MARRAKECH TASK FORCE ON SUSTAINABLE PUBLIC PROCUREMENT LED BY SWITZERLAND

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ANNEX 1: SPP POLICY CONCLUSIONS AND RECOMMENDATIONS
**ACRONYMS**

**10YFP** - 10-Year Framework of Programmes on Sustainable Consumption and Production

**CSD** - United Nations Commission on Sustainable Development

**DEFRA** - Department for Environment, Environment, Food and Rural Affairs

**FOEN** - Swiss Federal Office for the Environment

**GDP** - Gross Domestic Product

**ICLEI** - Local Governments for Sustainability

**IISD** - International Institute for Sustainable Development

**ILO** - International Labour Organization

**MTF on SPP** - Marrakech Task Force on Sustainable Public Procurement

**MTF Approach to SPP** - Marrakech Task Force Approach to Sustainable Public Procurement

**NFP** - National Focal Point

**SCP** - Sustainable Consumption and Production

**SC** - Steering Committee

**SPP** - Sustainable Public Procurement

**UNDESA** - United Nations Department of Economic and Social Affairs

**UNEP** - United Nations Environment Programme
**INTRODUCTION**

The Marrakech Task Force on Sustainable Public Procurement (MTF on SPP) is an international initiative to promote sustainable public procurement in developing and developed countries. It was launched by the government of Switzerland in 2005, as one of seven Task Forces under the Marrakech Process on Sustainable Consumption and Production, which is led by the United Nations Environment Programme (UNEP) and the United Nations Department of Economic and Social Affairs (UNDESA). To read more about the Marrakech Process please visit [http://www.unep.fr/scp/marrakech/](http://www.unep.fr/scp/marrakech/). The task force members, including governments from all continents and international organizations, have developed a specific methodology to enable governments to make their procurement more sustainable. To this end, the MTF on SPP promotes Sustainable Public Procurement (SPP) through training and assistance and facilitates dialogue and collaboration amongst countries and other stakeholders on SPP. The MTF on SPP has established a partnership with UNEP for the capacity building of developing countries on SPP. To read more on the MTF on SPP visit [http://www.unep.fr/scp/marrakech/taskforces/procurement.htm](http://www.unep.fr/scp/marrakech/taskforces/procurement.htm)

**WHAT IS SUSTAINABLE PUBLIC PROCUREMENT?**

Sustainable public procurement builds on the three pillars of sustainable development. Thus to make public procurement sustainable, environmental, social and economic considerations have to be taken into account. The MTF on SPP has adopted the following definition of SPP, as developed by the UK Sustainable Procurement Task Force (Procuring the Future, June 2006).

Public procurement will be sustainable when procurement officers include sustainability issues at all stages of the procurement process – including e.g. the selection of suppliers or the management of contracts. For many procurement officers this implies new practices such as the screening of key suppliers throughout the value chain to check for compliance with labor laws and the insertion of social and ecological criteria into technical specifications in the bidding documents (e.g. lower emissions of vehicles, organic food or certified wood).

Sustainability considerations are not concentrated on the end product as such, but the whole life cycle of a product or service has to be taken into account – from the extraction and production over the transportation to its reuse, recycling or disposal.

**WHY SUSTAINABLE PUBLIC PROCUREMENT?**

In many cases, public administrations can be more cost effective through SPP compared to a business as usual scenario. Some ‘greener’ products and services are less costly in terms of their use, maintenance and disposal despite possible higher upfront investment costs. Indeed, SPP is a way to use tax payers’ money in a responsible way.
Governments are major consumers of goods and services, with their purchasing power representing 10 to 25% of the Gross Domestic Product (GDP) in most nations. Governments can therefore make a difference in environmental and social outcomes by choosing more sustainable options. They are strong levers for change and have the ability to drive markets towards innovation and sustainability.

Sustainable procurement is a means of implementing and delivering policy decisions. It can help to improve efficiencies as well as innovations for sustainable development, and is a strong driver towards a more sustainable economy. With their market power governments can influence producers to shift quicker to a more sustainable economy. Green innovations are a major growth sector; through SPP, governments can support its start-up phase and thus contribute to the creation of new jobs.

SPP is a cross-cutting issue and therefore can have positive impacts on a broad range of topics. For example, it can help reduce greenhouse gas emissions and air pollutants, improve energy and water efficiency, reduce waste, support reuse and recycling, support the use of renewable resources and the development and use of cleaner technologies. Positive social impacts include poverty eradication, improved gender and ethnic equity, or respect for core labor standards. At the economic level, SPP can generate income, reduce costs, and support the transfer of skills and technology while driving markets towards more innovative solutions.

Public procurement is one means by which sustainable development objectives can be delivered. Compared to regulations or legislations, it is usually a faster route to influence sustainable development and is a more accepted way than introducing taxes.

To read more about Sustainable Public Procurement, please visit http://www.unep.fr/scp/procurement/

**MAJOR OUTCOMES OF THE MTF ON SPP**

**Outcome 1: Formation of the MTF on SPP**

The Marrakech Task Force on Sustainable Public Procurement stems from the Marrakech Process, which was launched in 2003 as a global effort to promote progress on the implementation of more sustainable consumption and production patterns.

The Marrakech Task Forces are voluntary initiatives led by governments. Switzerland announced at the 2005 international SCP expert meeting to lead the MTF on SPP to promote and support the implementation of Sustainable Public Procurement practices in both developed and developing countries.

