

Dialogue Forum on Sustainable Public Procurement 2021

Latest Developments in E-Procurement,
Verification Options, Joint- and Circular Procurement

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1. Foreword

The Dialogue Forum is a key international event, held annually in Bremen since 2018. The Dialogue Forum on Sustainable Public Procurement 2021 – Latest Developments in E-Procurement, Verification Options, Joint and Circular Procurement took place from 27 to 30 September 2021. The Forum was jointly organised by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and the Purchasing and Procurement Centre of the Free Hanseatic City of Bremen, in close cooperation with the Service Agency Communities in One World (SKEW) of Engagement Global.

The main idea of the Dialogue Forum is to connect people from the public sector, civil society, academia, the private sector and politics with the goal of leading more vibrant discussions and to enhance further exchange on the topic of sustainable public procurement (SPP). The Forum provides an excellent opportunity to exchange experiences, foster peer-to-peer learning, connect and take another step towards more sustainable public procurement and all its benefits. The legal context in different countries may differ quite significantly. However, there are a number of challenges for SPP that are the same regardless of the country facing them, and therefore potential solutions can and should be discussed beyond the national level. The 2021 Dialogue Forum featured over 65 speakers from 22 different countries, ranging from Canada, Costa Rica, Argentina, Ghana and South Africa to Finland, India and South Korea. Due to the circumstances, caused by the Covid-19 pandemic, the event was held in an online format.

2. Monday, 27 September 2021 – E-Procurement Solutions as Catalyser for Sustainable Public Procurement

On the first day of the Dialogue Forum, Evelien Fiselier from the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) welcomed the participants. According to Andreas Stamm from DIE, Germany took its first step to further develop SPP when the regional government of North Rhine-Westphalia requested advice from DIE on implementing the new Law on Sustainable Public Procurement in 2016. Afterwards there were many successful projects on the topic, including intensive collaboration with Bremen and the City of Malmö (Sweden), both of which are very advanced cities in SPP. SPP experts and practitioners communicate annually via the Dialogue Forum. Participants are more than welcome to openly and actively discuss the relevant issues.

Official welcome notes

Anja Wagner, Federal Ministry for Economic Cooperation and Development, Germany

Participants were officially welcomed by Anja Wagner, Head of Division at the Federal Ministry for Economic Cooperation and Development (BMZ). She emphasised ‘globalisation’ as the

keyword of the last 30 years. However, the world faces growing social and economic inequalities, and high prices that millions of people have to pay for the sake of a globalised market, including 79 million working children worldwide. Around 25 million women and men perform forced labour in textile factories or quarries, on coffee or cotton plantations, in order to meet modern society's demands for products.

Wagner asked: Are we wearing fair clothes? Do we have clothes that do not involve child labour or human rights abuses? Clothes that include observance of health standards during production and use of sustainable materials, and clothes made in a world where fair supply chains are standard?

The public sector spends €500 billion a year on the procurement of building materials, new work clothes, office equipment, groceries, and new technologies. Public sector representatives have a duty to be role models for citizens. Municipalities have a special role, because they are closest to the people and, within this collaboration, living conditions are shaped. The contribution of municipalities through procurement is central to achieving the goals of the UN 2030 Agenda and the 2015 Paris Agreement.

In order to support municipalities and promote their commitment to development policies, the ministry established the Service Agency Communities in One World (SKEW) in 2001. The Fair Trade Forum was created at the same time. This is an association for fair trade that involves both economic and social actors. Its objectives are to create awareness, to spread fair trade and to act as a political voice for the fair trade movement. Strong civil society actors are also a driving force for municipalities. Progress can also be seen in this year's nationwide competition 'Capital of Fair Trade': 118 municipalities have participated with more than 1,000 projects.

Sustainable procurement bridges the gap between what should be improved in Germany and what needs to be done internationally. To face the global challenges of climate change, poverty and inequality, global solutions are needed and forces must be joined.

Lastly, Wagner emphasised that contacts in the field of sustainable procurement will be strengthened, before adding that a commitment to common goals is essential. She noted that pressing and current questions, which are also addressed during this Dialogue Forum, include:

- How can technology and digitisation promote sustainability in procurement?
- How can we better track and measure our progress towards fair procurement?
- Which formats are best suited to bring us together in the long term and to exchange knowledge and experience?
- How do circular approaches contribute to increased sustainability in procurement?

All these questions may help in further discussions. We are the ones who shape the future of the public sector and who will successfully tackle the challenges of the next decade.

Jeannette Schade, Service Agency Communities in One World (SKEW), Germany

This year's Dialogue Forum is taking place together with the City of Bremen, as the forerunner of other German municipalities interested in SPP. SKEW is the competence centre for municipal development policy for the BMZ and has been part of Engagement Global since 2012. The programme of the SKEW has four main pillars: 1. municipal partnerships, 2. municipalities for global sustainability, 3. migration and development, and 4. fair trade and fair procurement. The main target group is German municipalities. However, municipal partnerships also involve countries of the Global South, in order to exchange experiences.

The fourth pillar aims to improve social conditions along global value chains, by engaging German municipalities in fair and sustainable procurement. To reach that aim, a mix of strategies is implemented. This includes rewarding good performance (e.g. via Capital City of Fair Trade competition). The 10 best performers received a total prize sum of €250,000. The amount awarded will be used on new projects for fair trade and fair procurement within these municipalities.

Another initiative is the Fair Procurement Network, established in 2007, which enables the exchange of knowledge and experiences between German municipalities, expert organisations, the private sector and NGOs. Together with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Sustainability Compass was developed. This online platform includes a navigator for sustainability labels, latest information on laws and regulations as well as best practice examples. In addition to these flagship projects, Engagement Global offers various practical services, i.e. project and personnel funding. Engagement Global works with both civil society and research organisations on sustainable procurement, enabling it to keep abreast of developments.

Under the ISOPP project, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is conducting research into sustainable procurement under the leadership of Andreas Stamm. There are four work packages:

1. Use of e-procurement to enhance sustainable procurement;
2. Verification instruments for assessing the sustainability of procurement practices;
3. Joint procurement models to enhance know-how and create synergies;
4. Communication with the market to highlight sustainability as a competitive advantage.

From each work package, a handbook for public procurement practitioners will be published. The first three topics are also included in the 2021 Dialogue Forum.

Clara Brandi, Head of Programme Transformation of Economic and Social Systems at German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), Germany

Since 2018, there has been a close cooperation between the German Development Institute and the SKEW, all in line with their basic mission: searching for levers to accelerate a transformation towards sustainability, with a focus on the global dimension and Global South.

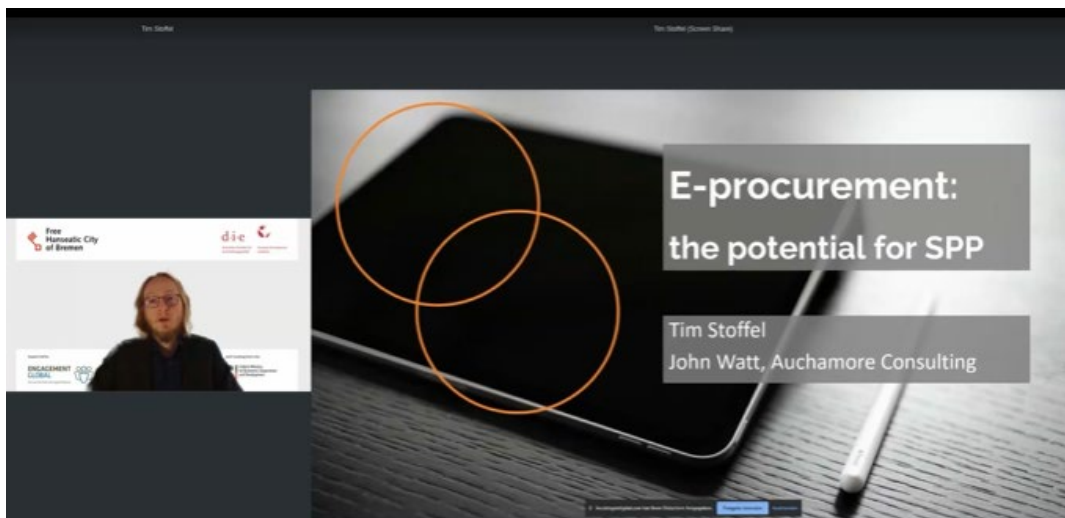
Clara Brandi noted that sustainable public procurement is one of the potential great levers of the sustainability transition. In most parts of the world, around 15% of GDP is generated in the public sector; numerous policy papers and journal articles have been published on the potential of SPP. The Dialogue Forum is an opportunity for all to exchange knowledge and foster peer learning and this year's edition will include 150 participants, 65 experts and practitioners sharing their knowledge and perspectives in order to enhance further development in the public procurement space.

Introduction: E-Procurement for SPP

John Watt, Director at Auchamore Consulting, United Kingdom

Tim Stoffel, Project Manager at Global Nature Fund (GNF), Germany

The two speakers started with an overview of the connection between e-procurement and sustainability. They then provided specific recommendations, based on extensive digital fieldwork with practitioners in Europe. Regarding the benefits of digitisation (making existing data and processes digital) of public procurement, Tim Stoffel pointed out that promoting this trend is clearly important. For example this digitisation helps to reduce administrative costs, brings administrations and citizens closer, and it supports other strategic goals – mostly ecological and social. However, globally speaking, e-procurement is developing rather slowly, as it can often be hard work to put theory into practice.



1. Copyright Tim Stoffel/John Watt

In Germany, EU-level regulations serve to set deadlines externally, because the introduction of e-procurement and digitisation is often focused on minimum requirements. Saving time and money is often regarded as the sole purpose of this process. That viewpoint is regrettable, because e-procurement offers a lot more potential.

Based on the systematisation of e-procurement, its functions would involve:

1. Visualisation of sustainability – in order to have a constant reminder of the underlying goal and criteria that can benefit;
2. Enhanced communication about sustainability – enhanced possibilities to communicate on the sustainability of procurement through digital means, which are much more efficient than conventional means;
3. Monitoring of data on sustainability and preventing data loss – for better possibilities to reach strategic goals.

E-procurement for sustainability offers further potential, such as simplifying (sustainable) tenders, enabling data-driven decisions, and monitoring sustainability in procurement. Monitoring is unfortunately often neglected, even for regular procurement that does not focus on sustainability criteria.

The presentation ended with recommendations based on John Watt's publication. The 10 recommendations for e-procurement are summarised as follows:

1. Leadership and governance;
2. Look at SPP first before designing technical solution;
3. Communication with all stakeholders;
4. Involve suppliers in the planning;
5. Suppliers need to see the value;
6. E-procurement may require new skills;
7. There should be a gradual system roll-out for SPP elements;
8. Make it intuitive for staff and suppliers;
9. Data shall have a consistent format;
10. Cooperate with other authorities – to expand the impact of the positive aspect.

During the Q&A session at the end of the session, there was a debate about the potential impact on reducing corruption via use of e-procurement tools. Audience feedback highlighted that corruption has not been the focus of research to date. However, although the workflows in implementing e-procurement do enable transparency, the most important aspect is the ethics of individuals involved in the process itself; the tools used are less important.

The report by John Watt will be published soon by Engagement Global. It will also be accessible via the website of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), for the direct use of practitioners.

Parallel Session A1: Integrating E-Procurement Systems in Public Organisations – Showcasing Best Practices

Melinna Vazquez Benitez, Director at Dirección Nacional de Contrataciones Públicas, Paraguay
Melinna Vazquez Benitez made a vivid analogy between the system of public procurements and a whole ecosystem, including all its interacting parts. The main benefit of such a system

is the possibility to reach real transparency, as this is the core element that makes public procurement systems complete. For that reason, the National Directorate of Public Procurement in Paraguay established an e-portal. This portal features all relevant documentation (e.g. offers, contracts, evaluations, verification of contract execution and payments) and processes – from the planning steps up to making payment to the service provider for the delivered goods and services – and all in a transparent manner.

Benitez also highlighted the important difference between the published data and reusable open data that is transparent, available, and further processable. Simply publishing the data is not enough to move forward on making public procurement more sustainable. The quality of the provided data should be addressed in order to make it reusable.

Instruments introduced by the National Directorate of Public Procurement in Paraguay include the Open Data Portal, with information published in a reusable format and the website www.QueCompramos.gov.py for further detailed information on the use of public funds.

The speaker concluded that economic, social and environmental aspects should be incorporated within public procurement – not as a technical accessory but as an integral part of the ecosystem. Sustainability efforts and progress can only be successfully integrated by maintaining open contracting and by providing open data.

