

Measuring Success: Monitoring and Impact of Sustainable Public Procurement

Sustainable Procurement Forum

London, 17 September 2024



Our Panel



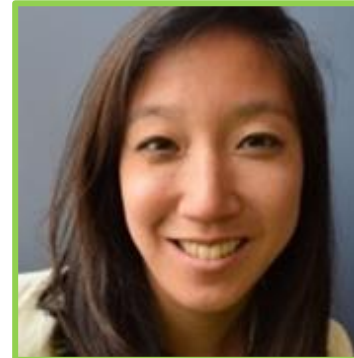
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| Current Status



Monitoring Sustainable Public Procurement

An Overview of Current Tools and Approaches

Farid Yaker, Senior SPP Expert

Panel: Measuring Success: Monitoring and Impact of Sustainable Public Procurement

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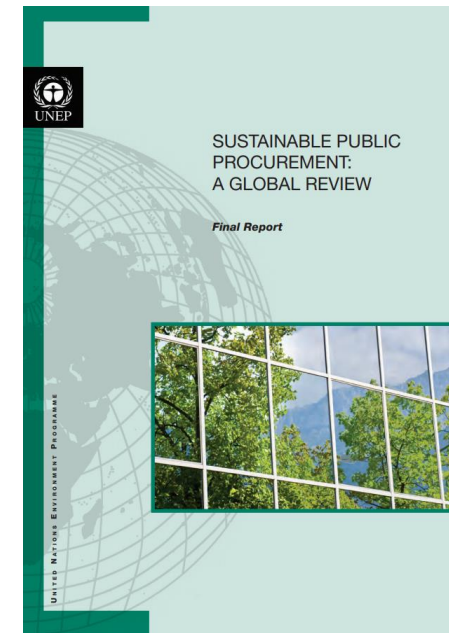


I. How is SPP Monitored by Governments?

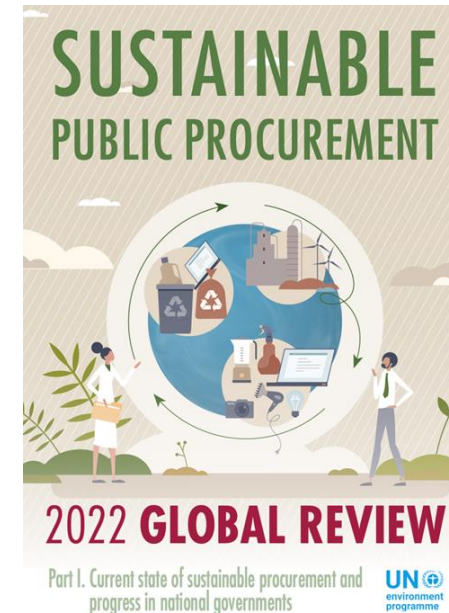
SPP Global Reviews from 2013 through 2022