Switzerland provided the secretariat of the MTF on SPP. The MTF was subsequently joined by a group of international procurement practitioners and sustainable development experts from various governments and international organizations representing Argentina, Mexico, Ghana, the Philippines, China, the Czech Republic, the United Kingdom, Norway, the USA, the State of São Paulo and others.

**Potential for CO₂ reduction by purchasing green computers**

Over 2.8 million desktop computers are purchased each year by public authorities in the European Union. The purchasing of more energy efficient models would reduce electricity bills and European emissions of greenhouse gases by over 830,000 tonnes CO₂ equivalents. Even more impressively, the purchasing of green electricity by the public sector would contribute towards one quarter of the European Kyoto commitments, if this came from newly constructed renewable energy facilities. (Source: Relief report, ICLEI)
Paolo, the European Commission Services, UNEP, UNDESA, International Labor Organization (ILO), Local Governments for Sustainability (ICLEI) and International Institute for Sustainable Development (IISD). A sub-group comprising Switzerland, the UK, UNEP and ICLEI, was the driving force of the group.

The secretariat of the MTF on SPP organized seven member meetings. Financial contributions for the meetings stemmed from the UK, Norway and Switzerland. During the first four meetings taking place in Switzerland, Spain, Norway and Italy, the group was established and the MTF Approach to SPP was developed. A fifth meeting was held in Argentina in 2007 where the first Pilot Country

The Marrakech Process

The Marrakech Process is a global effort to promote progress on the implementation of Sustainable Consumption and Production patterns. The process responds to the call of the Johannesburg Plan of Implementation adopted at the World Summit on Sustainable Development from 2002 to develop a 10-Year Framework of Programmes on SCP (10YFP), which will serve as a global framework for action in support of national and regional initiatives to accelerate the shift towards SCP. Seven international Task Forces have been launched since 2005 with the aim of supporting the implementation of concrete projects on specific themes of SCP. Their experiences are fed into the 10YFP, which will be considered by the UN Commission on Sustainable Development (CSD) at its sessions in 2010 and 2011.

Website:
http://www.unep.fr/scp/marrakech/
training took place and a sixth meeting in South Africa back-to-back with the first regional workshop on the MTF on SPP Approach. A seventh and last meeting took place in Switzerland in 2011 during which the MTF on SPP officially announced to hand over the responsibility of managing and continuously improving the MTF Approach to SPP to UNEP at the CSD in 2011.

**OUTCOME 2: MTF APPROACH TO SPP**

During a ‘tool hunting exercise’ the MTF on SPP examined the existing tools on sustainable and green public procurement. As no tool covering all three pillars of sustainable public procurement was found, the team decided to create a holistic tool, building on already existing methodologies, particularly on the methodology of the UK Sustainable Procurement Task Force.

One of the main outputs of the MTF on SPP is the development of the so-called MTF Approach to SPP. The MTF Approach to SPP is a methodology to implement SPP in both developed and developing countries. Countries which are interested in including sustainability in their procurement activities are invited to follow this approach.

The MTF Approach to SPP consists of a number of key elements, which will be explained in more detail below:

- SPP Principles
- Implementation Plan
- Status Assessment
- Legal Review
- Market Readiness Analysis
- SPP Policy Plan
- Training
- Implementation

The MTF Approach to SPP is mainly based on the procurement process during which needs and risks are identified, suppliers evaluated, selected and contracted, products or services specified and contracts managed and monitored. It shows how in each step public procurement can contribute to more sustainable consumption and production patterns. In general it is easier to introduce sustainability considerations in the earlier stages of the process. The selection of priority sectors assures that limited resources are not wasted on sectors where there is low environmental or socio-economic risk, little scope to influence the market or where there are no environment-friendly alternatives at a competitive price.

Environmental and socio-economic requirements can be taken into account in all stages of the procurement process. However such requirements are easier to introduce in the earlier stages, like in the case of the definition of the subject matter of the contract. The technical specifications, which provide measurable requirements against which tenders can be evaluated, can also incorporate sustainability criteria (e.g. minimum criteria), provided that they are formulated in a way that does not lead to discrimination against certain suppliers. At the selection stage, exclusion and technical and financial capacity criteria are specified in tenders. Environmental considerations can only be used in selection criteria if specific environmental experience is required to fulfill the contract. Procurement laws and regulations may provide exclusion criteria, e.g. if a company has repeatedly breached environmental provisions. At the award stage, the quality of offers is evaluated against the award criteria and the most appropriate offer is chosen. If the procurement law allows, additional to price, sustainability considerations can be considered as award criteria. Effective contract management
ensures that suppliers keep the commitments they have made in their bid. Purchasing authorities might choose to add tougher targets for which the supplier receives a bonus payment. Monitoring and evaluation allows performance against targets over time and necessary corrective measures to be undertaken.

The MTF Approach to SPP provides a holistic approach to SPP and makes reference to guidelines developed by a number of organisations for specific products and services. It can serve though as a general framework under which more specified aspects are examined and implemented. Similarly, the MTF on SPP is working primarily on the national level, but sustainable public procurement should be implemented on a local level as well.