Katja Kaunismaa, Project Manager at Municipality of Kittilä, Finland

According to Katja Kaunismaa, the key to high-quality sustainable public procurement lies in the people implementing it. Kideve Kittilä Development is responsible for the economic department's work in the municipality of Kittilä. It has a business development team whose main task is to strengthen regional competitiveness and to develop the whole region. For this purpose, it often calls on EU funding. Finland's legislation on public procurement changed on 1 January 2017, resulting in procurement being acknowledged as a strategic tool and greater attention being paid to sustainability factors in procurement.

The municipality of Kittilä then joined forces with the neighbouring municipality Sodankylä and implemented a project harnessing SPP for the benefit of the regional economy. Municipalities, decision-makers and companies were all involved and the project was based on economic, ecological and social sustainability aspects. The process involved analysing all purchases in the municipality. Municipal procurement strategies in both municipalities were developed and instructions were drafted for even smaller procurements, as well as larger ones. Since 2018, all purchases have been made on an e-procurement system.

Kittilä's aims and goals for the procurement strategy were to enhance the know-how and to enable adequate use of resources for public procurement, including quality and sustainability and goal-directed monitoring of procurements. The overarching aim was to boost the region's vitality. Regarding the main reasons for implementing e-procurement, Kaunismaa noted that digitalisation of services should be in line with Finland's national level. This means strongly supporting electronic solutions, competition being open to a wider market, the process being

more efficient, and minimising the risk of errors for both tenderers and procurers. Additionally, digitalisation of services leads to better sharing of know-how within and between organisations. Furthermore, the criteria on sustainability and social responsibility can be shared, rather than having a price-only system.

One of the main challenges to e-procurement is people's natural resistance to changing old practices. Bidding companies also need support to use the e-procurement system. However, the change can be supported by offering training, organising workshops for the exchange of experiences, drafting electronic guides for better procurement, acknowledging the increased demand for working hours, and enabling access to external expertise.

Parallel Session A2: Integrating E-Procurement Systems in Public Organisations – How to Get Everyone on Board

Saera Park, Deputy Director of International Cooperation, Public Procurement Service Korea, South Korea

The Public Procurement Service is Korea's central procurement government agency. It provides procurement policy notes and guidelines, conducts procurement contracts on behalf of public entities, and manages the national e-procurement system. The e-procurement system has been developed over the last 20 years, through a number of different development steps. The KONEPS system, which is its current phase, enables the entire procurement process to be implemented through a single portal. The portal delivers an end-to-end service, starting from requisition of the procurement to the payment of delivered goods and services. It is linked with more than 200 external systems from the government and private sector. Bidders can participate in all public biddings after a one-time registration. Currently the system processes over 70% of all public procurement in Korea. Key benefits of the KONEPS system include increased efficiency, improved transparency, as well as economic and business development.

Continuous improvement and innovation of this system is necessary, to keep up with the constantly evolving IT infrastructure and environment. The new KONEPS system will be available in 2024. Korea is busy managing numerous relevant government systems, which are all integrated and developed within the national framework, to enable all functionalities of the systems. Currently, Korea's focus is on including start-ups and supporting them via the e-procurement system. The main reason is that start-ups often develop innovative products, but they lack experience with public procurement and are not in a strong financial position. Korea is thus lowering the entry barrier for start-ups and ventures.

Asked about the possibilities for verifying the quality aspects of a product, Saera Park explained that the KONEPS system also includes social data, which is tracked automatically. Certification information is linked to the system. With green procurement, for example, the system is connected with the environmental permissions authority and verified information is shown in the electronic shopping mall.

Integrating E-procurement systems in public organisations – How to Get Everyone on Board

Bettina Schaefer, Ecoinstitut, Barcelona

The process of monitoring sustainable procurement, as well as integration of the monitoring into the e-procurement system, has been practically implemented with the Barcelona City Council and the Basque Government. Experiences gathered from case studies, and good practice that resulted from cooperation with the United Nations Environment Programme (UNEP), have also been incorporated. As Bettina Schaefer explained, there are many aspects to consider when implementing an e-procurement system. The same applies when integrating sustainability indicators into the e-procurement system. Key aspects include the relevance of data sources for measuring the level of sustainability, plus the timeline of the process as well as the persons involved.

Prior to the introduction of e-procurement, monitoring methods involved activity reports, questionnaires, audits and similar paperwork – as there were no electronic systems to provide all this data. So one of the main tasks for integrating e-procurement in public organisations was to recollect the data and provide recommendations for further steps on monitoring SPP. The results have been documented in a report available [online](#).

The table below shows possible data sources for the different monitoring aspects or areas within SPP, based on good practice. The aspects refer to 1. the institutionalisation level of SPP; 2. procurement with sustainability criteria; 3. sustainable products, services or works purchased; 4. contract with or purchasing from preferred companies; and 5. direct generation of employment opportunities. Together with UNEP, indicators in Barcelona were mapped in order to deliver a clear and comprehensive overview of the benefits of the e-procurement system. One difficulty in using the e-procurement system is that theoretically there are numerous criteria for evaluating whether a product is green or social. However, the system simplifies this, so that the person using the system can make their own decision. This aspect still needs improvement in the future.

To get everyone to join an e-procurement system, it is important to connect the relevant actors, explain the best options for evaluating different criteria, and to have a strategy. As an example, the City of Barcelona organises the Public Procurement Board, a consultative board working with social and economic organisations. Other networking options are the Sustainable Public Procurement Fair, internal seminars and training sessions, and best practice awards on SPP.

How: Data sources

Aspects or Area	Possible Data Sources
1 SPP institutionalisation	<ul style="list-style-type: none"> - Status assessment questionnaires - Semi-structured interviews - Direct review of plans, procedures, reports... - Scorecards
2 Procurements with sustainability criteria	<ul style="list-style-type: none"> - E-procurement platforms - Central procurement databases - SAP systems - Forms at tendering/awarding stage - Direct tender analysis
3 Sustainable products, services, or works purchased	<ul style="list-style-type: none"> - Centralized online product catalogues - Internal financial software/tools - Inventories (vehicle fleet, IT stock...) - Suppliers/vendors' reports - Reports from external organisations
4 Contract or purchase with/from preferred companies	<ul style="list-style-type: none"> - Internal financial software/tools - Suppliers/vendors' reports - Reports required to companies by other government units
5 Direct generation of employment opportunities	<ul style="list-style-type: none"> - Suppliers/vendors' reports - Reports required to companies by other government units

Table 3. Possible Data Sources for the Different Monitoring Aspects or Areas

3. Tuesday, 28 September 2021 – Options to Demand and Verify Sustainability in Public Procurement

Welcome notes

Birte Asja Detjen, Competency Center for Sustainable Public Procurement, City of Bremen, Germany

On behalf of the Free Hanseatic City of Bremen, Birte Asja Detjen warmly welcomed the Dialogue Forum participants and emphasised that this event was organised under a project called *Bremen handelt fair* (Bremen acts fair/Bremen trades fairly). One of the key activities of this project was to find applicable methods for intensifying verification options within sustainable public procurement. Another key topic was to learn how other purchasing entities successfully integrate circular aspects within their procurement process.

Regarding the collaboration of the DIE and Free Hanseatic City of Bremen in recent years, Detjen highlighted that Bremen was involved in procurement projects tackling the issue of strengthening verification options and joint procurement. The City of Bremen was mostly involved with practical implementation and best practice examples, whereas DIE focused on the scientific aspects. This common project is financed by the SKEW and the main topic is circular and sustainable procurement.

Ashley Klein, Service Agency Communities in One World, Germany

The Service Agency Communities in One World works on behalf of the Federal Ministry for Economic Cooperation and Development. In this context, it advises municipalities on the issues of fair trade and fair procurement. Ashley Klein said that events like these are very

important for mutual exchange, in order to further advance the topic of fair procurement. She looked forward to a valuable exchange, plus lots of new insights and ideas.

A Mentimeter poll showed the structure of the audience: many participants were from the public sector, a few were described as *others* and a few were from the private sector.

Key Note: Verification Options in Value Chains – What Role Should the Public Sector Play in the Process of Controlling?

Merete Sunde, responsible for ethical trade and environmental issues and non-medical products in Sykehusinnkjøp, Norway

The Norwegian Hospital Procurement Trust was founded in 2015, as the centre of strategic and operative responsibility for purchasing in the specialist healthcare service. The trust was founded to increase the capacity for dealing with relevant purchase issues and for releasing funds for patient treatment. The value of the agreement portfolio in 2020 was €3.3 billion, which is approximately 7% of the Norwegian public buying budget.

Dialogue with the market is an important step in the planning phase of the procurement process. This dialogue paves the way for follow up later in the process. Before the competitive process, risk management analysis should be performed. It is also important to get to know the suppliers, in order to understand where exactly the goods are being produced. Merete Sunde highlighted the importance of contract managers ensuring that social governance is an integral part of the ordinary supplier follow-up. The processes are performed together with external cooperation on national, Nordic and European levels in order to synchronise requirements in tenders and to do a common follow-up.

Regarding social audits, Sunde said that suppliers have been closely followed over the last 10 years. This work is done by combining the audit agency's work within the company and the work of the Trust itself, in order to bring improvements for workers. Examples of supporting better working conditions include regulation of working hours, salary and contracts, air conditioning, introduction of best practice labour rights and so on. The Trust has notably secured better remuneration for workers and better overall cooperation, while a specific result for Norway was ensuring medical glove supply during the Covid-19 pandemic. Although these results speak for themselves, the Trust still has a long way to go to achieve all desired goals.

During the discussion, Sunde was asked about the main focus of European working groups. She replied that the key is to work together and to get higher standards in requirements within the tendering process, as well as to learn from each other in order to achieve best practices. Regarding how the criteria are being agreed, Sunde said that the basic criteria are more easily set and followed. However, there are differences, since the competition situation and the local market are also highly relevant for setting the standards.

Parallel Session B1: Verification Methods – Labels and Its Alternatives. Learning and Strategy Session for Practitioners

Sandra Dusch Silva, Senior Researcher and Campaigner at Christliche Initiative Romero E.V., Germany

Sandra Dusch Silva explained why labels are necessary. She noted that initial production steps are often outsourced to countries with low standards as well as numerous social and ecological problems in raw material production, processing, logistics and retail and consumption, including serious human rights violations, discrimination, use of chemicals, pollution of groundwater, etc. Due to these problems, numerous consumer organisations have confronted companies whose work is based on social and ecological abuses in the supply chain. More and more people are rejecting products generated under such poor conditions. The market has numerous labels and these are based on the number of problems found. To better structure the existing labels, four groups were formed: quality seals, own brands, multi-stakeholder initiatives, and business-driven labels.

Several key points are relevant for generating a meaningful label: independent award and control, frequency and quality of control, content of social and ecological standards, binding nature of the criteria, scope of the standards, traceability of the entire value chain, and measurable progress toward social and environmental sustainability goals.

Dusch Silva underlined the relevance of the quality and inclusiveness of audits, as well as cooperation with local people. She pointed to an incident demonstrating this: the collapse of the Rana Plaza building in Dhaka, Bangladesh. This building was home to five garment factories, and its collapse killed at least 1,132 people and injured more than 2,500; yet an audit was performed before the accident. She also showed examples of label checks based on assessment criteria involving social issues, ecology and credibility of the label.

The slide is titled "Example: Fairtrade" and features the CIP logo (Christliche Initiative Romero) in the top left. It lists assessment criteria in three categories:

- SOCIAL ISSUES**
 - Living wages
 - Minimum price
- ECOLOGY**
 - 20% organic bonus
 - Trade unions
- CREDIBILITY***
 - mass balance
 - high costs for certification

To the right of the text is the Fairtrade logo (a stylized 'F' with a leaf) and a vertical red bar labeled "LABEL CHECK". Below the bar are three circular icons representing different aspects of the label. At the bottom right, there is a small video call window showing two participants.

Christiane Mache, Promoter for Public Procurement and Corporate Social Responsibility at BeN - Bremer entwicklungspolitisches Netzwerk, Germany

In her speech, Christiane Mache mentioned the options when there are no labels for products to be purchased. She said that situations like these provide opportunities for the market to evolve, so that public procurers can engage deeper and forge a longer lasting relationship with suppliers.

However, this does involve doing more work within the process in order to carry out adequate market research, and to communicate with the market, civil society organisations as well as other public procurers. In some cases, legal support is also needed.

