

# SUSTAINABLE PUBLIC PROCUREMENT

2022 **GLOBAL REVIEW**



Webinar: Presenting the main findings and conclusions

January 26th



8:00 New York / 14:00 Paris  
16:00 Nairobi / 19:00 Bangkok

# Key recommendations resulting from the 2022 Sustainable Public Procurement Global Review

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# Introduction

- **No single formula for success**
- **9 recommendations:**
  - Equip decision makers and public procurement experts
  - Encourage additional discussion
- **Examples drawn from:**
  - International Stakeholder Survey
  - National Government Questionnaire
  - Interviews with key stakeholders
  - Literature review



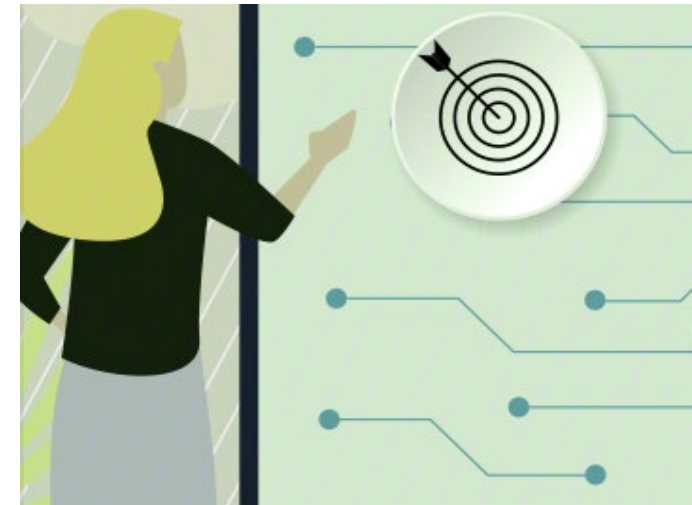
# 1. Make Sustainable Procurement Criteria/Guidelines Mandatory

- **Current status**
  - 62% of national governments have developed criteria or guidelines for at least one prioritized product/service category
  - Only 31% have mandatory applications of these criteria or guidelines
    - Europe – only 47%
    - Asia – 83%
- **Voluntary only goes so far**
  - True across studies assessing *all levels of government*
- **Legislation increases SPP adoption + consistent adoption**
  - Strong signal to procurers
  - Shifts markets
  - Mitigates risks
  - Changes organization cultures and mobilizes action



## 2. Shift from 'low-cost procurement' to 'value for money procurement'

- **'Value for money procurement'** includes social and environmental costs and criteria
  - More accurate assessment of the true cost of goods and services
  - Spurs market competitiveness from more sustainable companies
- **Examples:**
  - UK Social Value Act (2012) -- requires government to 'explicitly evaluate social value when awarding most major contracts'
  - Argentina, Panama, Paraguay and Uruguay have sustainability criteria in their standard procurement specifications
  - Mendoza Province (Argentina) restructured its public procurement tenders to incentivize vendors to embed social and environmental concerns into their business practices



# 3. Emphasize training, capacity-building, incentives

- **Procurement managers don't always see the full value of SPP**
  - Training
  - Focus on value for money procurement
- **Recruitment**
  - Value sustainability expertise in hiring to quickly enhance capabilities
- **Vendor training**
  - Especially helpful for small/diverse businesses so that they can compete for government contracts
- **Incentives**
  - Perceived risk associated with SPP decisions
  - How?
    - Align internal recognitions and rewards
    - Creative internal competitions
    - External awards – ICLEI's Procura+ awards, Sustainable Purchasing Leadership Council awards

*“People are self-driven; [training] enables them to pursue SPP with confidence”*



# 4. Enhance reputation for sustainability

- **Publications rank most sustainable nations, cities**
- **Sustainability reputations**
  - Influence new business decisions, tourism, and other stakeholder perceptions
  - Demonstrate an overall sustainability commitment
  - Increase trust and goodwill with stakeholders
- **How?**
  - SPP policies should be publicly available
  - Include information about metrics, goals and progress towards meeting sustainability goals
  - Enhance transparency with a wide range of stakeholders

*“Sustainability improves organizations’ public image and reputation”*



# 5. Advance all aspects of sustainability across the procurement life-cycle

- **Social purchasing is a strong platform for environmental purchasing and vice versa**
- **Developing countries...**
  - SPP focused to increase opportunities for small and local businesses, and especially those from disadvantaged groups
  - Using creative tendering processes to allow vendors to collaborate to apply for large procurement contracts
  - Promoting purchases from businesses that prioritize human labour over automation
- **OECD countries...**
  - SPP focused to reduce the environmental impacts of purchasing
- **Leverage existing efforts** to support sustainability more generally across the entire procurement life-cycle