The material of the MTF Approach to SPP is periodically improved, based on the lessons drawn from the Pilot Countries, where the approach is currently applied. The goal is to establish and

**The main SPP Principles**

Good procurement is sustainable procurement. This is the basic principle, which underlies all the other principles and contains the core message. Good procurement must take in consideration the three pillars of sustainable development: the social, the environmental and the economic pillar. When we think about good procurement we think of transparency, fairness, non-discrimination, competition, accountability and verifiability. They are all essential elements of sustainable procurement too. The MTF Approach to SPP is a flexible tool allowing the modernization of public procurement to go hand in hand with the opportunity to include environmental and social issues in day-to-day procurement.
Leadership of influential senior level champions is needed to promote and embed SPP, enable the necessary regulatory changes and ensure that the needed resources are provided for delivery. In addition, organizations that excel in sustainable procurement can demonstrate leadership by sharing best practice and encouraging others.

Policy through procurement - procurement can be a means to achieve a wide range of institutional objectives. Clear and consistent policies that explain organizational objectives help procurers to make good procurement decisions. Policy makers need to understand how procurement works, so that they can produce policies that procurers can implement. Likewise, procurers should be involved at the early stages of policy development, so that they can advise on implementation.

Enabling delivery: Policy-makers, politicians, internal customers, suppliers, contractors as well as procurers all have a role in enabling delivery. Early engagement of the market in the process is important to maximize the opportunities for more sustainable and innovative solutions. SPP requires the communication of a consistent message designed for the needs of various internal and external audiences. SPP should be supported by clear lines of accountability, with incentives and penalties for delivery.

Implementation: SPP must be based on the principle of continuous improvement and on a life cycle approach. A risk-based approach helps targeting the areas of highest impact and priority, whilst complementing this with a quick wins approach can demonstrate immediate success. Integrating SPP into organizational management systems, including environmental management systems, helps in making it part of routine procurement practice.

present a revised version of the MTF Approach to SPP in 2011 following the pilot phase of country implementation (see outcome 3 below).

**SPP principles**

The SPP principles are at the core of the MTF Approach to SPP and should be applied by policy makers and public procurers to guide the process towards sustainability of public procurement.

**Implementation plan**

The MTF on SPP has developed an implementation plan which outlines the main steps that a government ideally has to undertake in order to follow the MTF Approach to SPP and embed SPP in its institutional and regulatory framework. Implementation guidelines complement the plan with detailed comments on each step of the process. The total implementation time of the MTF Approach on SPP is estimated at about one to one and a half years.

**Status Assessment**

The MTF on SPP has developed an assessment tool, which allows public authorities to define the status of their public procurement. It consists of an online questionnaire covering the three pillars of sustainable development and the relevant international, national and organisational level as well as the involvement of stakeholders. By determining the status of sustainable public procurement, an institution or country can define areas of success and areas where further work is needed. It also helps to understand the steps needed to improve SPP (step-by-step approach). Progress can be checked by repeating the assessment at a later stage.

The MTF on SPP proposes that the Status Assessment is completed by a group of key representatives from the government ministries or departments of procurement, sustainable development, environment, and finance. An updated version of the Status Assessment includes detailed explanations, which guide the user through the questionnaire. A comprehensive report is produced on completion of the assessment, which also offers a comparison function.
Prioritization methodology
The MTF Approach to SPP includes a robust methodology for undertaking a risk-based prioritization exercise. It addresses not just policy priorities, but also sustainability risks associated with procurement spend categories. The prioritisation exercise will help a country to focus efforts on those spend areas which will achieve SPP or Sustainable Development objectives in a timely and efficient way. The results of the full prioritisation exercise can be used to inform the SPP Policy Plan and subsequent actions to implement SPP.

Legal Review
The Legal Review includes research to determine the legal, regulatory as well as the institutional framework for public procurement in the country and the legal possibilities to integrate SPP principles. Important elements are a description of the current environmental and public procurement regulations, criteria for sustainable or green procurement in place or developed and key challenges and opportunities for SPP through the current law. Where public procurement reform is underway, there is a need to consider the opportunities and timing of the introduction of sustainable procurement.

Market Readiness Analysis
The Market Readiness Analysis consists of research on the availability of sustainable products
and services in the Pilot Country, the responsiveness of the market, the national business sector response to potential SPP tenders and the capacity to meet current and future public procurement requirements for sustainable products and services.

**SPP Policy Plan**

Based on the results of the Status Assessment, the prioritization exercise, the Legal Review and the Market Readiness Analysis, the government will draft an SPP Policy Plan, which will give clear direction and a mandate for implementing SPP. It usually mentions the objectives, priorities, the products on which to concentrate and a commitment to communicate the policy to the relevant stakeholders and monitor key objectives and outcomes.

The SPP Policy Plan will help a country to deliver against its sustainable development objectives and drive markets towards sustainability. It is ratified through the usual legal means. Due to the often lengthy processes of policy adoption, pilot schemes to incorporate environmental and social criteria in specific contracts can speed up the overall implementation of SPP and should also be helpful to provide legal precedents.

**Training**

The MTF on SPP has developed a training and guidance package, which helps to ensure that relevant staff and other stakeholders are aware of the implications of SPP and have the capacity to deliver training along with good procurement practices. The recommended audience comprises staff from procurement, finance, the legal department, persons responsible for procurement and suppliers.