Mache also introduced constructive actions that can be used as verification methods. For example, in situations where buyers ask for products that first need to be invented in a non-existent market, such as a mobile phone that is guaranteed to be produced without forced labour. These demands help to extend the market and to create new markets, by comparison with using labels as verification methods for products that already exist.

Asked if the assessment of labels is publicly available during the discussion, Dusch Silva referred to the website <https://labelchecker.de>. Public buyers looking to take further steps should check whether there is transparent information about the compliance with high-level standards. The focus should be on the process criteria and on the possibilities for improvement of employees' living and working conditions. The main goal is to push forward processes and standards by enhancing transparency.

Parallel Session B2: Bringing SPP in the Textile Sector to the Next Level – Founding and Operation Options for an International NGO called 'Textile Watch'

Björn Claesson, Director at Electronics Watch, Sweden

According to Björn Claesson, Textile Watch is still just an idea in Germany: discussions on setting up such an entity are still in the early stages. Electronics Watch is an independent monitoring organisation for public buyers, founded five years ago, and it is used by public buyers in eight European countries and Australia. Its monitoring focuses on labour rights, occupational health and safety, and environmental standards in 11 manufacturing regions, primarily in the ICT sector. There are also some pilot projects in the mining sector. Manufacturing regions covered include China, Taiwan, India, and Central and Eastern Europe.

As one of the key principles for Electronic Watch's work, Claesson highlighted the importance of independence and supply chain transparency. To increase leverage, it is important to build networks. Electronic Watch's own network includes public buyers and experts in human rights, labour rights, environmental rights, trade union rights, occupational health and safety and global supply chains. It is also essential to include free and democratic trade unions as well as civil society organisations that represent workers and advocate for their rights.

Gisela Burckhardt, Chair of the Board of Femnet e.V., Germany

Gisela Burckhardt highlighted the difference between the ICT sector and the textile sector. In ICT, suppliers are mostly large companies though small in number, whereas the textile sector has a fairly large number of small and medium-sized enterprises, especially for public procurement, excluding the fast fashion sector. Femnet has a strong advisory role in advising cities on how to procure workwear, before the order has been placed. However, for Electronics Watch, the monitoring is done after the order has already been processed.

In terms of supply chain transparency, Burckhardt said that even large companies such as H&M and C&A have published a fairly comprehensive list of their suppliers and they have made the list accessible for a larger audience. She believes this should be standard practice, because information shared like this should not be solely for the monitoring organisation, as is often the case for Electronics Watch.

Burckhardt concluded that founding Textile Watch will depend largely on suppliers' willingness to be open and transparent. It will also require the inclusion of solid NGOs and trade unions, who should be paid for their engagement in this field. Because although Textile Watch will be able to do research or check whether complaints are justified, the trade unions with a presence in the factories will ultimately play a crucial role in worker-driven monitoring.

Birte Detjen, from the Competency Center for Socially Responsible Procurement, City of Bremen, noted in the ensuing discussion that there was very useful cooperation within a project. She added that the procurement of Dataport with Electronics Watch was very beneficial. The public sector should be more open to further possibilities, in order to take public procurement to the next level and to enable stronger verification options.

During this discussion, Burckhardt praised the grievance mechanism, which is an integral part of the work of Electronics Watch. Björn Claesson added that worker-driven monitoring has three components. Firstly, an accessible and effective grievance mechanism, which can include personal meetings, social media or even a worker's survey mobile app. Secondly, it needs a compliance investigation. Lastly, there should be an ongoing monitoring process, which is highly relevant for the success of Electronics Watch and possibly for other similar entities.

Panel Debate: Controlling Human and Labour Rights During a Tendering Process – The Public Sector between Self-Activity and Expertise of Labelling Organisations and NGOs

Gisela Burckhardt, Chair of the Board of Femnet e.V., Germany

Founded 14 years ago, Femnet is a women's organisation based in Bonn. Femnet is a member of the Clean Clothes Campaign and is strongly involved in advocacy work. Gisela Burckhardt represents civil society in the German Textile Partnership, which is a multi-stakeholder initiative based on cooperation with German ministries, trade unions and NGOs. One example

of Femnet's work is awareness raising through training courses, which are held in universities, looking at labour rights and environmental violations in the textile sector. Femnet also cooperates with partners in India and Bangladesh, with gender-based violence as the main topic. For instance, a local NGO was given support to train workers and to inform them about their rights and effective complaints mechanisms.

Tim Rudin, Head of the Greater London Authority Group's Responsible Procurement Team, United Kingdom

The main goals of the Greater London Authority Group are the promotion of economic development, wealth creation, social development and improving the environment. According to Tim Rudin, the GLA Group spends around £9.5 billion on its procurement activities every year, which makes SPP a highly relevant topic. In its work, there is a high level of engagement with suppliers. The aim is to ensure that these suppliers can provide assurance on certain criteria that are relevant for human and labour rights. The Group has adopted the nine provisions of the Ethical Trading Initiative (ETI) and is engaged in several fields: textile, ICT and especially construction, due to the high risk of modern slavery in that sector. The Group is a member and one of the founders of Electronics Watch. Rudin concluded that the hottest topic for SPP is probably electric vehicle batteries, since London is shifting to electric bus fleets.

Björn Claesson, Director at Electronics Watch, Sweden

Electronics Watch is an independent monitoring organisation for public buyers, helping around 300 public buyers to work together and to protect the rights of workers in electronics supply chains. Asked about his work in Electronic Watch and experiences working with the public sector and cooperating with NGOs, Björn Claesson replied that public buyers are absolutely fundamental for driving high standards for human rights and environmental due diligence in the electronics sector. Electronics Watch can also press for improvements in specific factories in supply chains. Public buyers have a very important voice with the industry. Some of them understand this and exercise their voice frequently and effectively, while others are less aware of their impact. Public buyers have a broad scope of work. A survey done by Electronics Watch revealed that public buyers spend between zero and three hours per month on engaging with Electronics Watch. The challenge is therefore to provide public buyers with credible and actionable data in a very concise manner.

Rudin was also asked for his opinion on whether the public sector could become more sustainable if it relied on the labels of NGOs. Or should the public sector cooperate with civil society organisations, but still oversee the supply chain itself, by visiting factories and performing checks on the spot? Rudin answered that the ideal option is not always possible, and in reality, as Björn Claesson already stated, resources are the key challenge. More cooperation with civil society would be fantastic, if the public sector teams could perform the service by themselves. However, his organisation believes that this will not be feasible for many of these teams, or at least not in the mid-term future. He added that the public sector's

responsibility in this field is clear. But cooperation with expert organisations may be the best solution, rather than forming internal expert teams that are not always close to operational levels.

On the topic of more intense cooperation between NGOs and the public sector, Gisela Burckhardt said that Femnet's relationship with the public authorities is already high quality and these authorities already ask for more advice than Femnet can provide. She saw this development is positive, since both sides can continuously learn from each other. It should be remembered that public administrations have very little time for greater engagement in such cooperation. However, if expert organisations can share their experiences and directly communicate with partners in producing countries, this will provide a better picture of what is happening on the ground. So the final result will be fruitful cooperation for all parties involved.

Welcome Notes

Andreas Bovenschulte, Mayor of Bremen, Germany

Andreas Bovenschulte, Mayor of Bremen, welcomed all participants and expressed his regret that he could not personally greet the Dialogue Forum's participants in the city.

The Mayor praised the organisers for putting together a comprehensive programme over four days, including expert, in-depth presentations and sessions. He expressed his gratitude to all involved, mainly partners from the German Development Institute in Bonn, colleagues from Immobilien Bremen, and those responsible for public procurement in the City of Bremen. He also said a big thank-you to Engagement Global and the Federal Ministry for Economic Cooperation and Development, as the Dialogue Forum could not take place without their funding. The Mayor also expressed his hope that participants would take the opportunity to at least virtually explore the beautiful city of Bremen and its City Hall.

Bremen is an old merchant city and was a member of the Hanseatic League, so trade has been the main pillar of its economic success for centuries and its citizens are very proud of this tradition. However, it is important not to forget the problematic aspects of the past. For a long time, during colonial times, there was unfair international trade. The first merchants travelling to Africa and what is now called Namibia, with the aim of turning it into a colony, had sailed from Bremen. Bremen's society must therefore also take responsibility for combating poverty and injustice around the world.

The Mayor said that fair public procurement plays an important role in combating injustice. Today Bremen is an open, international city and its consumption has an impact worldwide. Public procurement influences the market, supply chains and society in general, especially because it is the world's largest single market place, valued at some €13 trillion per year. Half of that is spent by the Global South countries. Sustainable development is a part of urban diplomacy, whereby cities act on an international level to enhance sustainability globally.

Cities can thus use their purchasing power to improve sustainability internationally. This is especially important in today's globally challenging times, where there is so much uncertainty.

The Mayor concluded by expressing his hope that the conference would provide valuable input for participants' daily work, by taking concrete steps to support sustainability worldwide.

Panel Debate: Verification Options – What Are The Available Alternatives and What Are The Challenges to Implementation?

Sandra Dusch Silva, Senior Researcher and Campaigner at Christliche Initiative Romero E.V., Germany

Sandra Dusch Silva noted that consumer goods have a global history, as they are produced in different places and sold elsewhere. Often there are social and environmental problems within the supply chains. To tackle these issues, a variety of labels have been set up. But these labels have turned into a maze that needs careful navigating: this is one of the challenges in navigating labels. Some of the label initiatives are doing a great job, but others are mere 'greenwashing'.

Nineteen different labels were analysed by Christliche Initiative Romero. The key aspects for labels to cover are: independent award and control, the frequency and quality of control, the content of social and ecological standards, the binding nature of criteria, the scope of standards, the traceability of the entire supply chain, and the extent to which there is measurable progress towards social and environmental sustainability goals.

Audits have become more popular as verification instruments, but they are inadequate as a standalone tool and should be complemented by another verification tool. Audits are mostly done under high time and cost pressures, by using methodological checklists. Moreover, audits often do not cover local specificities or product-specific issues. For its label checks, the Christliche Initiative Romero focuses on demanding standards. These include the payment of a living wage for all workers, freedom of association and the right to collective bargaining. In order to prevent human rights violations, it is also important to have fair business and procurement practices, such as long-term supply contracts, implementation of human rights, and due diligence obligations as well as minimum or premium prices.

Claudio Loyola, Public Procurement and Digital Strategy Senior Consultant, Chile

There has been a significant improvement in verification, which has been accompanied by multiple reforms in public procurement in recent years. When we speak about monitoring compliance of the strategies to follow up in sustainable public procurement, the standards are very clear. This is the case when they are being applied to companies as well as to products and services.

Some public procurement agencies have not reached maturity and are being informed on the basis of the companies' compliance level. These agencies are influenced by the information that the market offers about how to control the sustainable procurement process. Some other

agencies, which are more mature in terms of procurement, can control services and products more specifically. It's important to define how to build models that allow both types of verification to coexist.

According to Claudio Loyola, we are at a stage where the information and the compliance level tools are focused on the buyers' needs. We should never forget that sustainable procurement must be based on strategy. Not all countries have the advantage of having centralised databases of companies. So it can be a challenge to consolidate the information on companies, to strengthen the interactions between the different sources of information, and to offer an integrated follow-up on the behaviour and conditions of the companies and their products and services. A public purchaser should not make decisions based on partial information.

Summing up, Loyola said that public procurement must be managed, in order to facilitate the application of an effective verification system.

Jutta Steinmann, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

Jutta Steinmann presented the Federal Government Guidelines for Sustainable Textile Procurement by the Federal Administration. She highlighted similar developments and initiatives from previous years on sustainable public procurement, with a particular focus on textiles. These include Kompass Nachhaltigkeit, the Blue Angel and the Green Button label, the Partnership for Sustainable Textiles, Siegelklarheit and the German Sustainability Strategy. A National Action Plan on Sustainability has been developed to implement sustainability criteria contained in the governmental guidelines on textile procurement. The aim is to increase the share of publicly procured textiles to 50%, excluding special textiles. The guidance can be found [here](#).

The guidelines for sustainable textile procurement were produced in line with procurement law in Germany by the German Environmental Agency (Umweltbundesamt – UBA), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ GmbH), the Öko-Institut e.V. and the Institute for Ecological Economy Research (IÖW), including consultations with ministries, companies, procuring managers, standards bodies and civil society. The entire process took five years. The guidance is a recommendation and so it is not mandatory. However, looking at the National Action Plan on Sustainability, which requires that 50% of textiles be procured sustainably, there is an indirect obligation. The guidance generally targets the main procurement offices of the Federal Government in Germany, the Procurement office of the Ministry of Interior, the German Armed Forces, the Customs Authorities and other national governmental agencies. The guidance includes a stepwise approach covering three stages for fulfilling sustainability criteria: 1. end product, 2. production process from yarn to assembly, and 3. raw fibre production.

