

Sustainable Procurement Brief

27 May 2019



Definition

The HLCM Procurement Network has defined SP as procurement that *“integrates requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs”*.

Sustainable Public Procurement goes beyond 'green procurement'

Economic

- **Best value for money** (price, quality, availability, functionality, innovation)
- **Life Cycle Costing**
- **Economic development**
- **Employment**
- **Good governance**
- **Innovation**

Social

- **Human development**
- **Education**
- **Human and labour rights**
- **Reduction of poverty and inequality**
- **Security**
- **Social inclusion**
- **Promotion of SMEs**

Environmental

- **Preservation of natural resources, ecosystems and biodiversity**
- **Reduction of ecological footprint,**
- **Reduction of GHG emissions**
- **Waste management**

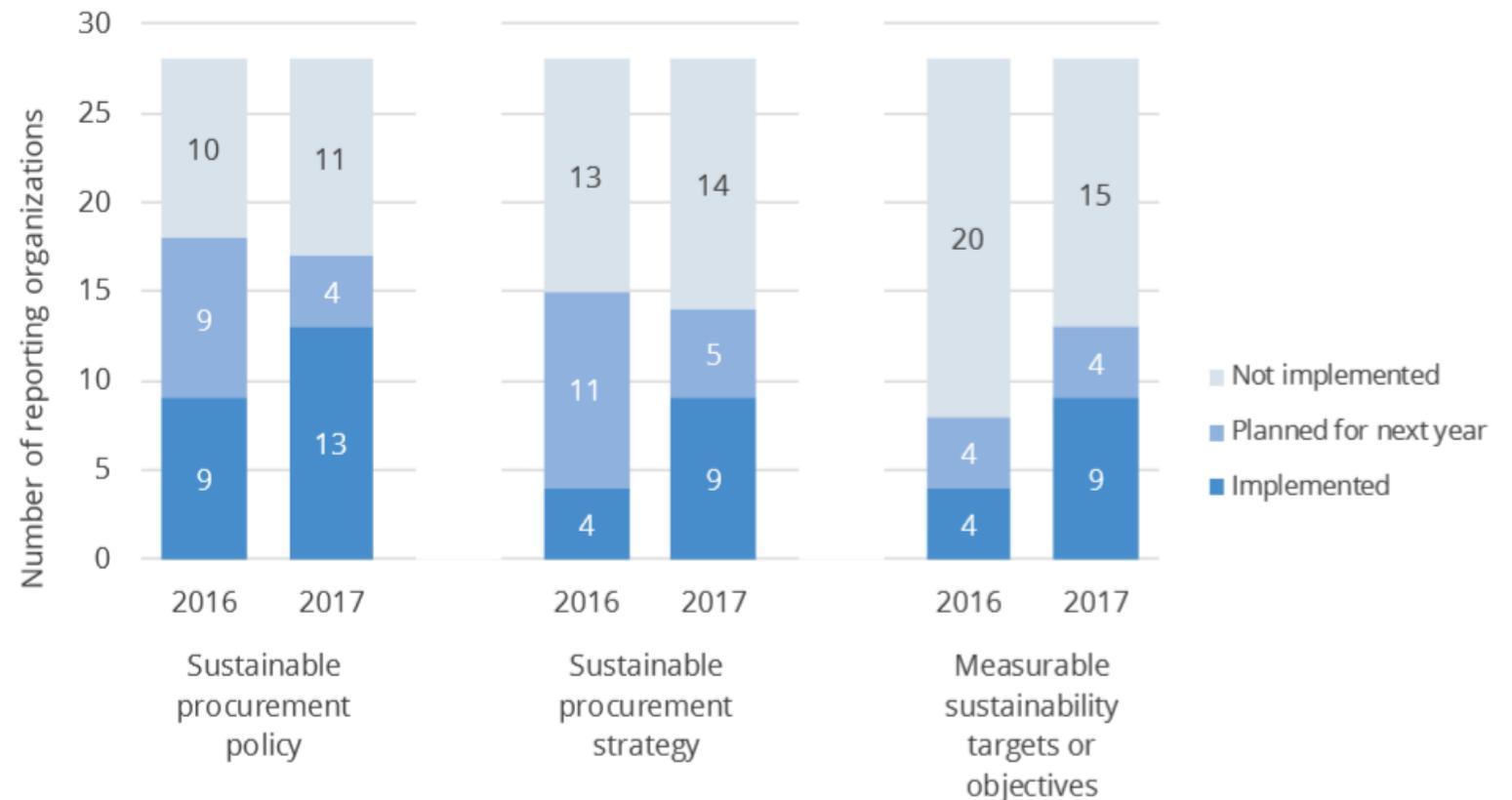


Progress of SP in the UN system

- Work started in early 2000 with surveys, training and capacity building, guidance on policies and strategy and meetings like this.
- 2009 HLCM adopts a SP statement

Sources of information:

- www.ungm.org
- www.greeningtheblue.org
- UN procurement practitioners handbook



Tracking SP implementation within the UN system

Project Objective:

Establish an approach to systematically monitor, measure and report on sustainable tenders within the UN system

Phase I	Development of SP tracking indicators and methodology – <i>complete</i>
Phase II	Integration of SP measurement and reporting on UNGM

Indicator set approved by HLCCM

Identification of 10 key areas of measurement that can define a sustainable tender

- Based on
- 1) survey among UN agencies on what criteria are currently used
 - 2) extensive literature review of external best practices

Environmental	Social	Economic	Generic (for information only)
<ul style="list-style-type: none">• Prevention of pollution• Sustainable resource use• Climate change mitigation and adaptation• Protection of the environment, biodiversity and restoration of natural habitats	<ul style="list-style-type: none">• Human rights and Labour issues• Gender issues• Social health and well-being	<ul style="list-style-type: none">• Whole life cycle cost• Local communities and SMEs• Promoting sustainability throughout the supply chain	<ul style="list-style-type: none">• UN Global Compact• Supplier audits