**Case Study: Mauritius**

Within its overall national framework ‘Mauritius Sustainable Island’, Mauritius is implementing the MTF on SPP Approach. Mauritius is one of the most advanced countries of the UNEP project. The Procurement Policy Office of the Finance Ministry acts as NFP (National Focal Point). Completing the Status Assessment has helped the Procurement Policy Office identify social aspects of SPP (e.g. the ILO conventions), which it was unaware before. The legal review showed that even though at present the regulations do not explicitly contain provisions for the implementation of horizontal policies, there are possibilities for many types of horizontal policies under the current legislation. A few policies related to work conditions and the promotion of local economies and small and medium enterprises are already being implemented. Mauritius was the first country to complete the Market Readiness Analysis, which showed that a prioritisation exercise was useful. The main obstacle when conducting the prioritization was the lack of comprehensive and detailed-enough procurement data (which is often the case in developing countries). The results are ten priority product groups.

A Task Force has been set up to prepare the SPP Policy and Action Plan. As next steps it will finalize the policy statement and define the action plan. Already before adopting the policy some easy-to-implement SPP actions have been taken: the government decided to tender for vehicles and ICT equipment including environmental criteria. They will support learning from experience in a country where SPP is a new topic.

A newsletter informs about the deployment of the project and raises awareness of practitioners and relevant players about the project and SPP. Modules on SPP are included in the regular trainings for procurement managers. Integrating the project activities into Public Procurement Office regular activities programme of work already in place will guarantee continuity.
Case Study: Chile

With ChileCompra as the NFP, Chile has a strong leverage to implement more sustainable consumption patterns through SPP. ChileCompra is managing the public procurement of 850 entities at the central and local level. In the Steering Committee government, private sector and academics are broadly represented. The terms of reference, which Chile has elaborated for the legal analysis have been considered as exemplary and are used as template for other Pilot Countries. Chile is presently revising the existing sustainable public procurement policy in order to better integrate the core SPP ideas. The new policy will include objectives, major areas of work and an action plan. One of the goals is 15% sustainable purchases by 2012. An e-learning platform is being developed and will be an important training tool for Chileans procurement practitioners.

The main elements of the training package are the development of a government approach to SPP, the identification of sustainability impacts, and the introduction of sustainability criteria in the various steps of the procurement process. A wide range of case studies illustrate good practices.

The training package exists at the moment in English, French and Spanish. The compilation of the training material provides consistency of the message, but has to be adapted to the national context. It takes into account the different legal and institutional frameworks of the implementing countries as well as the different needs.

Training has been conducted by UNEP/MTF for SPP experts in the form of a face-to-face workshop with written guides and can be combined with e-learning elements. The short first part is mainly for policy makers involved in public procurement. They learn about the potential of SPP and what steps are needed on a policy level. In the second part procurers learn in detail how public procurement can be made more sustainable.

Implementation

Following the sequence of steps of the MTF Approach to SPP leads to the last stage which is the implementation of SPP in day-to-day procurement. It involves taking into account sustainability aspects, including life cycle costing, within the procurement process. It results in changes in products and services purchased as well as changes in behaviour of those involved in their procurement. It leads to better products and services, which have less negative impacts on the environment, it helps to save costs in the long term and it contributes to social justice. The MTF Approach to SPP expects support to be provided to the Pilot Countries during the first year of SPP implementation.

Outcome 3: Implementation of the MTF Approach to SPP

The MTF approach to SPP is currently being tested in 11 pilot countries. In 2008, the Swiss government and the United Nations Environment Programme (UNEP) designed a project to roll out the MTF approach in a number of developing countries. This project, entitled *Capacity building for Sustainable Public Procurement in Developing Countries*, is supported by the European Commission, Switzerland and the Organization of Francophone countries. It is being piloted in Mauritius, Tunisia, Costa Rica, Colombia, Uruguay, Chile and Lebanon. (Read more on [http://www.unep.fr/scp/procurement](http://www.unep.fr/scp/procurement)). Argentina, New Zealand, Ghana and the UK are testing the Approach outside the direct supervision of UNEP.

Experts from the MTF on SPP and UNEP provide support and guidance on the SPP implementation for participating countries to ensure that sustainable public procurement is embedded in both policy and practice.
Close working relationships with the Pilot Countries are needed to secure the capacity building and behavior change that these countries are keen to embrace. For this purpose, UNEP engages with a National Focal Point (NFP) in each of the Pilot Countries, which serves as the main contact, local manager and is in charge of the implementation of the project. Ideally, the public procurement authority acts as the NFP as it is best suited to adequately and effectively drive the procurement towards sustainability.

The NFPs is placed under the supervision of a Steering Committee, which oversees, legitimizes and institutionalizes the whole implementation process and approves the outputs of the project. The Steering Committee is co-chaired by the public procurement authority and the ministry of environment and includes usually representatives from ministries of social affairs or labour, industry, chambers of commerce, as well as from universities or research centers, civil society or UN organisations. It must have a high political profile with decision-making capacity in the institutions it represents.

UNEP has so far been the only Leading Organisation supporting countries interested in implementing the MTF Approach to SPP. After May 2011, UNEP will take over from the Marrakech Task force.
on SPP and hopes to team-up with other organizations on SPP implementation. The Leading Organisation assists the NFP in the implementation process by giving advice and providing contact details of resource persons or organisations.

For successful SPP implementation, strong ownership by the implementing country and the mobilization of human and financial resources are crucial. Interested countries can apply to UNEP/the Leading Organization through an expression of interest. If after a discussion on mutual expectations, an informal agreement can be reached, the country sends a letter of commitment, indicating the NFP, the composition of the Steering Committee and the resources to be devoted to the project by the country. After signing a funding agreement between UNEP/the Leading Organization and the Pilot Country, the process can start. A country or institution, which decides to follow the MTF Approach to SPP follows the shown diagram. The SPP principles guide the overall endeavor and the implementation plan outlines in detail the various steps to take.