In the panel debate, there was a question about who should be the most important actor when deciding whether the verification is effective. Steinmann replied that [Kompass](#)

Nachhaltigkeit and Siegelklarheit can help for now, but in the future further instruments will be included.

According to Sandra Dusch Silva, procurers must also have an overview of process criteria. These are often complicated, but it is very important to have this overview in order to make real progress, as well as to look for credible and ambitious multi-stakeholder initiatives.

Panel Debate: State Regulations to Secure Sustainable Public Procurement: A viable alternative to market-based verification options?

Juliette Renaud, Senior campaigner - Corporate Accountability, Les Amis de la Terre, France

Juliette Renaud introduced the French Duty of Vigilance Law, its importance, strengths and weaknesses. First adopted in 2017, the Law is directed at large companies employing at least 5,000 people in France or 10,000 worldwide. This high threshold was highlighted as one of the Law's key weaknesses, as it excludes many companies. However, French subsidiaries of 'foreign' companies will have to comply if they reach the thresholds themselves or through their subsidiaries. This is already a major breakthrough, since the Law now recognises that parent companies or outsourcing firms are legally responsible for their subsidiaries, suppliers and subcontractors, both in France and abroad.

The French Duty of Vigilance Law is not limited to a specific sector or type of violation, unlike the Child Labour Law in the Netherlands or the Extractive Industries Law in the European Union. The French Law covers all business sectors and serious violations of human rights and fundamental freedoms, health and safety of persons and the environment.

Obligations of the companies include a threefold duty of vigilance, which involves establishing, publishing and implementing the vigilance plan in an effective manner. The plan must be made public and all plans in France are to be found on these links: <https://www.amf-france.org/en> and <https://vigilance-plan.org/search/>.

Regarding access to justice, trade unions, NGOs as human and environmental rights defenders and victims themselves can refer a case to court. This includes victims from abroad. The Law includes two legal mechanisms. The first one, injunctive relief, allows cases to be referred even before the damage occurred, based on the information published with the vigilance plan, by questioning the insufficient content of this plan, or failure to implement it effectively. The second mechanism is an action for damages, to claim for compensation and remedies once a human rights violation or environmental damage has occurred. Access to justice remains difficult and the burden of proof still falls on the claimants. Conviction may only occur when a vigilance plan is incomplete, inexistent or ineffectively implemented. Another downside of the Law is that it does not include any provision for criminal proceedings.

Renaud highlighted three significant aspects about the Law's implementation. Firstly, there is too strong a focus on the vigilance plan itself rather than on the existing human rights violations or imminent risks of violations. Secondly, the issue of jurisdiction. The French

Supreme Court is about to rule on whether the commercial or civil courts shall have jurisdiction on duty of vigilance cases. Thirdly, the introduction of a supervisory authority may turn out to be a distortion of the duty of vigilance, since this could potentially turn it into a compliance exercise for companies, thus allowing them to avoid liability.

The French Supreme court has now issued its ruling on jurisdiction:

<https://www.amisdela terre.org/communique-presse/victory-total-uganda-case-the-french-supreme-court-recognizes-the-jurisdiction-of-the-civil-court/>

Andreas Stamm, Senior Researcher at German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), Germany

Andreas Stamm highlighted the German legal basis by speaking about the German Supply Chain Act from 2020. In comparison to France, Germany's threshold for implementation is lower, although it is still high. The Supply Chain Act applies to enterprises that have their head office, administrative headquarters or registered office in Germany and generally employ at least 3,000 employees.

Companies above the threshold must apply risk management for human rights violations along their value chains with direct suppliers. This does not apply to their cooperation with indirect suppliers, something that is often criticised by NGOs and other interested parties. Regarding the normative anchor, the ILO core labour standards, environmental protection standards and especially pollution may affect the human rights of workers and population.

Stamm focused on the implications of the Supply Chain Act for sustainable public procurement. The Act does not legally bind municipal administrations and they are not able to conduct or commission regular risk assessments. There are provisions to link public procurement to social aspects, such as tariff compliance and minimum procurement wage in most of the German provinces. A positive aspect is that municipalities can include provisions related to international value chains in their sustainability strategy and sustainability reports.

Most importantly, Stamm underlined the need for compulsory minimum standards for internationally procured items (e.g. SA 8000, BSCI, ISO 14000) for all municipalities. Although still imperfect, this would make such standards mandatory and would be a huge step forward. DIE is very much involved in finding possibilities to link procurement with international standards like these.

Pablo Hernández, Executive Director at Asociación de Empresarios para la Gestión Integral de Residuos Electrónicos, Costa Rica

In his presentation, Pablo Hernández cited a specific case in Costa Rica, where regulation was used to ensure sustainable public procurement. The Directive H-MINAE is a legal instruction. Defined in 2014, it addresses the directors of public management institutions. The Directive prohibits the purchase of low-efficiency equipment, lighting, freezers and other electronic

devices. It also applies extended producers' responsibility for waste management, when the goods have reached their end of life.

This directive has been applied in Costa Rica's National Public Procurement System, SICOP. There is also an initiative for all national institutions to be involved in the system, with the goal of ensuring there is only one way to do public procurement. One of the objectives is to support small businesses as well as to control public purchasing, and the quality of the purchased goods. Both public and private sectors are involved in the directive's implementation, together with certification agencies that guarantee the products meet the required specifications and standards. Not all public institutions are in the system yet, mainly because of budgeting issues, but the system does represent the future. Results are already visible and include a reduction of energy consumption by at least 15%, resource savings, plus a reduction of the environmental footprint.

Geo Quinot, Director at African Procurement Law Unit, South Africa

Public procurement can be an effective tool in the pursuit of equality. However, in South Africa the market was in the hands of the white minority and market mechanisms could only be changed with regulations that were the key to a social policy of wealth redistribution through procurement. This led to introduction of the Preferential Procurement Policy Framework Act in 2000. In accordance with the Act, preferences are given to suppliers that implement government's black economic empowerment policy in a measured way. Firms applying for verification receive a formal black empowerment (BE) status ranging between 1 and 8. All firms – regardless of their size or whether they are domestic or foreign – must verify their status. This status is then used by means of a price preference of either 10 or 20%, depending on the value of procurement. As a result, a firm with a very high BE level will have higher preference when procurers decide on the supplier. One of the key indicators for assessment is also whether the firm procures from other firms with high BE status. This ensures that the BE policy cascades down the supply chain.

The implemented system provides public procurement in South Africa with a social dimension and is also transferred to private procurement. Discussion is ongoing about the percentage for assessing the level of preference and whether it should be raised. Geo Quinot emphasised that the national regulation on its own is inadequate and it does not guarantee a social dimension as such. It should be integrated into the overarching system. The key to this is training and having the right capacities. Public buyers cannot be expected to know how to implement social policy into their work. It is important to have adequate data and ways of verifying suppliers' profiles, in order to measure a supplier's profile.

After the speeches, Dialogue Forum participants engaged in a lively discussion. Andreas Stamm and Geo Quinot both underlined the importance of introducing minimum standards for public procurement, in order to make progress. Stamm noted that the German Procurement Law is very complicated and said it would be helpful to have minimum standards

applicable for all. There are around 11,000 municipalities in Germany, many of which are very small. Those with less than 50,000 people often lack capacity and do not employ any procurement officers. Some municipal employees who deal with procurement in their daily work are usually not paid or trained for this task. So the answer is to call on easily applicable basics. Municipalities that are more engaged in public procurement and have more possibilities should of course strive to go beyond basic standards. Having a baseline set of standards would be very beneficial. Quinot mentioned that robust mechanisms will make it easy for public buyers to make decisions and thus provide a sustainable solution.

Parallel Session C1: Verifying Sustainability in the ICT Value Chain – New Initiatives in a Highly Complex Sector

Siegfried Dewaldt, Sustainability Manager DACH at HP Deutschland, Germany

Siegfried Dewaldt talked about sustainability at HP, mentioning that it comprises three key aspects: planet, people and community. In all these sectors there are challenging goals, such as further development in climate action, human rights and digital equity. Labour-related human rights must be respected fully within the supply chain. The company also bases its work on implementing its Code of Conduct, which creates efficiency and consistency for suppliers, has a collaborative approach in order to drive changes, and includes the highest standards in social and environmental responsibility. Dewaldt also highlighted the importance of a well set-up management system to systematically ensure sustainability.

In answer to a question on how far HP goes into the supply chain, Dewaldt said that HP reaches the second level of the supply chain. He noted that the industry itself must work to reach deeper levels. To go beyond the third and fourth levels, this should be done from the industry’s standpoint.

Details of the HP/RBA Code of Conduct

HP/RBA Code of Conduct			
Supplier understanding of Code requirements		Code applied to site operations	
<p>Labor</p> <ul style="list-style-type: none"> • Freely Chosen Employment • Young Workers • Working Hours • Wages and Benefits • Humane Treatment • Non-discrimination • Freedom of Association 	<p>Health and Safety</p> <ul style="list-style-type: none"> • Occupational Safety • Emergency Preparedness • Occupational Injury and Illness • Industrial Hygiene • Physically Demanding Work • Machine Safeguarding • Sanitation, Food and Housing • Health & Safety Communication 	<p>Environment</p> <ul style="list-style-type: none"> • Environmental Permits and Reporting • Pollution Prevention and Resource Reduction • Hazardous Substances • Wastewater and Solid Waste • Air Emissions • Materials Restrictions (HP’s GSE) • Storm Water Mngmt. • Energy Cons. & GHG 	<p>Ethics</p> <ul style="list-style-type: none"> • Business Integrity • No Improper Advantage • Disclosure of Information • Intellectual Property • Fair Business, Advertising and Competition • Protection of Identity and Non-Retaliation • Responsible Sourcing of Minerals • Privacy
<p>Management Systems</p> <ul style="list-style-type: none"> • Company Commitment • Management Accountability & Responsibility • Legal and Customer Requirements • Risk Assessment and Risk • Improvement Objectives • Training • Communication • Worker Feedback & Participation • Audits and Assessments • Corrective Action Process • Documentation and Records • Supplier Responsibility 			

Reinier Guijt, Senior Policymaker, Ministerie Van Infrastructuur en Waterstaat, the Netherlands

ICT is a huge industry with both positive and negative impacts. ICT uses a lot of rare materials, but only a small part of all ICT is reused or recycled. Mining and production of ICT, which are a large and growing source of carbon emissions, can also cause environmental and social problems. Procurement offers a key method for tackling these issues. Yet Apple, Dell and similar companies are far larger than any individual procurer. This makes it difficult to initiate a common dialogue and to push for more circular and fairer ICT. The solution is to combine the public sector's procurement power on an international level. To address this, the Circular and Fair ICT Pact (CFIT) has been launched. It includes Austria, Belgium, Canada, Germany, the Netherlands, Norway, Switzerland and the United Kingdom. In each country, buyer groups are formed and then connected internationally. This opens up the possibility to learn from forerunners, to share knowledge, make joint market strategies and to procure better. For information on joining the new German Buyer Group, participants can contact Lars Johannson.

International dialogue should take place. The CFIT Pact offers criteria, guidance and good examples to get started, a network for learning, testing and knowledge sharing, and the possibility of joint market dialogue to boost innovation and progress that cannot be reached by a single firm. Prerequisites for joining the Pact are a commitment to procuring circular and fair ICT, joining the network, doing pilots and sharing knowledge, as well as sharing annual progress. Reinier Guijt said the main goal in a nutshell is: Buy less, Buy better, Buy used.

Guijt briefly discussed possible future developments and presented the common goal, which is to have a sustainable, circular laptop and smartphone available on the market by 2030. This would be a huge step forward, given the numerous devices that each individual owns today. Many of these devices are no longer being used, despite the valuable resources invested in their production.

Barton Finn, Purchaser Engagement Manager, TCO Development, Sweden

Barton Finn gave a presentation on TCO Certified, noting that it is the leading sustainability certification for IT products, driving social and environmental sustainability throughout the IT product lifecycle. In a global study of online environmental claims, 40% were found to be false or misleading. Independent proof is needed, in order to avoid false claims in procurement.

