Working Group "Social and Financial Sustainability"

Challenges and Opportunities of Sustainable Procurement

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securing the foundations for a good life in terms of social stability and environment as well as a sound financial concept (so next generations won't have to share the main burden)

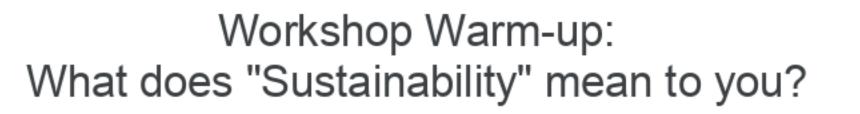
Environmental & social protection, forward-looking durability

consider

negative

externalities

Survival



Diversity

Sustainability

means to me:



Balance

economic interests of public

EVALUATE SOCIAL

Three pillars of sustainability

Proper use of resources

protect economic inteest of society

World Bank (2019)

Sustainable Procurement in the 21st century Outlining the context:

Sustainability:
Environment,
Health and Safety,
Cultural Heritage,
Circular Economy
etc.

"Smart"
Procurement: Value
for Money, Technical
Merit / Quality,
Aesthetics,
Compliance

21st Century: Climate Change, disruptive innovation, digitaliastion / automation, artificial intelligence, Internet of Things, demographic change

Sustainable Procurement in other words:

"Looks beyond the up-front cost to make purchasing decisions based on the entire life cycle of projects, taking into account associated costs, environmental and social risks and benefits, and broader social and environmental implications"









What makes sust. procurement special?

1 IDENTIFICATION IIIQ CHECK - Assess benefits achieved Identify development - Review usefulness and effectiveness Post implementation need and outcome/s review. Has the to be achieved. project delivered VfM? What are the lessons learned? IMPLEMENT : KEY STAGES IN 5. Contract Implementation PROCUREMENT Proactively - Contract management plan manage contract - Monitoring delivery systems implementation. - Compliance systems throughout SOURCE Approach the market. Select Most Advantageous

Bid/Proposal. Award

contract.

1. Considerations

ANALYSIS

REQUIREMENTS

requirements, and

develop evaluation

to go to market.

methodology. Prepare,

Specify the

Research and analyze

Prepare PPSD Choose

method and approach to

market options.

appropriate selection

the supply market.

- Borrower's sustainability policies, strategies and priorities
- Community needs and expectations
- Naturally arising environmental risks
- Environmental and social impact assessments
- prioritisation of sustainbility needs
 - 2. Market Research and Planning
 - What are the expected sustainability benefits?
 - What relevant sustainable products are available?
 - Is the market able to deliver?
 - What are the anticipated costs and VfM?
 - How will procurement strategy addess sustainability?

- 3. Procurement Design
- What selection method is most suitable?
- Identify relevant sustainable standards
- Assess sust. priorities throughout life-cycle
- Develop criteria, rating and weighting
- Check contract terms

4. Sourcing Process

6. Learning

implementation

- Attract and evaluate bids
- Assess quality of sustainable solutions
- Assess track records and credentials
- Compare whole of life costs
- Define key performance indicators

Prioritise:
Please
move 1
slide only

not at all :(

Have you been involved in one of these steps?

