public Finance and Public Management, Masaryk University and member of the Committee of Experts on Public Administration

Joan Prummel, International Advisor Circular Economy, Rijkswaterstaat, Government of the Netherlands

Julissa Sáenz, Audit Area of the Financial Administration System - SAI Costa Rica, Comptroller General of the Republic

Farid Yaker, Lead of SPP, Division of Technology Economics and Industry, United Nations Environment Programme

Presentations

- [Introduction by Louis Meuleman, CEPA member](#)

- [Sustainable public procurement: an accelerator of sustainable development in time of crisis: a financial tool for new markets, jobs and innovation by Lamia Moubayed Bissat, CEPA member](#)
- [SPP as a modern financial/fiscal tool, creating new markets for sustainable products and jobs, improving competitiveness by Juraj Nemec, CEPA member](#)
- [National SPP approach of The Netherlands by Ivo Bonajo, Ministry of Interior Affairs and Joan Prummel, Rijkswaterstaat, Ministry of Infrastructure and Water Management](#)
- [Remarks by Neil Cole, Executive Secretary, Collaborative Africa Budget Reform Initiative](#)
- [Green public procurement of Korea by Mr. Joon Sung Ahn, Korea Environmental Industry and Technology Institute](#)
- [EU Green Public Procurement Policy by Enrico Degiorgis, Environment Directorate-General of the European Commission](#)
- [OLACEFS Sustainable public procurement cooperative audit using data analytics by Julissa Sáenz, Audit Area of the Financial Administration System, Supreme Audit Institution of Costa Rica](#)

Other background material cited during the meeting

- [Procurement with impact: strategy for sustainable, social and innovative commissioning by central government, October 2019, Government of the Netherlands](#)
- [Improving the execution of capital expenditure financed from state resources in the Central African Republic, Collaborative Africa Budget Reform Initiative](#)
- [Walking the Trillion-Dollar Giant, August 2020, Carsten Hansen](#)
- [Sustainable Public Procurement in Norway – Testing the MAPS Module on Sustainable Public Procurement, June 2020, MAPS](#)
- [Sustainable Procurement Platform, December 2020, ICLEI](#)
- [Office of Federal Sustainability, December 2020, White House Council on Environmental Quality, Government of the United States](#)
- [Green Procurement Compilation, December 2020, General Services Administration, Government of the United States](#)
- [Sustainable Purchasing Leadership Council, December 2020](#)
- [One Planet Network Sustainable Public Procurement, December 2020](#)

Supporting documents

- [Concept note](#)
- [Agenda](#)
- [Biographical notes of speakers](#)

Kindly see the [event page](#) on the website of UN DESA/DPIDG for further information about the meeting.