Regarding the general approach, Finn reported that every year approximately 20,000 hours of tests and assessments are performed in order to offer credibility and certainty to purchasers. The system is based on an ongoing and independent verification, performed before and after the certification itself, by testing laboratories and other relevant bodies. For example, the aim of making safer chemicals the mainstream choice has resulted in the TCO Certified Accepted Substance List, which is publicly available and introduces safer alternatives. The list includes chemicals that are already known to be better options and which should exclusively be used for IT production. This is an important step, because to date any bans have only applied to a

few products; but there is not enough inspection on the impacts of substitutes used. Currently, the list is focused on products, but there are plans to widen the perspective and add processes.

TCO Certified is also involved in supporting better working conditions in factories. The main result of this is the TCO Certified Accepted Factory list, with around 82 factories employing more than 250,000 employees: these are the only factories that can produce TCO-certified products. Progress and commitment are rewarded by permitting the company to produce certified products. The list itself is based on risk-based assessment models. After the certification has been performed, continuous monitoring takes place. Certificates can be withdrawn if non-conformities are not corrected on time.

Parallel Session C2: Verification Options in the Food Sector – Global Perspectives on Local Sourcing

Denize Cavalcanti, Technical Coordinator of São Paulo's Sustainable Public Procurement Program, Secretariat of Infrastructure and Environment São Paulo State, Brazil

Denize Cavalcanti presented the PPAIS Social Agriculture Program, which is being implemented in the State of São Paulo. The main objectives of the program are to foster collaboration among small producers and to strengthen family farming production through public procurement in the education, health and prison systems, since these are the largest food consumers at national level.

The PPAIS has a specific legal basis. The benefits of the PPAIS include improved quality of products purchased by the government institutions (especially in natural products), a reduction of greenhouse gas emissions from transport (based on regional and local purchases), positive social and economic impacts for the landless population, and fair trade and fair prices. When explaining how PPAIS works, Cavalcanti highlighted that public organisations are preparing a 'Public Call for the Registration of Family Farmers and Family Rural Enterprises' in the different regions of the State of São Paulo. Moreover, purchases are made by public calls and not by conventional bidding, so there is a possibility of participation by individuals and producer cooperatives and associations.

Among the positive outcomes, approximately 4,300 families have benefited from the program, around €7.7 million in budget resources were invested in the program by the State of São Paulo, and more than one million purchase requests have been made. PPAIS Management and Monitoring Committee is in charge of highly important processes, i.e. monitoring of charged prices, management of instruments for operationalisation, disclosure of data, preventive action to combat deviations from the program's purpose, assessment of irregularities, plus guidance and clarification to buyers and suppliers.

Luana Swensson, Food and Agriculture Organization of the United Nations, Ethiopia

Luana Swensson reported on inclusive public food procurement within school feeding initiatives in Ethiopia, plus its opportunities and challenges. In Ethiopia, assessments of this

procurement have been made and cost-benefit analysis has shown strong benefits for both students and farmers. Benefits of implementing the pilot Home-Grown School Feeding model include building a relationship of trust between institutions and cooperatives, forming supplies of quality foods and organising timely delivery to schools. Another important benefit is creating employment opportunities for youth and women through supporting a sustainable and predictable market.

Since 2016, the use of public funds in Ethiopia has had to follow the standard public procurement rules and processes. This has been one of the key barriers to implementing the programme as well as to timely delivery of high-quality food to schools. This is because organising the process in this way means there is no possibility to target suppliers such as smallholder farmers. Direct purchasing, requests for quotes and potentially needed advance payments are not foreseen as an option. Additionally, the procedure for purchasing food from smallholders is long and highly bureaucratic. For smallholders this is too much engagement, noted Swensson. However, strategies have been adopted to overcome the challenges: the establishment of a multisector task force, capacity building as well as legal and field assessments.

One of the programme's most important achievements is the amendment proposal for the federal proclamation. Currently being approved, this will serve as the new regional directive for the procurement of food and transport services for school feeding programmes. According to Swensson, other regions also intend to develop regional directives. Further information is available [here](#).

Juliane Kühnrich, Project Lead at Kompetenzstelle Faire Beschaffung Berlin, Germany and Helena Jansen, Coordinator for Municipal Development Policy at Friedrichshain-Kreuzberg District Office of Berlin, Germany

Juliane Kühnrich's outlined several key points about the procurement of school lunches in Berlin, as well as the city's framework conditions and the high importance of ensuring quality procurement in this field. A major reason why sustainable public procurement is highly relevant for procuring school lunches is that they use products that could pose a high potential risk to human rights. Another reason is the volume of the procurement: around 165,000 lunches are provided in Berlin elementary schools on a daily basis.

Initially, across Berlin, there were standardised tendering procedures for this sort of procurement. There were fixed prices per meal and the applicant, so the best quality offer would receive the order. The criteria merely covered organic food, including the mandatory organic content of 15% or more for some product groups, whereas there was no demand for fair products. Other demands were mostly low level, such as ILO core labour standards, and there were no clear requirements for verification. Submitting self-declarations was also possible, which led to an unsuitable basis for auditing of compliance with minimum standards in the supply chain. Another downside was that hardly any controls were being performed.

In the first step, Berlin established framework conditions to further strengthen socially responsible procurement. Some of the conditions involve political support, cooperation on different levels, engagement by civil society, involving committed persons and even a ministry of development cooperation funded staff position for the district of Friedrichshain-Kreuzberg. In the preparation of the tender, suitable product groups were selected and based on assessing the level of risk for human rights violations, quantities of used products, existing credible quality marks and availability of fair substitutes on the market. A bidder dialogue was organised with around 60 participants, including the catering sector, wholesalers, trade stakeholders and importers. This event enhanced the communication with the market and enabled the introduction of social standards and quality marks relevant for the procurement. For the procurement itself, some goods had to be demonstrably produced and processed in compliance with the Fair Trade criteria based on the EU Commission's Communication on Fair Trade. Criteria for social responsibility – such as fair price, long-term trading relationships, traceability of the supply chain, etc. – also had to be included alongside ILO core labour standards.

Helena Jansen then talked about various quality marks used in Berlin and said that self-declarations were no longer admissible. She said it is also important to document the proof of origin and requirements for products from countries or territories that are not included on the DAC list.

The control process included: verification of suppliers or caterers' certificates: documentation of delivery notes and invoices including the information on the origin or certification; and evaluation of production plans and menus. Intensive evaluation of project implementation is now taking place and involves relevant stakeholders. Further information is available [here](#).

4. Wednesday, 29 September 2021 – Joint Procurement to Bundle Sustainability Expertise and Purchasing Power

Welcome

Franz-Christian Falck, Head of Central Procurement Unit EVZ, Germany

In his official speech opening the Dialogue Forum's third day, Franz-Christian Falck welcomed all participants virtually to the Federal State of Bremen, a city known for trade, shipping and world-famous town musicians.

The topic for the day will be joint procurement, a perfect opportunity to bundle sustainable expertise and purchasing power, which have already been implemented in the City of Bremen for several years. Falck warmly invited the audience to attend the Parallel Session D2: Joint European Procurement – Chances and Perspectives in particular, as well as other sessions, which will feature distinguished speakers. He again expressed his hope that participants would find the event inspiring.

Key Note: Challenges and Chances of Joint and Collaborative Procurement for SPP

Jellie Molino, Sustainable Public Procurement Consultant at UN Environment Programme, Italy

For the implementation of collaborative procurement in the United Nations, there are several activities linked to collaborative procurement. In 2017, the UN started to monitor and record collaborative procurement among UN agencies, following a resolution of the General Assembly. Reports on collaborative procurement are a part of the UN organizations' Annual Statistical Reports submission.

Collaborative procurement in the UN happens when one or more of the UN agencies combine their efforts to cooperate in procurement. The objective is a reduction of price or to leverage economies of scale, as well as to reduce inefficiency and duplication across the UN organizations.

In practice, there is a range of collaborative activities between the UN agencies, such as using procurement services of other UN organizations, procuring from another UN organization, using a joint procurement unit, using existing long-term agreements (LTAs) or contracts of other UN organizations using solicitation results to establish own LTAs, or establishing and using joint LTAs and contracts through a 'lead agency approach'.

In terms of challenges in implementing collaborative procurement, noted Jellie Molino, there are at least two main areas of concern. One is defining the relationships between UN organizations (i.e. assignment of the lead organization among participating UN agencies, or defining the relationships between UN agencies as a supplier or a buyer). The other is identifying the policy areas' potential issues, such as a trade-off between administrative efficiency or capacity building and standardized or fit-for-purpose.

In terms of collaborative procurement for sustainable public procurement, the UN is maximising its expertise (i.e. WHO is the leading agency on Covid-related PPE procurements). When asked about the standards, Molino explained that directors of procurement for 40 UN agencies are active in the High-Level Committee on Management (HLCM) Procurement Network. They are also involved in the decision on the 13 sustainable public procurement criteria, which are being used to decide whether a tender can be considered sustainable.

Parallel Session: Best Practices of Joint Procurement

Dietmar Lenz, Head of Procurement and Contracting at Vorarlberger Gemeindeverband, Austria

Dietmar Lenz explained how the ÖkoBeschaffungsService (ÖBS), in Vorarlberg, has developed over time. It has been responsible for public procurement in the Austrian province since 1992.

Regarding the process itself, Lenz explained that the public authorities ask for standardised products. The ÖBS then produces tender documentation and checks the offer. All of the

processes are conducted by an expert team. To procure products or services via ÖBS, the user must provide a contribution of 1.5-2.5% of net annual turnover.

Criteria being used are the EU Ecolabel, Blue Angel, Austrian environmental labels, Energy Star, naBe action plan (<https://www.nabe.gv.at/>) and social criteria such as ILO standards. Joint procurement has multiple goals and benefits. The level of financial savings was 23% and around 50% of time was saved when initiating joint procurement. Another benefit was creating value for the region, since most of the tenderers came from Vorarlberg. The use of a central procurement institution has also brought more security in the process.

All municipalities in Vorarlberg are using the service. Success factors include a participative approach, closeness to clients, and the strengthening of sustainability and economy through joint procurement.

Asked how it was possible to involve regional bidders and smaller companies, Lenz replied that the focus is deliberately set not only on the price or environmental criteria, but also on the possibility of a fast service, short transport routes plus the possibility of delivering smaller amounts of the products for certain institutions. As an example, he cited providing fairly small amounts of paper to kindergartens: these criteria could only be fulfilled regionally.

Ulrich Hellenbrand, Landeshauptstadt Mainz, 20-Amt für Finanzen, Beteiligungen und Sport, Germany

Ulrich Hellenbrand shared his municipality's perspective and highlighted the importance of using an electronic catalogue for joint procurement.

In order to achieve more transparency and to monitor the processes of public procurement, the City of Mainz first performed a detailed analysis of procurement processes for several types of public institutions and several types of products. A web shop was then set up, and this is being used as a key source of information.

To engage with the topic on a higher level, a working group on sustainable procurement was set up. The group is mainly made up of experts from units such as Local Agenda 21, environment, procurement and others. The working group bases its activity on statistical data, catalogue data, information from suppliers and other sources as well as numerous suggestions for improvement. The group shares its work through communication, such as via training courses, internal networking, and by staying in touch with relevant actors in politics, as well as through product evaluations and by enhancing the level of control.

Joint procurements have been implemented between the City of Mainz and the Kommunales Kaufhaus, which involves 85 municipalities in Rhineland-Palatinate with approximately 1,300 public procurers. Hellenbrand said the benefits of the joint procurement include better conditions within contracts, more know-how for all involved, a higher level of impact on the market and politics, a wide scope of available information and enhanced internal municipal communication.

Asked about the communication methods in use, Hellenbrand said that flexibility is needed. Several forms of communication are therefore being used, including written communication via email, open discussions, intensive internal communication as well as communication externally.

Parallel Session: Best Practices of Joint Procurement

André Siedenberg, Inhouse Consultant at Kommunal Agentur NRW, Germany

André Siedenberg reported on the engagement of KoPart, which is an organisation of currently more than 130 cities, municipalities and other institutions under public law, formed thanks to municipalities acting as shareholders. KoPart is active as a Central Procurement Office, providing individual support for tendering procedures such as cleaning services or fire engines, and it has an electronic catalogue for purchasing.

In the context of the Covid-19 pandemic, the requirement for students to attend school virtually led to an immediate and high need to purchase electronic devices for schools in the federal state of Nordrhein-Westfalen. The idea was to tender a framework contract for multiple municipalities, in order to minimise the effort for everyone and achieve better prices through bundling the demand.