★ OBJECTIVES

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



2013



2017



2022 **Parts I**

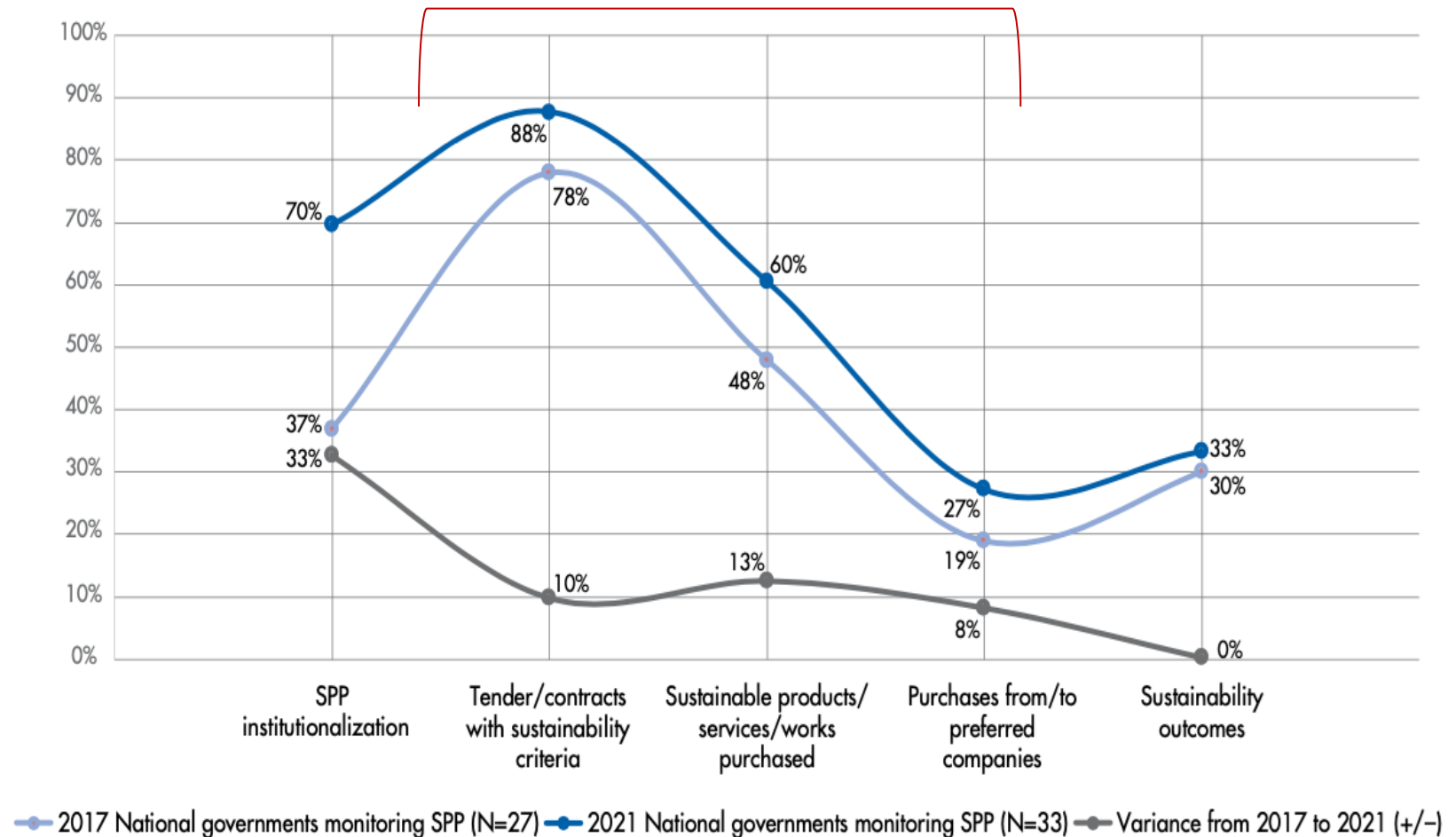
SPP monitoring has continued to progress

Figure 3.28. SPP aspects monitored by participating national governments, 2017 and 2021