Inclusive and extensive collaborative process

Started	October 2017
Indicator set presented to HLCM Washington	October 2018
Finalize Phase I – presentation at HLCM Vienna	March 2019
Working group meetings	8
Task force meetings	9
Newsletters	3
Pilot (<i>4th July until 22nd February</i>)	155 submissions by 8 agencies - 26% of tested tenders address indicators in all three pillars of sustainability

Contributing agencies:



Proposed methodology

How many SP indicators define a sustainable tender?

1. At least 3 criteria
2. At least one criterion in each of the three pillars of sustainability
 - Environmental
 - Social
 - Economic

Use of UNGM

UN organizations using UNGM cover 98% of total procurement volume. In 2018, 11,000 tenders were published on UNGM.

Raise internal sustainability ambitions

In December 2018 the Secretary General Executive Committee retreat asked UN secretariat and HLCM to :

- 1. raise the level of UN system internal ambitions of UN action** (incl. procurement, pension fund investments, achieving carbon neutrality) **and**
- 2. intensify its efforts to implement Greening the Blue**
- 3. Highlight at the September 2019 UN Climate Summit that the UN is “walking the talk”** on environmental sustainability and climate change.



UN System vision and strategy for sustainability 2020-2030

The vision: the UN System is a leader in integrating environmental and social sustainability considerations across its work in a systematic and coherent way, practicing the principles that it promotes and leaving a positive legacy.

Phase I: environmental sustainability in the area of management

Commitment to system-wide and entity-specific environmental governance and accountability

Five environmental impacts:

1. Greenhouse gas emissions
2. Waste
3. Water
4. Air pollution
5. Biodiversity degradation

Six management functions:

1. Procurement
2. Human resources
3. Facilities management
4. Travel
5. Events
6. ICT

Phase II (by 2020): internal environmental and social sustainability in UN System policies, programming, facilities and operations

Sustainable procurement indicators

What

UN organisations systematically integrate sustainability considerations in procurement

How

- % of UN entities with policies and guidance that integrate sustainability considerations in procurement
- % tenders with sustainability criteria at entity and UN wide level

Q&A