The case involved different hurdles, such as the existence of different requirements for laptops, a large number of suppliers on the market, an unmanageable variety of products, but also the sustainability in the IT sector. The first problem was managed by describing different product classes and requirement profiles, such as primary/middle school students, high school students, teachers; the technical specifications were to be developed in dialogue with the bidders. For sustainability, there were two possibilities: that IT is evaluated as 'normal', or as 'sustainable', meaning the declaration of commitment to compliance with labour and social standards in public ICT procurement of Bitkom had to be submitted. As a result, companies were willing to submit declarations for both lots.

Floris den Boer, Coordinator Innovative Procurement, PIANOo Centre of Expertise Procurement, the Netherlands

PIANOo, the Dutch Public Procurement Expertise Centre, was established in 2006. It deals with topics such as procurement law, sustainability and innovation. The goal is to professionalise public procurement in all Dutch public bodies, which have a total annual expenditure estimated at around €85 billion.

The Buyer Group Program is a part of the sustainability and innovation components. Its tasks are to support procurers, remove barriers, provide knowledge and work toward demand harmonisation by drafting up a shared vision, including procurement strategy and requirements.

The main challenges were how to ensure internal support, the time required for the participants to achieve relevant steps, the diversity of participants (although this was highly beneficial and desired) and during the Covid-19 pandemic the lack of physical meetings.

Some of this program's remarkable results, within highly differentiated product groups, include: 15 circular schools, 674 packages of circular uniforms for community service officers, 390 timber construction homes, 179 circular constructed social housing units, four municipalities with sustainable traffic and road signs, and more than 10 million extra electric vehicle kilometres per year, etc. One of the goals of PIANOo is to establish a blueprint for other similar organisations, so much of the information gathered is made publicly available.

During the discussion, a question was asked about the role of social responsibility, since circularity and environment are prominent at PIANOo. Floris den Boer replied that some of the Buyer Groups are supported when social aspects are also taken into consideration, but it is not always possible to include all relevant aspects, due to time constraints.

Parallel Session D1: Joint Procurement of the City of Bremen – Experiences and Perspectives

Franz-Christian Falck, Head of Central Procurement Unit, EVZ, City of Bremen, Germany

Franz-Christian Falck presented the work of Immobilien Bremen and its departments to the audience. He noted that it is the City of Bremen's central purchasing unit, with a procurement volume of around €15 million during 2020 and with numerous clients, including 216 service units of the government and 25 external users.

The unit's core activities always include evaluation of sustainability aspects in tender procedures. All products within its electronic catalogue have been evaluated in line with sustainable standards. Interested parties are welcome to visit the BreKat webpage, and the procurement catalogue of Bremen: <https://www.einkaufskatalog.bremen.de/>

Falck spoke about the importance of having the political will to push the development of sustainable public procurement. In the ensuing discussion, one participant asked about the role of other stakeholders. Falck replied that Bremen has limited funds, so it is very important to consider the possibilities for implementing socially and environmentally fair public procurement without too much financial investment. On the one hand, sustainable public procurement does often include more costs than would arise if these criteria were not considered. However, joint engagement changes this aspect quite drastically, since procedural costs are being reduced through bundled activities. Since procurement in Bremen is based in two main institutions for procurement, process costs are being reduced. This, alongside political will, means that financial aspects are already acceptable. Market changes can be expected in future, thanks to further promotion of sustainable public procurement, as well as people's preference for sustainable procurement over regular procurement. So the costs of these procurements should likely be reduced from the start.

Birte Asja Detjen, Competence Centre for Sustainable Public Procurement, City of Bremen, Germany

Due to her engagement in the session on joint procurement, Birte Asja Detjen only briefly spoke in this session. Following up on what was previously said by Franz-Christian Falck, she was keen again to highlight the importance of strategic work for further development of public procurement in Bremen. The city's Competence Centre for Sustainable Public Procurement offers advice on social standards, makes significant efforts to raise awareness about sustainable public procurement in the administration in Bremen, and is engaged in enhancing the visibility and importance of the legal aspects of public procurement. Other tasks involve strengthening networks with municipalities, NGOs and bidders, in order to work further on concept development

According to Detjen, there is growing pressure for further progress on SPP. Especially for groups of people that work in conditions that do not comply with basic human and labour rights. So it is important to have a strong influence on the market and to work more on verification options, joint procurement options and circular economy, in order to procure even more sustainably.

Carsten Schulz, Head of Purchasing Department, EVZ, Germany

Carsten Schulz explained that the responsibility for framework agreements in Bremen lies with his department. Product groups include office supplies, electronic devices, multimedia devices (without IT), textiles, cleaning products, toys and sports equipment, moving and transport services.

In 2009, the city-state of Bremen introduced a new law. It supported a more sustainable product portfolio for products being procured. It also highlighted the importance of ILO standards, particularly for the textile industry, and for more rigorous standards for products such as coffee, milk and sugar. Today these products come from fair trade and must be certified organic.

Asked how long it takes to introduce a new product to the city's product portfolio, Schulz answered that the process normally lasts three to four months.

Parallel Session D2: Joint European Procurement – Chances and Perspectives

Samira Boussetta, Policy Officer at European Commission, Brussels, Belgium

To highlight the importance of public procurement on a European level, Samira Boussetta informed the audience that the value of tenders published at EU level is approximately €670 billion per year. So if buyers worked together, this would have a major impact on the European economy. Joint cross-border procurement means having two or more suppliers from different Member States forming a consortium for a public procurement call. However, when also viewed from the buyer perspective, it can be two or more buyers purchasing goods or services together.

Regarding the sector and type of bodies implementing joint procurement, this was mostly transport or infrastructure projects. This often happened because of road connections with neighbouring countries. Less frequently, health and regulatory bodies were performing joint procurement. For utilities, almost all joint procurement were linked to electricity, whereas only two were gas-related. In two-thirds of cases, there were two buyers from two Member States involved in the process.

As for the opportunities and barriers of joint procurement, Boussetta highlighted the most important ones, including higher bargaining power, learning effect, increased competition, aggregation of public procurement expertise, and risk sharing in innovative public procurement. Reported barriers to joint procurement include language, differences in legal systems, cultural aspects, the necessary administrative efforts and sometimes a limited awareness.

Feedback received from buyers involved in joint procurement has highlighted the legal complexity of the process as well as organisational challenges, but also positive reaction from the market, including the experiences of SMEs involved. Benefits include a reduction of process costs, better prices due to economies of scale, exchange of good practice and innovation.

Anja Katalin De Cunto, Project Coordinator & Policy Advisor at Eurocities, Brussels, Belgium

Anja Katalin De Cunto presented the work of the Big Buyers for Climate and Environment initiative. Big Buyers is a network that engages 50 public buyers, mainly big cities, but also hospitals and other public institutions in order to help drive the market for innovative and sustainable goods and services. It is focused on zero-emission construction sites, digital solutions in healthcare, circular construction and electric heavy-duty vehicles.

She confirmed that the challenges just presented by Samira Boussetta were similar to those she was aware of, including language barriers, legal and cultural aspects, e-procurement issues and so on. From the perspective of Big Buyers, the advantages of joint procurement are higher bargaining power, increased competition and aggregation of public procurement expertise.

There are also advantages for companies performing the services. These include supporting research and development by providing test grounds for pilots, and understanding the upcoming procurement plans of buyers and their needs.

For further information on the project, participants were recommended to visit the website: <https://bigbuyers.eu/> .

André Siedenberg, Inhouse Consultant at Kommunal Agentur NRW, Germany

In this session, André Siedenberg again wanted to highlight the main benefits of cross-border or joint-border procurement. These benefits could include to lower the obstacles faced by bidders from other EU Member States to submit a tender. The main goal of the EU Public

Procurement Law is to encourage tenders from other Member States: cross-border procurement can enhance this, so it is a huge benefit. Legally speaking though, there are some tricky points. Firstly, nothing prohibits joint cross-border procurement, which is perfectly legal. However, when assessed in detail, this procurement gets complicated. The EU Public Procurement Law is based on the relevant Directives, which must be transferred into national law in order to be equal for every Member State. Yet within this transposition process, some special national aspects often get intertwined in the procurement process, thus making it more challenging for all involved. Consequently, the EU Parliament or the EU Commission should set clearer directions and rules, which would foster more frequent joint public procurements.

In the discussion, a participant asked what the priority would be to increase the use of joint public procurement. Anja Katalin De Cunto emphasised the importance of legislation, as was mentioned earlier by André Siedenis. She also highlighted how risk aversion is another obstacle. Innovation always carries risks, but public institutions often do not take them, especially in situations where there is only a limited time for performing a public service.

Siedenis underlined the importance of changing the mindset. He recommended opening up to other Member States providing services or products, in order to enhance and widen the possibilities of joint European procurements.

A Classification of Different Forms of Joint Procurement

Maximilian Müngersdorff, Germany

According to Maximilian Müngersdorff, the choice of form of cooperation depends on concrete goals as well as on the structural and organisational conditions in the municipality. The models in public procurement include these settings:

- Outsourcing of procurement activities
- Loose procurement of cooperation between cities
- Close procurement cooperation between cities
- Central procurement service providers for specific product groups
- Supraregional procurement service providers with a large product portfolio.

Outsourcing of procurement activities involves procurement by the central procurement office of the district or another city. Loose procurement cooperation involves project groups that the municipalities form and include all concepts where municipalities are preparing the procurement together in a loose network, through a joint or parallel procurement. Close procurement cooperation is also referred to as programme groups formed by municipalities: this includes permanent cooperation in a decentralised network, where different forms of internal organisation are possible. Central procurement service providers for specific product groups include two kinds of services: either procurement in a specific product group and allowing public entities to retrieve these products, or performing procurement procedures on

behalf of public contracting authorities. Supraregional procurement service providers, with a large product portfolio, is a model often initiated by municipal umbrella organisations at country level: this can be useful for both small and large municipalities.

The choice of the cooperation model depends on several factors. The first and most essential factor is the importance that a municipality attaches to the issue of sustainability. The higher the topic is on the local political agenda, the more likely sustainable public procurement will be part of the local discourse. This also increases the likelihood of advanced forms of cooperation, such as programme groups or the establishment of joint procurement offices with a strong sustainability mandate. Another factor is the type of goods and services being procured, as well as the specifics of the municipality itself, such as its size and the existing procurement structure.

Networks for Joint and Sustainable Public Procurement

Anja Katalin De Cunto, Project Coordinator & Policy Advisor at Eurocities, Brussels, Belgium

Anja Katalin De Cunto presented the initiative Big Buyers for Climate and Environment and the possibilities and benefits of joint procurement. The initiative did a feasibility study on joint cross-border procurement. The study's results showed numerous opportunities, such as higher bargaining power, aggregation of public procurement expertise as well as risk sharing in innovative public procurement. The learning effect is also noteworthy. Among others, benefits for the participants include sharing information on new technologies, products availability and prices across Europe, as well as sharing of methodologies, market engagement techniques and successful procurement criteria.

An example was shared of the circular construction sector, where the cities of Haarlem, Vienna, Rotterdam, Zurich and Brussels collaborated. The focus of that project was to reduce embodied carbon and to improve the lifecycle perspective and resource wisdom of public construction works. In particular, the project's foci were circular, low-carbon solutions for asphalt, concrete and base material. The added value included building a knowledge base of circular infrastructure experiences in the European Union, profiling potential benefits of the circular economy in the construction sector, communicating barriers and priorities to policymakers on the national and EU level, as well as aligning demands across public buyers in order to support take-up by the industry.

Jacob Kuutuome, Lecturer at the Department of Supply Chain and Information Systems, Kwame Nkrumah University of Science and Technology, Kumasi, Ghana

Jacob Kuutuome spoke about sustainable procurement in general and in the African context. He highlighted some of the numerous benefits of sustainable procurement, such as promotion of health and labour rights, environmental impact reduction, cost savings and supply chain development. In the context of the African continent, some of the constraints to implementing sustainable public procurement are a lack of regulations, non-compliance, lack of political will to implement sustainable public procurement practices and the high incidence of waste

disposal in Africa originating from Western countries. Other challenges include the limited number of procurement professionals and rather limited skills in sustainable public procurement. Another issue in Africa is that manufactured products are mostly imported, while the recycling and green industry is often not profitable in small developing countries. However, individuals, organisations, companies and countries have a duty to ensure sustainable production and consumption, hence there is a need for full compliance with the UN Sustainable Development Goals. Additionally, Africa must be liberated from its lasting economic, social and environmental challenges, which have made it uncompetitive in global trade and business endeavours. The continent has become a dumping ground for waste from the Western world, negatively affecting Africa's economic, social and environmental frontiers.