The MTF Approach to SPP allows for flexibility. The materials and trainings are adapted to the particular situation of a country to fit its needs. The way SPP is implemented can be manifold and the SPP policy can look different from country to country. Experience with implementing SPP in 11 Pilot Countries shows that the establishment of centralized purchasing agencies promoting
framework agreements and e-procurement increase the effectiveness and efficiency of the system and can facilitate the incorporation of sustainability criteria in public procurement.

In order to promote public demand and supply of more sustainable products and services in the domestic market it is important to establish a close cooperation between the productive sector and the public sector through various means such as the Market Readiness Analysis and an institutionalized and participatory dialogue process.

SPP should be strongly linked to the existing economic development strategy of the country, using the purchasing power of the public sector to encourage the development of a national or regional market for sustainable products and services. Social and environmental certification, as well as additional resources and tools for evaluating products and services (as life-cycle analysis, eco-design etc.) support the implementation of SPP and should therefore be considered when implementing SPP.

Implementation on the local level

The MTF Approach to SPP can not only be implemented on the national but also on the local level or by non-governmental organizations and enterprises. In the UK, on behalf of the Department for Environment, Environment, Food and Rural Affairs (DEFRA), Sustainable Procurement Ltd. on behalf of the Department for Environment, Environment, Food and Rural Affairs (DEFRA) and in collaboration with other consultants, has worked with local government specialists to develop a national Sustainable Public Procurement Training Programme. A training course was piloted in the North East and subsequently 115 workshops were delivered to local authorities, the health and social care sector and the education sector. A short high-level briefing session for politicians and...
senior officers has also been developed and delivered. The training of trainerstrainer’s sessions resulted in 20 available trainers.

The MTF on SPP member, São Paulo state government, has established sustainable public procurement commissions in each procurement unit to take action on SPP, based on the MTF on SPP Approach. The procurement commissions have reported on their SPP performance and the SPP is considered an official means to achieve the State’s climate change goals.

**Outcome 4: Training of SPP experts**

In the implementation process, the governments are the main counterparts of UNEP and the MTF on SPP. Procurement and environment experts participate in trainings on the MTF Approach to SPP to follow and support the implementation process as national focal points, SPP project managers and steering committee members. It is key to ensure consistency of the SPP message being delivered and quality of the delivery.

The first national training on the MTF Approach to SPP and a training workshop for policy makers and procurers was organized by the MTF on SPP in November 2007 in Argentina. A first regional training workshop on the MTF Approach to SPP was organized by Switzerland and conducted in South Africa in June 2008 to develop expert capacity on the MTF Approach to SPP. Further, three to four days regional workshops followed in France (April 2009), Chile (May 2009), Mexico (July 2009), Tunisia and Malaysia (December 2009) and were organised by UNEP through EC funding. Over 120 participants from over 48 countries have been trained on the MTF Approach to SPP since 2009.

Furthermore on behalf of Switzerland, UNEP with the support of ICLEI and Sustainable Procurement Ltd., has conducted an in-depth training program for 14 senior SPP experts in Freiburg, Germany, in spring 2011. The goal was to establish a community of well-trained SPP senior experts through a five days face-to-face training, accompanied by distance learning components and exercises. These trained experts are expected to assist interested countries in the implementation of the approach and conduct the trainings on the MTF Approach to SPP, particularly the in-country training for procurement officials.

**Outcome 5: Awareness Raising**

The MTF on SPP members were present at a broad range of expert and policy meetings and international conferences on procurement, sustainable consumption and production or sustainable development, where they presented the work conducted by the MTF on SPP.

Furthermore the ILO International Training Center has included the MTF on SPP Approach in its work and is presenting the approach in all their SPP trainings and also included it in their university master programme. In its courses it presents an outline of experiences of a number of countries in implementing SPP, including the pilot MTF countries.

**MTF on SPP has raised awareness on SPP at international meetings:**

2005 Launch of the MTF on SPP at the second international expert meeting on SCP in Costa Rica

2006 First MTF meeting in Switzerland
Second MTF meeting in Spain, back-to-back with the EcoProcura conference
Third MTF meeting in Norway, back-to-back with the International Roundtable on Developing Public Procurement Policies for Sustainable Development and Innovation
OUTCOME 6: RESEARCH ON SPP

UNEP, with the financial support of Switzerland, is conducting a study on the impacts of SPP. The study will outline the sustainable development and market transformation impacts of SPP through eight cases. These case studies will help to promote sustainable procurement and provide a basis to work with national and local public authorities.

The case studies will be selected from a wide range of examples. They should be representative and transferable in order to reach public purchasers worldwide and they should as well provide concrete results in terms of sustainable development impacts or market changes. The impact will be assessed with a tailored approach taking into consideration the market context of goods and services. The study will analyse the choices made during the procurement cycle and the impacts those choices have on sustainable development.

OUTCOME 7: CONTRIBUTION TO THE MARRAKECH PROCESS AND THE 10-YEAR FRAMEWORK OF PROGRAMMES

The contribution of the MTF on SPP to the 10YFP is twofold. The MTF on SPP and UNEP were active
in the drafting process of an SPP Programme for the 10YFP which will recognize SPP as an efficient public policy that saves natural and financial resources and promotes sustainable consumption and production patterns. The cornerstones of the 10YFP SPP Programme should be capacity building, consolidation of international networks and sharing best practices and research outcomes.

