

# SUSTAINABLE PUBLIC PROCUREMENT

## 2022 GLOBAL REVIEW

UN  
environment  
programme



## Key recommendations

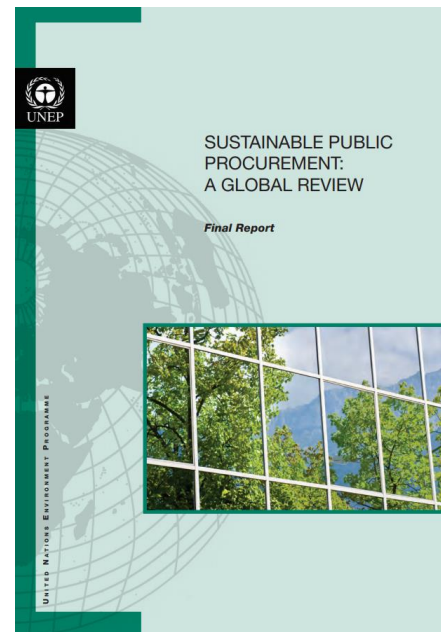
*9 March 2023*

Nicole Darnall, Foundation Professor and  
Director of Arizona State University's  
Sustainable Purchasing Research Initiative

# History: SPP Global Reviews from 2013 through 2022

## ★ Objectives:

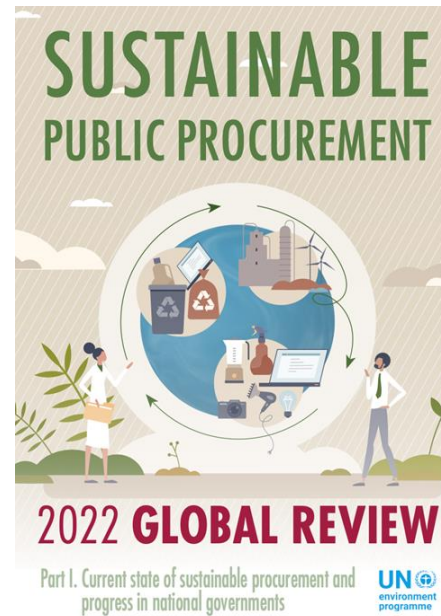
- Provide a **global overview of the current state of SP in national governments**, highlighting progress in areas such as SP policy development, implementation, and monitoring.
- **Assess progress towards meeting UN SDG 12.7.**
- Create a broader view of SP practice by **identifying how private sector actors engage in SP.**
- Understand how **international organizations, academia, and networks** support SP policy development, implementation, and research.
- **Expand understanding about the drivers, barriers, needs and expectations for SP** around the globe by reflecting stakeholder opinions across an array of countries, organizations and professions.