Knowledge Exchange & Pooling Public Purchasing – Cooperative Initiatives to Advance SPP

Kwasi Larnyoh, Lecturer/Research Fellow at Institute of Local Government Studies, Ghana

Kwasi Larnyoh tackled the issue of pooling public purchasing power and talked about some examples from Ghana, where collaborative procurement is becoming more attractive thanks to its numerous benefits. Collaborative procurement is seen as horizontal cooperation between organisations, with the bringing together (or pooling) of the purchasing functions of two or more organisations to improve effectiveness and efficiency. In Ghana, collaborative procurement is popular mainly among educational institutions, especially secondary schools and training colleges. Other examples include public procurement for stationery and food items. For instance, the National Food Buffer Stock Company, set up in 2010, acts as the procurement agent and procures non-highly perishable food items, such as beans and rice for the institutions. Other public sector organisations, such as municipal assemblies, hardly undertake collaborative procurement at all.

The main challenges of collaborative procurement in Ghana are often the inadequate financial resources of public entities, inadequate technical capacity or competence, lack of standardisation of the specifications from the entities, as well as differences in the priorities of organisations.

Nina Geerkens, Project Coordinator in Fair Trade and Fair Procurement at Engagement Global GmbH, Germany

Nina Geerkens informed participants about [the Sustainability Compass Platform website](#) developed and implemented by the GIZ and Engagement Global, together with the Service Agency Communities in One World (SKEW), on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The Sustainability Compass provides information on numerous practical examples of sustainable public procurement from diverse municipalities, enables search and comparison of labels, and provides text modules for tender development; these all make it a highly useful tool. Currently, the scope of the Compass involves seven product groups and 50 standards or labels in total. There is also a network on

the topic, with the goal to enhance networking on socially responsible public procurement. Some of the questions discussed within the network include the opportunities provided by the respective legal framework, discussions on especially sensitive products for social and ecological standards, as well as relevant criteria and certifications to be used for evaluating the products and to prove compliance.

Alejandro Cejas, Trust Coordinator at Red Argentina de Municipios Frente al Cambio Climatico (RAMCC), Argentina

Alejandro Cejas presented the network of municipalities in Argentina in their fight against climate change (RAMCC), which is a coalition of 230 municipalities coordinated by 30 professionals. Its commitment to climate action comes from the Global Covenant of Mayors for Climate and Energy. Another area of work is assessing small businesses, so they can transition to a low-carbon economy. Currently the network is working with 300 entrepreneurs, thanks to funding from the EU. There is also a volunteer programme engaging around 5,000 citizens for climate action.

According to Cejas, the network faces numerous barriers. The programme has been running for 11 years and some of the barriers are related to funding, politics or technical issues. Most importantly, municipalities cannot only have plans on paper. Their designed actions must be implemented. Therefore, international validation and review and an impact analysis of the actions implemented would be a huge help, and these should be supported until the goal of net-zero carbon emissions by 2050 has been reached.

Cejas added that the impact is really seen and measured in the final reports of individual projects. As municipalities start seeing economic and energy savings and a reduced carbon footprint, this will help to attract international funds in the future. To achieve carbon neutrality, additional funding will be needed. If municipalities monitored their sustainable procurement through their accounting systems, they could prove that they meet the requirements needed to attract international funds or special credits. By doing so, municipalities are actively achieving their goal to reach carbon neutrality.

5. Thursday, 30 September 2021 – Procuring from Cradle to Cradle – Circularity in Sustainable Public Procurement

Welcome

Senator Dietmar Strehl, City of Bremen, Germany

Senator Dietmar Strehl started his speech by expressing admiration for the large number of participants on this fourth and last day of the Dialogue Forum. They numbered approximately 170, coming from a wide variety of countries including Paraguay, Chile, Brazil, India, Ghana, South Africa, South Korea, Norway, the Netherlands and many others. For the time being, he said, meeting only virtually was the right choice during this pandemic. However, the City of

Bremen will be more than happy to welcome participants in future discussions within a live format too.

Bremen is seen as a forerunner for sustainable public procurement. One reason is that the city's leadership have always supported the development of SPP, and the red-green government in Bremen has been active in the field for 12 years already. Of course, establishing Immobilien Bremen was a very important step in the process, and Bremen is proud of its achievements.

Also important when dealing with sustainable public procurement are the many other sustainable financial instruments. Strehl reiterated that he was looking forward to hearing about other experiences from different countries and diverse governments.

He concluded by sincerely thanking Immobilien Bremen and the German Development Institute for all their hard work and time put into organising the Dialogue Forum.

Key Note: Circular Procurement as a Natural Component of Public Procurement – What Are the Structural Changes Needed?

Veerle Labeeuw, Facilitator Circular economy / Green Deals, ProCirc, Smart Cities, Belgium

Circular Flanders was launched by the Flanders Government in 2017, when the circular economy was one of the seven transition priorities to help the region's development. Flanders attaches high priority to the circular economy because the region has no space for waste and there is no space to be wasted. Moreover, Flanders depends on other European regions to acquire the materials it needs.

Another important factor is climate change, since approximately 50% of greenhouse gas emissions originate from materials management. As a solution, the linear economy evolved into a recycling economy. But the ideal solution would be to enhance the circular economy.

Flanders therefore created a structure – Circular Flanders. The Flemish government with its two ministries, Economy and Environment, decided to create governance to tackle that challenge. Six thematic agendas, led by one public lead partner and one private organisation, were formed to change both the government and the market. Circular procurement is one of the levers among the seven levers that are linked to Circular Flanders' agendas.

In 2017, Circular Flanders set up the Green Deal Circular Procurement. Over two years, more than 150 organisations committed themselves to jointly purchase according to circular models, or to facilitate circular procurement projects. Veerle Labeeuw recommended participants visit the website [Circularprocurement.be](https://www.circularprocurement.be) for further information on relevant steps for introducing circular procurement.

After the circular procurement project was successfully implemented in Flanders, the next step was to take the project to the European level. This resulted in an Interreg project being implemented with six other European countries.

Market dialogue is extremely important to explain what the needs are, to change the mindset and promote lifecycle costing instead of referring only to the price of products.

Asked how the data were verified, Labeeuw answered that this was a research institute's task. Data verification does take time and it has costs, but the result is clear decision-making legitimisation for the steps taken.

Key Note: Circular Procurement in Europe – Developments and Challenges in Pioneering Municipalities

Alice Sinigaglia, Consultant at The Fair Trade Advocacy Office, Belgium

The Fair Trade Advocacy Office (FTAO) is a joint initiative of Fairtrade International, the World Fair Trade Organization and the World Fair Trade Organization-Europe, which leads the Fair Trade movement political advocacy at European Union level and contributes to the strengthening of the political advocacy capacities of the global Fair Trade movement.

After explaining the strategic tool of circular procurement and all its benefits, Alice Sinigaglia spoke about the experiences of several municipalities. In the case studies on circular procurement, aspects such as contract management, financial management and communication activities were closely followed. Some of the questions that can be used as guidelines, when promoting a circular procurement mindset, include checking whether the purchase is really needed, what kind of suppliers are needed and how the procurement should be conducted.

Common challenges faced by the active municipalities involve changing the current mindset, but also the need for new managerial, technical and engagement skills, as well as financial management issues. The main challenge is that the process of change may become overwhelming. So the participants who were highlighted in the case studies welcomed the introduction of a step-by-step procedure.

Sinigaglia highlighted a few other challenges in the external factors. In some cases, supplies were lacking and there was an explicit need to build the capacity of the private sector. She said that communication clearly depends on monitoring and nurturing a long-term relationship with suppliers. As the case studies showed, this led to an increased amount of time being needed for contract management.

In her conclusion, Sinigaglia referred to concrete practical examples. These were further discussed within the Best Practices Marketplace of the Dialogue Forum (see below).

Best Practices Marketplace

Emma Börjesson, Project Manager at the City of Malmö, Sweden

The City of Malmö has a new environmental programme, including two goals connected directly to circular procurement. One goal is to enable the city to achieve net-zero emissions by 2030 and the other is to increase resource efficiency.

Efforts to make Malmö's economy more circular began in 2017, with an Interreg project on circular public procurement. From the start, the focus was on second-hand furniture and closing the loop for furniture.

Special results achieved included enhancing collaboration with suppliers, forming a priority list on internal resource efficiency and making a positive example for a wider implementation of the project. The numbers also indicated a positive change: between 2019 and 2020, there was a 5% rise in reused furniture (from 10% to 15%).

Showing the possibilities of circular procurement, Emma Börjesson highlighted the lowering of CO2 emissions, a reduction of the raw materials being used, plus a reduction of waste.

Börjesson concluded by sharing circular procurement tips that were in line with the presentation of Alice Sinigaglia: interested parties should always start with something easy. This way, a project is more likely to be a success, which is key to making further steps more achievable. The City of Malmö does have an integrated circular economy, which is part of the policy within the environmental programme. Other success factors involve finding engaged allies, strengthening behavioural change, perpetual monitoring and statistical analysis, as well as networking and looking for external financial sources. For more information, interested parties should visit the website of the Interreg project: <https://northsearegion.eu/procirc/>

Julie Bastholm, Project Manager Center for Green Transition at City of Aalborg, Denmark

In her presentation, Julie Bastholm pointed to various circular public procurement cases, including circular playgrounds, life extension of IT equipment, learning environment in the public schools, plus community of practice on sustainable procurement.

When implementing circular public procurement projects, it is important to ensure a high level of market involvement, including live and online encounters with (potential) suppliers.

Bastholm said that the lifetime extension of ICT equipment was a long journey, because the City of Aalborg has seven departments and they did not have a common agreement on used ICT. New equipment was bought based on a national agreement, the so-called SKI-agreement. But a decision was then made to purchase ICT circularly. One-to-one dialogue on drafting the criteria took place with four suppliers. These criteria included direct reuse, repair, upgrading, use of spare parts, materials re-cycling, etc. The knowledge acquired within the pilot project has had several spinoffs for further tenders or purchasing in the City of Aalborg.

A community of practice on sustainable procurement has been established: this is a network of 11 municipalities focusing on circular procurement. Their goal is to exchange experiences and useful examples and to build knowledge.

Alice Sinigaglia, Consultant at The Fair Trade Advocacy Office, Belgium

To conclude the exchange on the topic, Alice Sinigaglia again mentioned some of the first steps that public procurers can take towards circular procurement. These include engaging internal

staff, nurturing long-term relationships with suppliers, allocating time to manage the contract with the supplier, and supporting the participation of SMEs in public procurement.

Panel Debate: What Can Circular Enterprises Offer and What Do Public Buyers Need?

Lorena Zangl, Referentin Kommunale Entwicklung, Cradle to Cradle, Germany

Cradle to Cradle is an NGO engaged in the cradle to cradle concept of circular economy and it is active in networking and educational work on the topic. The NGO's approach involves checking the use of renewable energy, tackling the issue of a product's impact on health, as well as impacts on ground and water.

This NGO collaborates with the private sector, science, education, politics and civil society and municipalities. Within the cradle to cradle system, public procurement does have a highly relevant status, especially regarding circular approach. Therefore, together with Hans Sauer Foundation, it publishes guidance for public procurers, whose main points will refer to circularity and cradle to cradle implementation.

Asked what is most challenging when working with public procurers, Lorena Zangl replied there are currently only a few pilot projects in Germany, so guidelines are needed to encourage public procurers to try the cradle to cradle system. One of the NGO's main goals is therefore to inspire others to join the system.

Anne Lenaerts, Senior Workplace Expert & Marketing Director, Nnof, Belgium

Nnof was originally a removal company for office furniture and logistical services. Ten years ago, when analysing the carbon impact, the company realised that offering an afterlife to office furniture could be a new business model. Now it helps companies and public institutions to rethink the way they will work in future, as well as to design the new office space and transform existing furniture into what the client needs at the end. This has resulted in an 80% lower CO2 impact, Anne Lenaerts said this is an incredible result and it makes the company's employees feel very proud.

Why was furniture chosen as a focus? Lenaerts replied that ergonomics and warranty are the most important aspects for furniture, making furniture easy to deal with as a product group. Furniture is a very tangible way of changing people's mindset. It makes circularity highly visible, whereas in IT this would definitely be different.