## 6. Leverage sustainable purchasing to build resilience in the face of crisis

SPP during  
Covid 19

- **Some used SPP to enhance purchasing resilience, economic development**
  - Promotes supply chain resilience → leverages the power of small/local businesses
  - 63% of buyers + 71% of suppliers report that sustainable purchasing helped them endure the COVID-19 crisis (Gillai et al. 2021)
- **Supply chain resilience increases as SPP implementation matures**
  - Richer indicators
  - Engage suppliers more deeply
  - Nurture suppliers to help them become sustainability performers
- **EXAMPLE:** Colombia, Chile, Uruguay and the Dominican Republic
  - Used SPP to diversify their supplier base
  - Expanded SPP supported supplier lists and electronic catalogues
  - Facilitated participation of small/medium-sized businesses
  - Used SPP to 'build back better' – a term used by several experts that we interviewed

*"[In the wake of COVID-19], we see sparks of hope... that this recovery is challenging the model of a standard economy. The potential for SPP is significant"*



# 7. Integrate sustainable purchasing into e-procurement to measure outcomes

- **Benefits:**

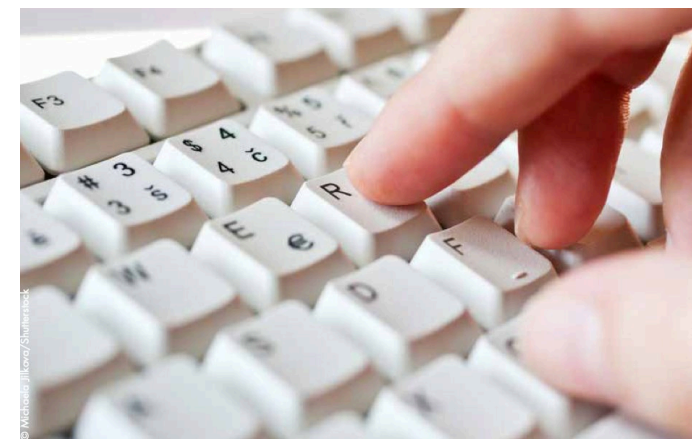
- Reduces the costs of finding sustainable goods and services
- Raises the profile of sustainable products or services so that they become the default decision during purchasing
- Helps integrate sustainability into tenders (e-tenders)
- Helps manage what you measure –
  - More easily track sustainable spend
  - Monitor SPP progress
  - Mechanism for incentivizing sustainable purchasing behaviour
  - Reduces corruption through enhanced transparency

- **How?**

- Customize e-procurement systems to include sustainability criteria
- Develop dashboards to track sustainability performance
- Modify to include sustainable product lists and online databases of sustainable purchasing options

Only 24% of national governments measure SPP outcomes

Partner with Recommendation #2 – Training, Capacity-building, Incentives



# 8. Participate in knowledge sharing networks

- **Benefits:**

- Bring together purchasing professionals from different regions and sectors
- Learn from each other's expertise, innovation and sustainable purchasing commitments to introduce, strengthen, and expand SPP
- Avoid the SPP hurdles that encountered by others
- Awards/recognitions can help accelerate SPP implementation

- **Example networks:**

- International Green Purchasing Network
- One Planet Network
- ICLEI's Procura+
- Sustainable Procurement Network
- Sustainable Purchasing Leadership Council
- Danish Sustainable Procurement Forum
- Quebecker ECPAR6

*Partner with  
Recommendation #2 –  
Training, Capacity-  
building, Incentives*



# 9. Enhance supplier engagement

- **Suppliers can be useful allies to facilitate SPP success**
  - Inform government officials about sustainable options
  - Create avenues for governments to increase SPP
  - Important collaborators towards SPP implementation success
- **Important shift in how governments typically engage with markets**
- **How?**
  - Be clear about your sustainability goals
  - Give suppliers sufficient time to respond and provide clarity in expectations



# Conclusion

- **Recommendations illustrate that SPP encompasses a variety of strategies**
  - Go beyond selecting greener products
  - Incorporate a full range of programmatic activities that affect *every step of a typical procurement cycle*
  - Require the strategic engagement of stakeholders, including vendors
- **Changing typical procurement practices requires:**
  - Leadership and policy
  - Technical changes
  - Shifts in organizational cultures
- **UNEP will continue to:**
  - Provide direct support to countries in developing and implementing SPP policies and action plans
  - Foster and facilitate regional SPP networks
  - Lead global monitoring of SDG indicator 12.7.1 in the framework of the One Planet Network SPP Programme

UNEP and its partners will continue to support SPP advancements around the globe



# Thank you!

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