3/4
countri
es

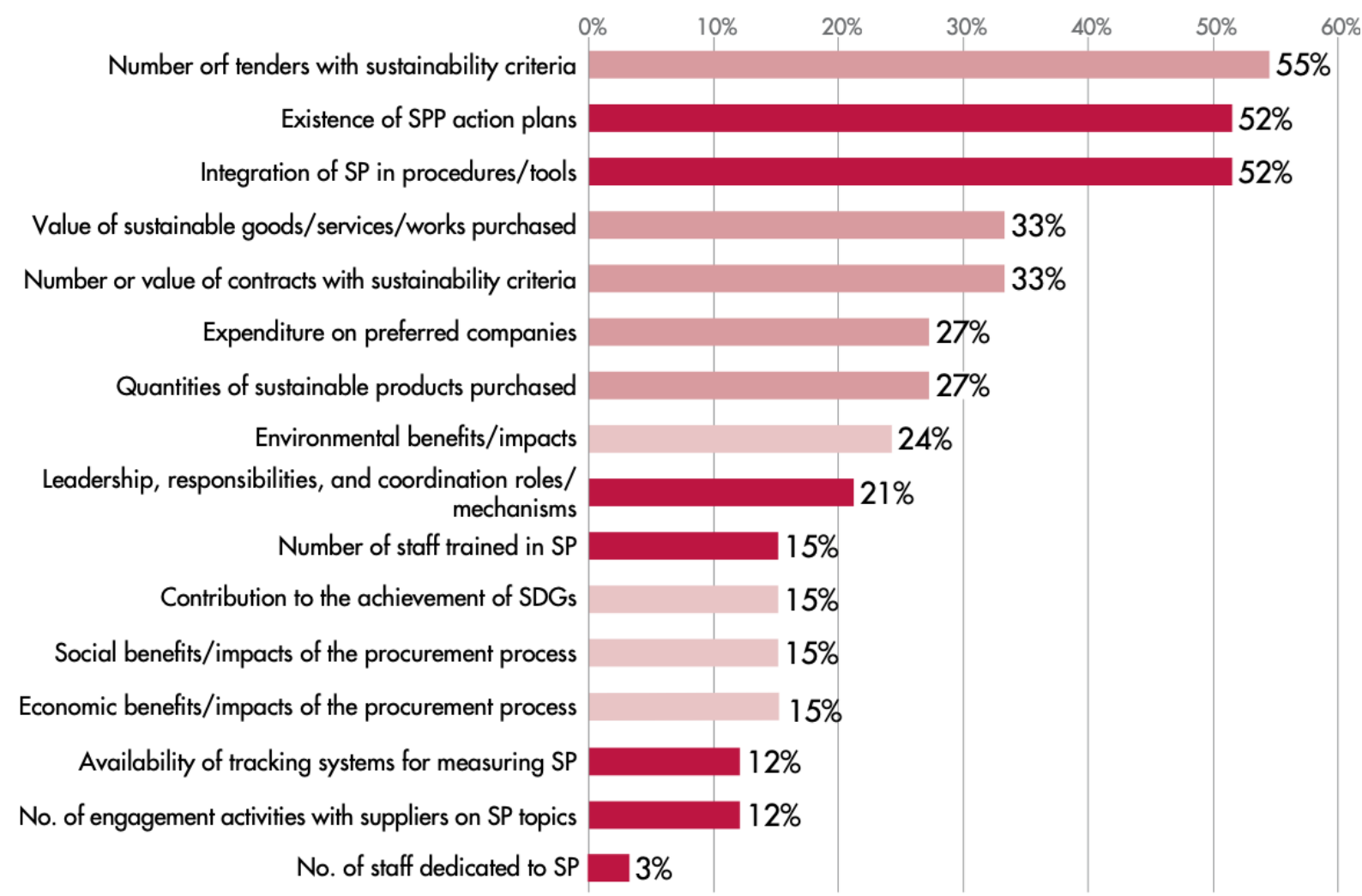
3 aspects:

- Institutionalization
- Outputs
- Outcomes



Source: 2017 SPP Global Review and 2021 SPP Global Review National Government Questionnaire.