The second contribution of the MTF on SPP and UNEP to CSD is the Policy conclusions document which will be presented on 10 May 2011 during an SPP side event. This document contains a number of policy recommendations based on the first results and lessons drawn from pilot project implementation. It was finalized following the feedback received during the last meeting of the MTF on SPP that took place on 2-3 May 2011 in Glion, Switzerland (see the “SPP Policy Conclusions and Recommendations” annex).

OUTLOOK

The MTF on SPP will officially hand over to UNEP the responsibility of the SPP Approach at CSD 19 (May 2011).

By the end of 2011 the testing phase of the MTF on SPP Approach will be finalized. The goal is that until then the 11 Pilot Countries (i) will have tested and implemented the MTF Approach to SPP, (ii) will apply SPP principles in day-to-day procurement and (iii) will have given feedback to the MTF on SPP and UNEP on the Approach. A revised version of the Approach will be drafted by UNEP with the assistance of a revision committee.

In 2012, UNEP will launch the second phase of its Capacity Building for SPP Project, based on the revised MTF Approach to SPP and supported through a UNEP-hosted expert center which will give guidance to interested countries. Through this project, UNEP will scale-up the ongoing activities and provide SPP assistance to up to 20 countries within the next 3 years, directly or through partner organizations and individual experts.

Together with a number of key organizations and partnering countries, UNEP also plans to launch in 2011 a multi-stakeholder SPP Initiative. The overall objective of this initiative will be to have, within the time framework of the 10YFP (2011-2020), SPP broadly recognized and implemented as an efficient public policy that saves natural and financial resources and promotes sustainable consumption and production patterns.

The specific objectives of the SPP Initiative are the following:

1. Facilitate the coordination of SPP programmes and action plans in order to avoid duplications and foster synergies.

2. Promote SPP at the international level and in particular in the framework of UN processes (Marrakech process/10YFP, Rio+20, etc.) as well as among multilateral development banks, development agencies, public procurement networks, the private sector, trade unions etc.

3. Communicate on the tools available for effective implementation of SPP, including capacity building tools and techniques as well as good practice examples. Contribute to the development of effective SPP indicators.

4. Reach out, coordinate activities and encourage synergies with other related players as the private sector, UN agencies, regional economic commissions, multilateral development banks, trade unions etc.
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Useful Links:
http://www.unep.fr/scp/procurement
http://esa.un.org/marrakechprocess
Status Assessment:
http://www.unep.fr/scp/marrakech/taskforces/procurement.htm
Sustainable Public Procurement: Policy Conclusions and Recommendations
Marrakech Task Force on Sustainable Public Procurement - United Nations Environment Programme
19th Session - Commission on Sustainable Development (2011)

Introduction

The Marrakech Task Force on Sustainable Public Procurement (MTF on SPP) led by Switzerland has developed an approach for implementing sustainable public procurement (SPP) in both developed and developing countries known as the MTF approach to SPP.

The MTF approach to SPP is currently being tested in 11 pilot countries. In 2008, the Swiss Federal Office for the Environment (FOEN) and the United Nations Environment Programme (UNEP) designed a project to roll out the MTF Approach in a number of developing countries. This project, entitled Capacity building for Sustainable Public Procurement in Developing Countries, is supported by the European Commission, Switzerland and the Organization of Francophone countries. It is being piloted in Mauritius, Tunisia, Costa Rica, Colombia, Uruguay, Chile and Lebanon. Argentina, Ghana, New Zealand, Ghana and the UK are testing the Approach outside the direct supervision of UNEP and in British local authorities, higher and further education sector and health sector.

The main objective of the UNEP-led project is to support the development and the implementation of national SPP policies in the pilot countries through the roll out of the MTF approach to SPP. The lessons learned from the project will help to improve the Approach and will result in the elaboration at the end of 2011 of a standard methodology for the development and implementation of national policies on sustainable public procurement.

In 2012, UNEP will launch the second phase of its Capacity Building for SPP Project, based on the revised MTF Approach to SPP and supported through a UNEP-hosted expert center which will give guidance to interested countries. Through this project, UNEP will scale-up the ongoing activities and provide SPP assistance to up to 20 countries within the next 3 years, directly or through partner organizations and individual experts.

The present document contains a number of policy recommendations based on the first results and lessons drawn from pilot project implementation. It was finalized following the feedback received during the last meeting of the MTF on SPP which took place on 2-3 May 2011 in Glion, Switzerland. The present document is annexed to the MTF report presented to the 19th Session of the Commission for Sustainable Development.

Benefits of SPP

Outcomes delivered through SPP can include: improved environmental performance, specifically reduced CO₂ emissions (global and local environmental goals); cost savings, namely the recognition of non-tangible benefits and costs; good governance; job creation; minority empowerment; poverty reduction; wealth creation and transfer of skills/technology. SPP can also be used to stimulate competition; drive markets for innovative and sustainable solutions adapted to local contexts; encourage early engagement and dialogue with the market (within the boundaries of procurement rules) and enhance dialogue with civil society.

Although it is up to the countries and organizations to define the nature of their priorities, UNEP and the MTF Task Force on SPP recommend balancing environmental, social and economic considerations in the SPP policy mix.
The importance of an enabling environment for the development and implementation of SPP policies

Political willingness and leadership

Senior level, influential champions help promote and embed SPP, while ensuring that resources are available for delivery. In addition, organizations that excel in sustainable procurement can demonstrate leadership by sharing best practice and encouraging others.