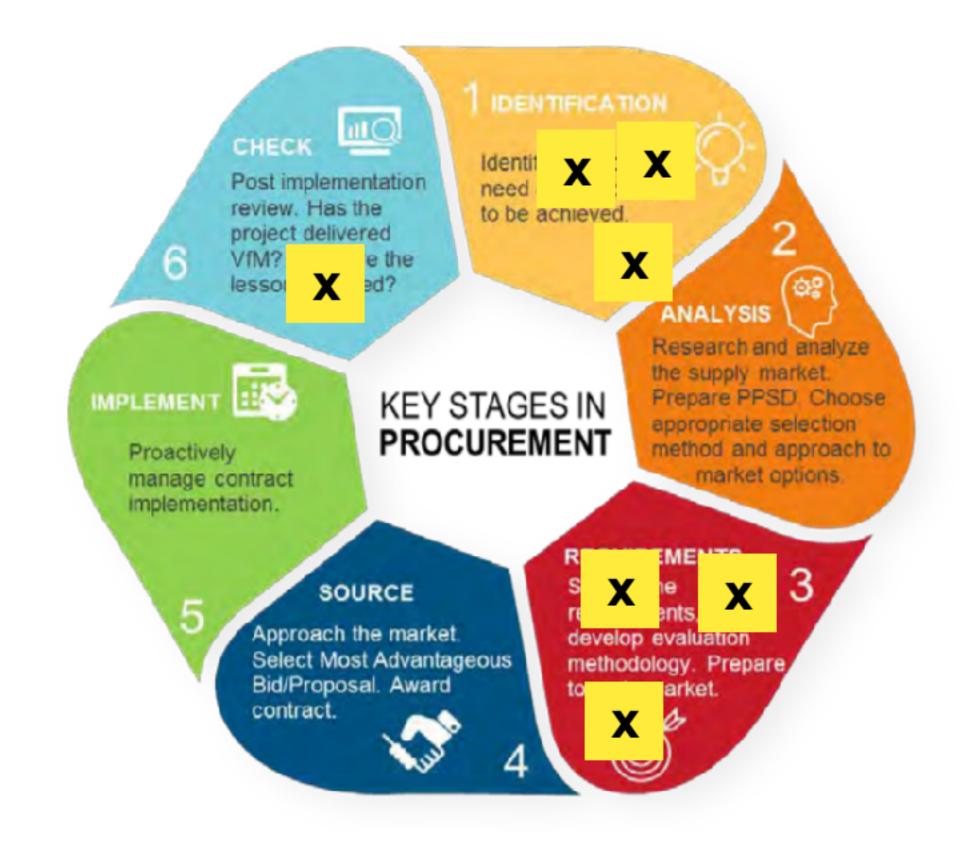
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X

X

X



X

X

X

X

X



Benefits of Sustainable Procurement: Do you agree?

Develop the market's capacities to deliver sustainable solutions

X

Strive for innovative and more sustainable outcomes



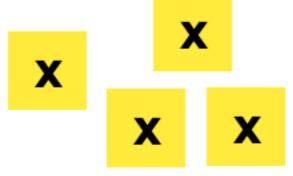


2. Increase demand for sustainable solutions which in turn increases market competiven





4. Cost savings on a long-term basis by applying life-cycle costing

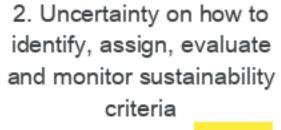


Prioritise: Please move 1 slide only

What are major challenges towards sustainable procurement? 6 examples

Setting Priorities in

Procurement Strategies
and change cost saving
paradigm





3. Limited Public budget, calculating the (non-monetary) costs of sustainability



6. Due diligence,

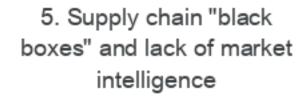
compliance and

accountability gaps



X

4. Lack of engineering capacities to digest innovation, sustainable planning and design















Highlighting the Challenge of Stakeholder Engagement, Risk sharing and Liabilities

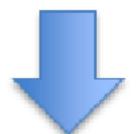
Institutional capacities Existing knowledge

PROCUREMENT OFFICERS



World Bank ESHS Requirements Equator Principles

FINANCIERS





SUSTAINABLE PROCUREMENT:

PROVIDES LEADERSHIP, ENGAGES STAKEHOLDERS



POLITICAL DECISION-MAKING

National Strategies Legal Guidelines



AND PROJECT PROMOTERS

Innovation Technical requirements Data Management



(GLOBAL)
SUPPLY CHAIN

Available Material Compliance

Proposal: A platform for stakeholder engagement

Problem:

- Stakeholder engagement is not inclusive enough
- More guidance is needed to properly conceptualise and operationalise sustainability criteria (on a project basis)
- Strong uncertainty how to handle sustainability criteria

Solution: Comprehensive stakeholder engagement plattform

- Working Group format in which all involved parties can engage in consultation procedure
- Catalogue of sustainability citeria (and possibly products / designs) can serve as discussion baseline
- Procurement documents (Standard Bidding Documents) are exportable

Open Discussion









Proposal: A platform for stakeholder engagement



Best Practices