According to Lenaerts, partnership is highly relevant, as well as believing in goals, going forwards and attracting as many stakeholders as possible. CO2 taxation would also be a great help. It would also be helpful to integrate environmental costs into new products. This would make remanufactured products more affordable, and would lead to products using virgin material becoming more expensive.

Steve Haskew, Head of Sustainability and Social Leadership & Global ITAD, Circular Computing, UK

According to Steve Haskew, society has changed and industry has changed in a manner that allows circularity to be a mainstream product. However, it is difficult for any organisation to be one-in-one-out. We have not quite reached that point as a society yet, but the buying organisations within the public sector have a very difficult job to do.

So, how can we, for the sake of society, create a circular economy without having to wait for procurement to catch up? Haskew elaborated on the role of the market and industry, which should be more creative in how they approach procurement.

Remanufacturing is at the centre of circular economy, while circular economy is at the centre of decarbonisation. Therefore remanufacturing is at the centre of decarbonisation. Haskew said that the key to success in remanufacturing includes participating at events like today's, listening to the market, understanding the pressures on the other side of the fence, and learning from suppliers who we have not previously had the chance to meet.

Asked how remanufactured products can be placed on the market, Haskew replied that anything that is not new is a new category. So it is a challenge to make procurers want something that has had a previous life. According to the British Standards Institution, 'remanufactured' has a status equal to or better than new quality and warranty, whereas 'refurbished' has a different meaning. Another key point is that customers should not have to deal with complicated bureaucracy, when they want to buy a remanufactured product that is right for them.

During the pandemic, the ICT market grew by 20% because of home schooling, mobile work, etc. So economic development and global problems are creating an opportunity to make remanufacturing more mainstream.

Veerle Labeeuw, Facilitator Circular economy / Green Deals, ProCirc, Smart Cities, Belgium

In response to what Steve Haskew had just said, Veerle Labeeuw said that procurers also face issues with complicated bureaucratic processes. She added that changes are needed at European level. This could perhaps involve introducing mandatory standards, so these could be more easily implemented on local level. She also noted there is a huge amount of energy and commitment involved within projects, so it takes time to adapt to any new concept.

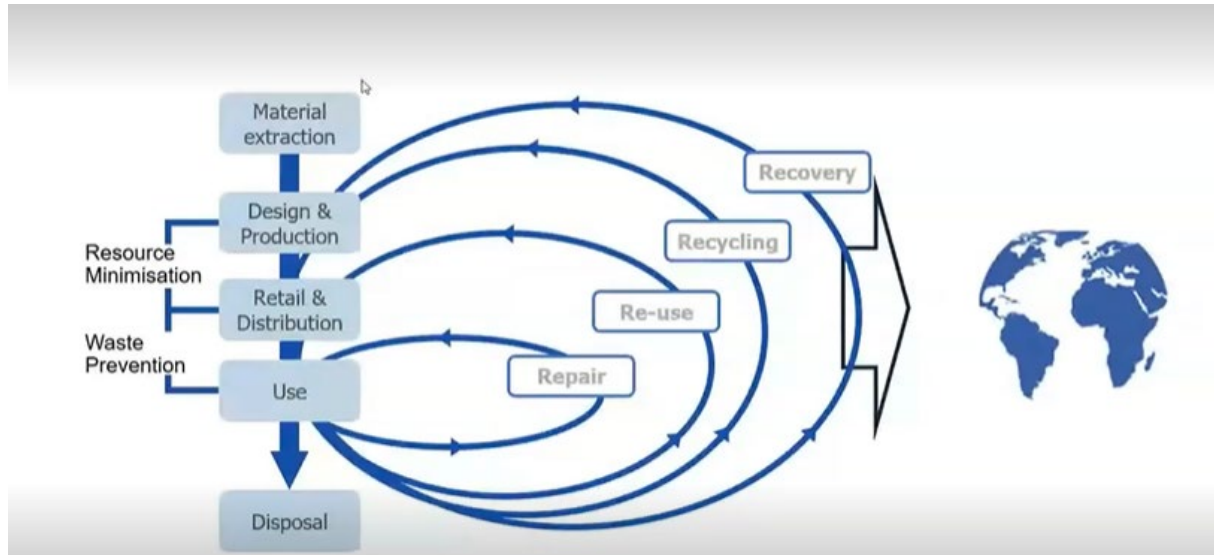
Julie Bastholm, Project Manager Center for Green Transition at City of Aalborg, Denmark

According to Julie Bastholm, it is important to have an early dialogue with the market. Ideas must also be exchanged at the start of a collaboration.

Introduction to Circularity in Public Procurement

Mervyn Jones, Senior Adviser Circular Economy at Rijkswaterstaat, the Netherlands

The main goal for this presentation was to give a basic overview of how procurement plays a part in delivering circularity and to provide an answer to the WHY of circular economy.



The linear economy starts with production and ends with landfills. The circular economy however is based on natural principles designed to keep materials and products moving within the economy for longer. In so doing, we create and retain value in economic terms, hence a circular economy. The smaller the loop, the less carbon is being used and the more value is retained. The larger the loop, the more energy is needed to keep products and materials longer. But we still have value attached to them, before we get to the point where we ultimately need to decide which is the more sensible: investing more energy or disposing.

Saving materials therefore leads to carbon benefits, water conservation and resource efficiency. There are also economic benefits, such as resilience, stability in terms of prices and helping to create green and healthy competition.

How does procurement link to circular economy? Circular procurement is the process by which public authorities purchase works, goods or services that seek to contribute to closing energy and material loops within supply chains, whilst minimising – and ideally avoiding – negative environmental impacts and waste creation across their whole life-cycle. In summary, using procurement as a strategic instrument to maximise benefits means not just thinking from tender to tender. Looking at circular procurement involves many stakeholders collaborating. Procurement is not just about sourcing but also about use and disposal. It is important to measure progress made, and to recognise successes and accept that circular procurement may take time.

Asked about the best product group to start with, Mervyn Jones answered that it is the first product group for which you have a tender. Further information on circular procurement and the circular economy can be found [here](#) and [here](#).

Circular Procurement in Practice – International Cross-Sectoral Examples

Francini van Staden, Department of Environmental Affairs & Development Planning at Western Cape Government, South Africa

Francini van Staden gave a presentation about the total cost of ownership and how the Western Cape Government, South Africa approached this context as a key enabler of sustainable infrastructure development. In recent decades, there has been a rapid urban change in this province, placing significant pressure on urban infrastructure and municipal services. Smart Procurement is a multi-year programme launched by the Western Cape Government. It captures the core principles of sustainable public procurement and focuses on contracts, contract types, total cost of ownership calculations and how this can be a proxy for sustainable infrastructure. The main goal was to demonstrate the value for money as well as financial implications for municipalities. This was done by translating sustainability into cost savings.

The total cost of ownership concept explains that the purchase price or development cost is often a smaller portion of the total cost of an infrastructure solution. Both direct costs (e.g. materials, transport, construction and labour costs) and indirect costs (e.g. taxes, insurance, land rent and salaries) need to be considered. In a feasibility study, it was clearly demonstrated that even for construction work the sustainable option has a lower total cost of ownership, when calculated within a lifecycle of 40 years. Doing business as usual would include a lower initial cost of the total construction, however high operating costs along the lifecycle would lead to a higher total cost of ownership.

Valentina Schippers-Opejko, Coordinator Urban Agenda Partnership on Innovative and Responsible Public Procurement at City of Haarlem, the Netherlands

Valentina Schippers-Opejko delivered a presentation about the work of the Urban Agenda Partnership on Innovative and Responsible Public Procurement. It has developed seven actions:

1. Building a strategy
2. Circular procurement
3. Knowledge exchange
4. Innovation procurement broker
5. Funding
6. Legal framework
7. Measuring spend

It is very important to start with a procurement strategy and then to follow the next steps.

The City of Haarlem won the Procura+ Award 2020 in the category Procurement Initiative of the Year. The awarded procurement case concerned infrastructure, sustainable road- and waterworks for €20 million over a period of four years. Within the project, innovative noise control barriers were used, sustainable electrical equipment was tested, local hubs for materials were introduced to reduce carbon emissions, and structures were fitted with solar panels. Additionally, an app was developed, enabling builders to offer leftover materials that would become waste to other builders, who could 'reuse' it. Social aspects included the creation of jobs and stakeholder engagement. A second case was presented about the City of Zaanstad, which procured road signs, of which 80% was produced from recycled materials and 20% from bio-based materials, i.e. hemp, rice and hogweed.

Schippers-Opejko also talked about learning possibilities, and these can be explored at these links: <https://uapp.maester.com/> and <https://urbact.eu/procurement>.

Jana Simanovska, Researcher, Vidzeme University of Applied Sciences & Expert, Society 'Ecodesign competence centre', Latvia

Jana Simanovska offered two examples of circular procurement from Latvia. The first example was the procurement of catering services for Pļaviņu Gymnasium. Here the aim was to ensure the delivery to the school of high-quality food for a reasonable price, to support reduction of food and plastic waste and the delivery of organic milk. To reach the aim, certain criteria were set:

- Food should be affordable and fit into a healthy diet;
- Banning of single-use dishes;
- Pupils choose their food by personal preference and size;
- Pupils share their opinions, thus providing feedback;
- 50% of the milk is organic.

Success factors behind the project included the municipality's high motivation and clear vision to pursue innovative procurement like this, the high level of cooperation between the municipality and the school, and the school's readiness to make changes. As a result, food waste was reduced by more than 50% and pupils now eat significantly less junk food.

The other example involved sustainable furniture procurement for Smiltene Secondary School. Some of the criteria were a long product lifetime, easily repairable, and the prohibition of hazardous substances in the furniture. The procurement involved intensive market research and engagement to better understand what suppliers are able to offer. This proved particularly valuable, since Smiltene municipality was hesitant to set strong circular criteria, due to concerns about high expenses and the market's inability to meet the criteria. One of the main challenges was quality-checking material declarations.

Jo-Anne St.Godard, Executive Director Circular Innovation Council at Recycling Council of Ontario, Canada

The Circular Innovation Council bases its work on three pillars: 1. education, resources, programs and stakeholder knowledge sharing; 2. economic and environmental policy and procurement; and 3. research and pilot projects. The Council acts as a 'glue' between buyers and suppliers. In Canada, public procurement covers 13-20% of the country's GDP and 80% on the municipal level. This presents a major opportunity for transitioning to a circular economy. Public procurement is seen as an incubator of innovation and a catalyst for change, as well as a market shaper and it is scalable no matter the size or location.

According to Jo-Anne St .Godard, transitioning to a circular economy requires a system change. Canada has a new government platform on circular procurement, which includes launching a National Net-Zero Emissions Building Strategy that will chart a path to net-zero emissions from buildings by 2050. The idea is also to create a Low-Carbon Building Materials Innovation Hub, in order to work directly with entrepreneurs, municipalities and indigenous governments and to ensure that Canadian innovations are best positioned to succeed. The Circular Innovation Council has also drafted a framework for circular procurement for the City of Toronto. Another engagement is membership in the Circular and Fair ICT Pact, where shared global ambitions in local tenders and empowering public procurement of ICT are being applied.

Nidhi Gupta, Environmental Design Solutions Pvt. Ltd. [EDS], India

Nidhi Gupta presented three circular procurement examples in the building design and construction sector in India on the national, municipal and building levels. The first programme was in collaboration with the Ministry of Rural Development. The Government of India is behind a housing-for-all programme that involves constructing 30 million houses. Its potential lies in the use of alternative construction materials, energy efficient appliances, renewable energy integration, and water and wastewater management systems. The buildings also need to be climate responsive. The government is already providing guidelines for different climatic contexts. Typically in India, however, one could observe a move away from sustainable construction, which is why the programme focused on redefining sustainability and defining components (e.g. wellbeing, water, GHG emissions and waste), setting a baseline and thresholds, prioritising measures according to impact and cost, and creating an implementation framework (including potential savings).

For the second project, EDS helped Lucknow development authority to develop a vision and roadmap for green and energy efficient building. An analysis showed that energy-efficient and affordable housing would only cost one or two dollars more than standard affordable housing and the payback was estimated at two to five years. The last example cited by Gupta is a net-zero building pilot at Nalanda University Campus: this pilot envisions a campus that is net-zero energy, emission, water and waste.

Key takeaways:

- Sustainable public procurement is a lever for making a nationwide market transition to green supply chains.
- Rather than treating sustainability as an add-on, approach it by redesigning the building process to minimise the impact on the project budget.
- Often municipalities are risk-adverse. Robust vision and strong leadership enable and encourage the private sector in creating sustainable solutions.