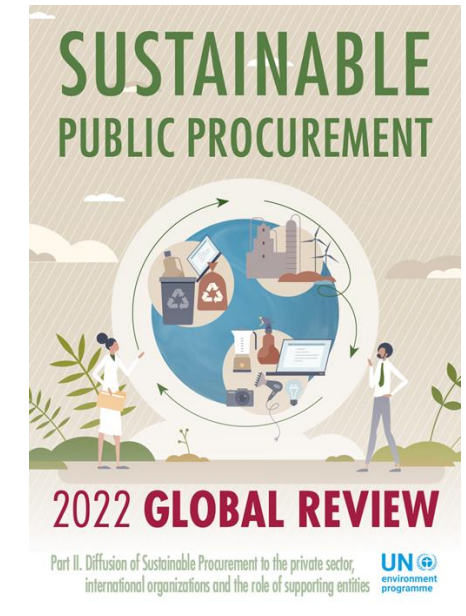
2013



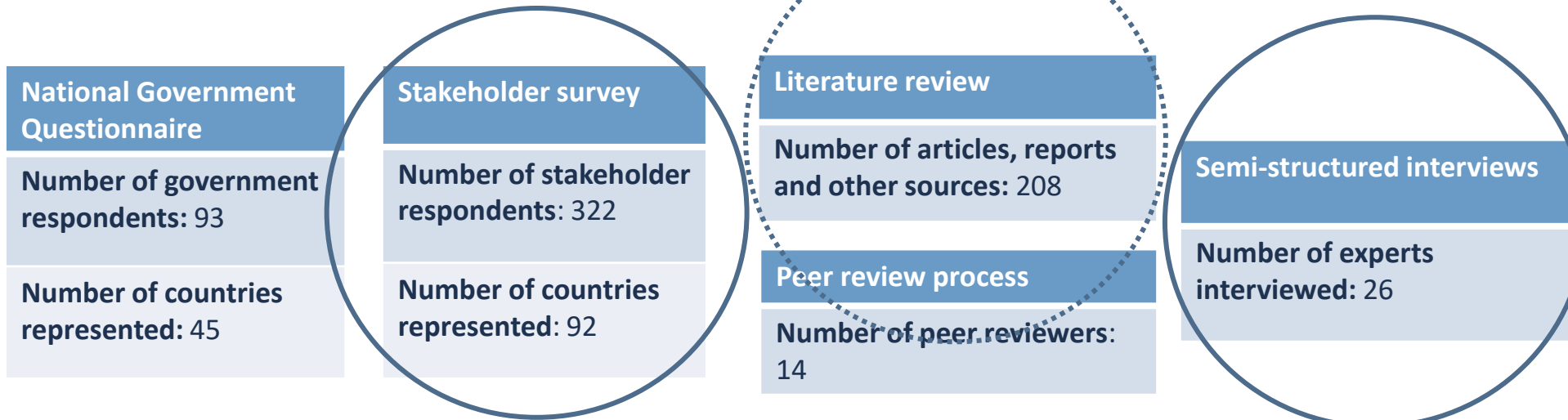
2017



2022 **Parts I and II**



# 2022 Global Review research methodology



January 2022

**2020/2021 Data collection for SDG Indicator 12.7.1**

Main results and conclusions from the first reporting exercise

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# What we learned....

- **No single formula for success, but many pathways**
- **9 recommendations:**
  - Equip decision makers and public procurement experts
  - Encourage additional discussion



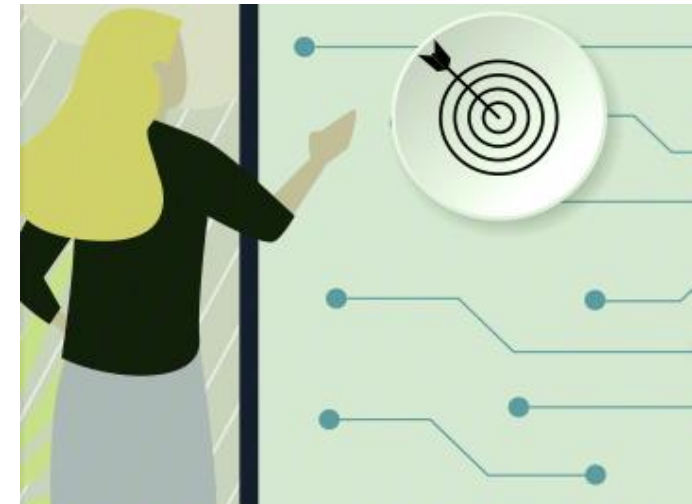
# 1. Make Sustainable Procurement Criteria/Guidelines Mandatory

- **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 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 when 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 labor 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

- **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:**

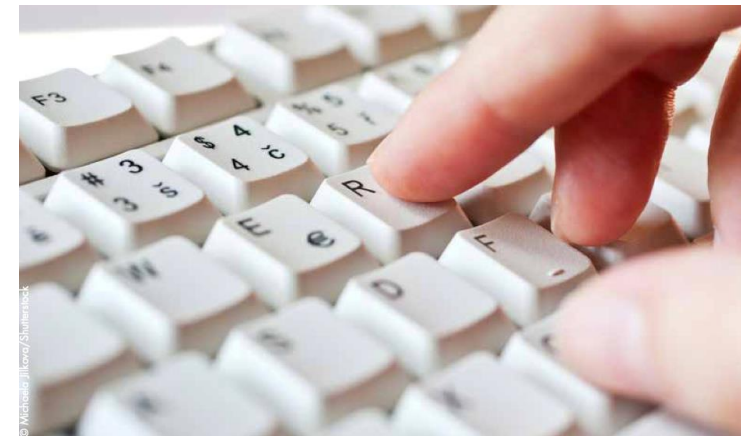
- Reduces the costs of finding sustainable goods and services
- Raises the profile of sustainable products or services so that they become the default decision during purchasing
- Helps integrate sustainability into tenders (e-tenders)
- Helps manage what you measure –
  - More easily track sustainable spend
  - Monitor SPP progress
  - Mechanism for incentivizing sustainable purchasing behavior
  - 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+*
- *Responsible Purchasing Network*
- 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
  - Seek *information* from these critical stakeholders





# Monitoring and measuring the impact of sustainable public procurement remains a challenge

Despite advances in formalizing and implementing SPP, **only a small increase (5%)** was observed in the proportion of national **governments monitoring SPP** from 2017 to 2021.

**Only 1/3** of national governments that monitor SPP progress measure SPP benefits.

These benefits are results rarely communicated.

# Conclusion

- **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
  - Monitoring and measurement of SP outcomes
  - 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

Change management =  
Critical Success Factor

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



# Thank you!

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