A strong political commitment at the highest level is necessary for the development and implementation of SPP policies and to carry out any necessary amendments to the legal procurement framework.

Sustainable development strategy

The existence of a Sustainable Development strategy provides a good basis for the introduction of sustainable public procurement. In turn, SPP policies help deliver Sustainable development objectives.

Sustainable consumption and production strategy

In a given country, the implementation of a sustainable consumption and production (SCP) strategy has proven to facilitate a faster deployment of SPP since these strategies usually include an SPP component.

Modernized public procurement

Modernized public procurement including the use of e-procurement systems, framework agreements and centrally coordinated procurement tends to make sustainable public procurement easier to implement. Management and information systems that promote good public procurement also facilitate SPP, since good procurement is sustainable procurement.

Using the savings delivered through early sustainable public procurement activities to fund those that may require additional upfront investment can be a good way to kick-start SPP practices.

The deployment of SPP has proven to be complex wherever procurement departments are not well developed or where they are still working to bring greater transparency and better governance in public spending. In today’s reality, procurement systems can legitimately and objectively recognize social and environmental considerations alongside those of transparency, non-discrimination and fair competition.

Many developing countries are currently going through a process of reform and modernization of their procurement process, granting the opportunity for SPP to be embedded in such reforms.

The World Bank and other multi-lateral development banks represent for a number of countries, an important source of technical support and funding for the modernization of public procurement systems. It is essential that the inclusion of sustainability issues be recognized by these organizations as a core component of the modernization of public procurement in the supported countries.
Key success factors for SPP implementation

The key roles of the public procurement authority and of inter-ministerial / inter-stakeholders cooperation

In many countries, public procurement authorities have been established and are in charge of regulating the public procurement systems, training of procurers and developing and implementing of the procurement policy. As such they are an appropriate lead organization for the implementation of SPP. In the absence of a public procurement authority, other institutions such as the Ministry of Environment could lead on SPP implementation.

Alongside the public procurement authority, many institutions and organizations should play a key role in the development and implementation of SPP policies: Ministries of Environment, Industry, Social Affairs, Chamber of Commerce, NGOs, etc.

The MTF approach to SPP provides for the establishment of a National Focal Point (NFP) and a Steering Committee (SC) as central bodies in the institutional process of SPP implementation.

The National focal point is in charge of managing the implementation of the Approach in project countries.

It is recommended that wherever it is possible the public procurement authority be designated as the NFP.

The Steering Committee serves as a space of dialogue to strengthen and promote the adoption of a sustainable public procurement action plan. It oversees, legitimizes and institutionalizes the process, approving the various documents and actions arising from the application of the methodology.

Alongside the public procurement authority, the Steering Committee should include key government ministries and stakeholders that can represent and embody the country’s social, economic and environmental policy priorities and interests.

A representative group will provide ownership, resulting in political buy-in from the engaged stakeholders. Steering Committee members should have a high profile with technical and decision-making capacity in the institutions they represent.

The Steering Committee should include representatives of the micro, small and medium-sized business community as well as Chambers of Commerce and others representing larger corporations. In order to create synergies and raise awareness on SPP, it is also important that the Steering Committee involves universities and research centers active in the field of sustainability as well as unions and other civil society actors.

A multi-stakeholder Committee can prevent a bias in favor of environmental issues and ensures the balanced representation of all important aspects of sustainability.

The importance of developing SPP policies

SPP can contribute, or be the main means, for the delivery of a wide range of government policy objectives. Whilst it is possible to achieve good SPP results without a policy, clear and consistent policies that explain objectives help procurers make good procurement decisions.

Policy makers need to understand how procurement works so that they can produce policies that procurers can implement. Likewise, procurers should be involved at the early stages.
of policy development so that they can advise on implementation.

The MTF approach anticipates that the development of a policy proposal is made through the Steering Committee, for approval and ratification through each country’s legal channel (parliamentary ratification, executive, presidential or ministerial).

Engaging in the process of SPP policy adoption should not stop a country from gradually starting SPP implementation. On the contrary, SPP policies and action plans can be informed by pilot schemes that incorporate environmental and social criteria in specific contracts, targeting in particular quick wins products and services. The experience gained through early implementation could provide evidence to support the political discussions.

Developing and making increased use of supporting tools

Supporting instruments for SPP implementation include product guidance based on the principles of life cycle thinking as well as eco-labelling, eco-design and re-manufacturing tools and techniques. Implementation of SPP needs to take into account quality management systems, health and safety systems as well as environmental management systems.

Facilitating access to capacity building tools and information resources

The MTF on SPP and UNEP recommend the establishment of an information clearing house in order to facilitate the access of SPP practitioners to the available capacity building tools and information resources. Such an online information repository could include resources such as contacts databases, guidance documents and product guidelines for procurers, SPP related pieces of legislations, e-training modules, reports, articles, studies, best practices, etc. Annual events could be organized to share experiences and best practices.

The online clearing house would not duplicate existing information systems but would rather ensure their inter-connection and inter-operability. Special emphasis should be given to the translation of SPP capacity building tools into the most widely spoken languages.

Budgetary mechanisms and life cycle costing

Countries which are relatively advanced in the implementation of SPP have encountered barriers in relation to the way in which public expenditure is allocated. Amongst the issues identified are: the tension between capital and revenue budgets; failure to account for total costs of goods and services across several budgets; and short-term procurement planning horizons.

Political cycles often dictate investment decisions, which can pose a significant challenge for SPP since it requires long-term thinking and therefore long-term budgeting.

The principle of life cycle thinking should be applied throughout SPP, so that wherever possible, investment decisions and options appraisals take into account the lifespan of products and services.

The use of life cycle costing should be promoted in parallel with the reform of the budgetary mechanisms. Research work on the role of ‘invest to save’ and other funding mechanisms in delivering SPP should be encouraged.

Build capacities on SPP

Training and capacity building is a key element throughout the SPP implementation process. The key aspects of SPP should be transmitted to all those involved in the process.

Capacity building programmes should include awareness raising sessions for policy makers and
Steering Committee members on the strategic value of SPP and on the MTF Approach to SPP.

A thorough training for government procurers on SPP should be integrated into existing programs and modules and supported where applicable by online education (e-learning) inclusive of case studies tailored to the reality of each country or region.

Training programmes should target suppliers, budget holders, technical specifiers, commissioners of services as well as those directly responsible for procurement. The selection process of trainees should be given careful attention.

The entire implementation process, including training and capacity building, requires robust monitoring and quality assurance. The results of these processes inform the review of policies and action plans, as well as ensuring that capacity building programmes continue to reflect the latest developments in SPP.

Pursue the legal improvements conducive to SPP

The first results of the SPP project show that the existing legal frameworks do not prevent the implementation of sustainable public procurement.

While continuing to implement SPP within the existing legal boundaries, countries should pursue any necessary legal improvement to facilitate the integration of sustainability criteria into public procurement.

Assessment, engagement and dialogue with the market

Institutionalize forms of dialogue with the productive sector: in order to promote public demand and supply of more sustainable products and services in the domestic market it is important to establish close cooperation between the productive sector and the public sector through various means and channels. The first steps can be the analysis of the markets’ capability to produce sustainable goods and services and the establishment of an institutionalized and participatory dialogue process.

Manage SPP in accordance and in support to the country’s economic development strategy and market structure and potential: SPP should be strongly linked to the existing economic development strategy of the country, using the purchasing power of the public sector to encourage the development of a national or regional market for sustainable products and services.

The selection of priority products and / or services should take into account the structure and market potential of each country. Prioritizing sustainable products with high export potential can also be considered a legitimate strategy by developing countries seeking to strengthen and green their economy.

Promote ecolabels and all forms of certification: the lack or weakness of environmental or social certification in a number of countries hampers the implementation of SPP.

Parallel to the implementation of SPP, the development of social and environmental certification, as well as additional resources for evaluating products and services over their whole life cycle should be considered.

Dispelling misconceptions regarding SPP

- There is an assumption that SPP will be more expensive than ‘traditional’ procurement. SPP does not need to cost more, particularly when total costs are calculated over the lifetime of products and services.

- Another common perception is that SPP is mainly concerned with the environment. This is far from the case and the project has shown that socio-economic objectives such as stimulation of local industries, the creation of jobs and the promotion of micro, small and medium-sized businesses are of importance to many countries starting to implement SPP.

- Far from excluding SMEs, SPP can in fact promote their role in the provision of sustainable products and services.

- SPP does not necessarily lead to an increase in imports from global supply chains.
chains. On the contrary, SPP can stimulate markets for technologies offering the sustainable outcomes required in a developing country, often using indigenous designs and materials.

- It is also very important to link a country’s SPP policy to its national economic policies since public procurement has the capacity to drive markets towards sustainability and promote the productive and export capacities of green businesses.

**The MTF Approach to SPP offers sufficient flexibility to accommodate various contexts**

The strength of the MTF methodology lies in its holistic and flexible nature which allows for steady progress in implementation and horizontal cooperation between the participating entities in the project.

The approach is owned by the country concerned and is not designed to offer a ‘one size fits all’ solution. Project implementation and the implementation of SPP in day-to-day procurement both require flexibility in their application, in response to country circumstances and market conditions, for example.

The application of the prioritization component of the Approach has proved to be one of the core elements of the entire approach. It is a robust risk and opportunity-based method, allowing countries and organizations to focus on those products and services with the greatest sustainable development impact.

**Role of regional and international cooperation**

Supporting exchanges and transfers of experience at the regional level: the spread of SPP can be greatly facilitated by transfer of experiences and know how from more advanced to less advanced countries in SPP implementation as evidenced by the numerous and profitable exchanges which took place between pilot countries in the testing phase of the MTF Approach to SPP.

Exchanges and transfers of experience have proved to be particularly fruitful at the regional level where multilateral development banks and Regional economic commissions can provide support for such cooperation projects and where contexts and implementation conditions are often similar.

*Embedding SPP in the list of cooperation priorities:* bilateral cooperation agencies and other financing mechanisms should include the support to SPP implementation in the list of their priorities.

The European Union and the OECD are already playing a leading role by encouraging candidate countries and project recipients to include sustainability concerns in their public procurement.

**Conclusion**

SPP is increasingly being recognized as a legitimate and appropriate means of addressing the growing challenges of poverty eradication, wealth creation and climate change, amongst others. However, even in the most advanced countries, SPP is still work in progress and an evolving practice. Throughout the world, further effort and resources will be required to ensure that the benefits of SPP are captured and equally disseminated to all countries.

UNEP is dedicated to pursue its work of accompaniment of SPP implementation in developing countries and will continue to share the lessons learned in the framework of international processes such as CSD and Rio+20.