Figure 3.27. Key SPP indicators monitored by participating national governments



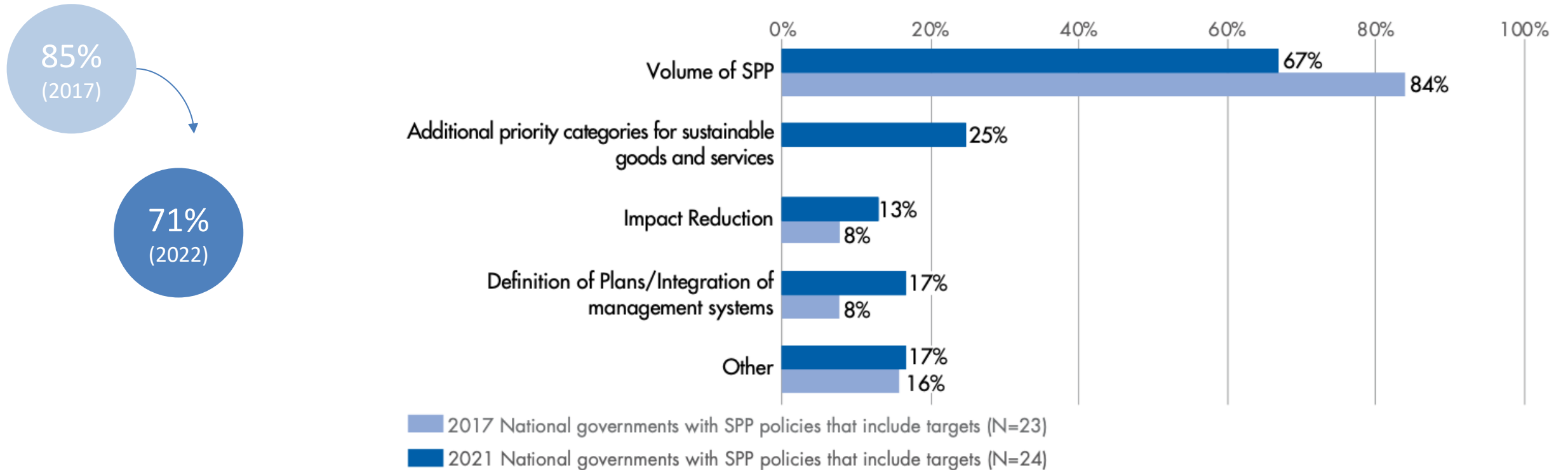
■ SPP institutionalization ■ SPP outputs ■ SPP outcomes

National governments monitoring SP (N=33)

Source: 2021 SPP Global Review National Government Questionnaire.

Fewer countries reported having set SPP targets

Figure 3.15. Specific targets in SPP policies, 2017 and 2021



Source: 2017 SPP Global Review and 2021 SPP Global Review National Government Questionnaire.

Monitoring SPP and measuring the impact of sustainable procurement remains a challenge

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

Outcomes continue to remain difficult to measure - with only 33% of monitoring national governments claiming to measure SPP benefits– with results rarely communicated

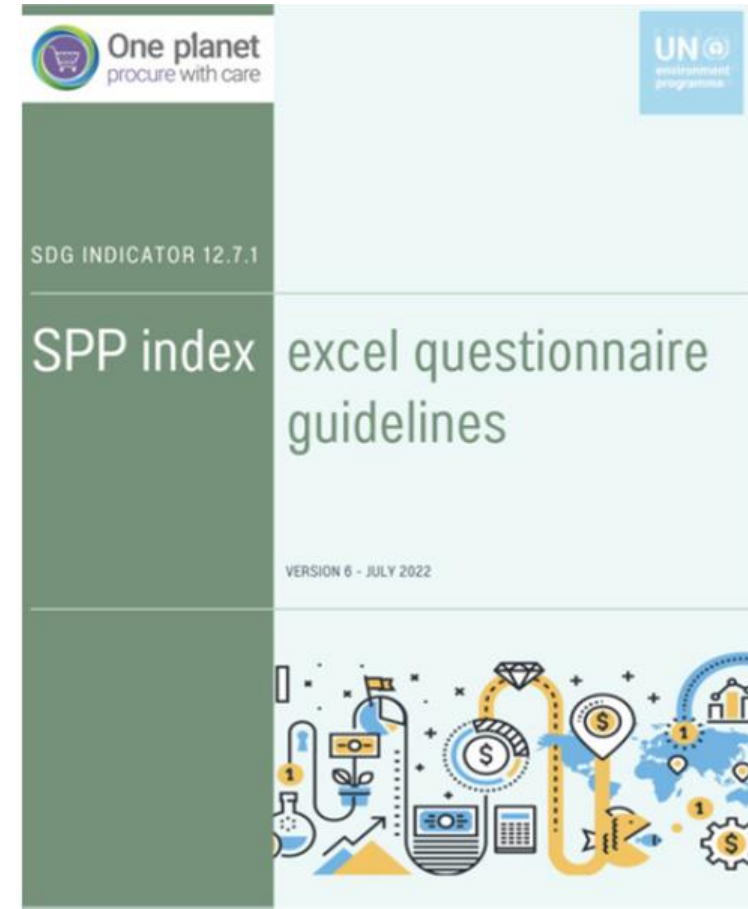
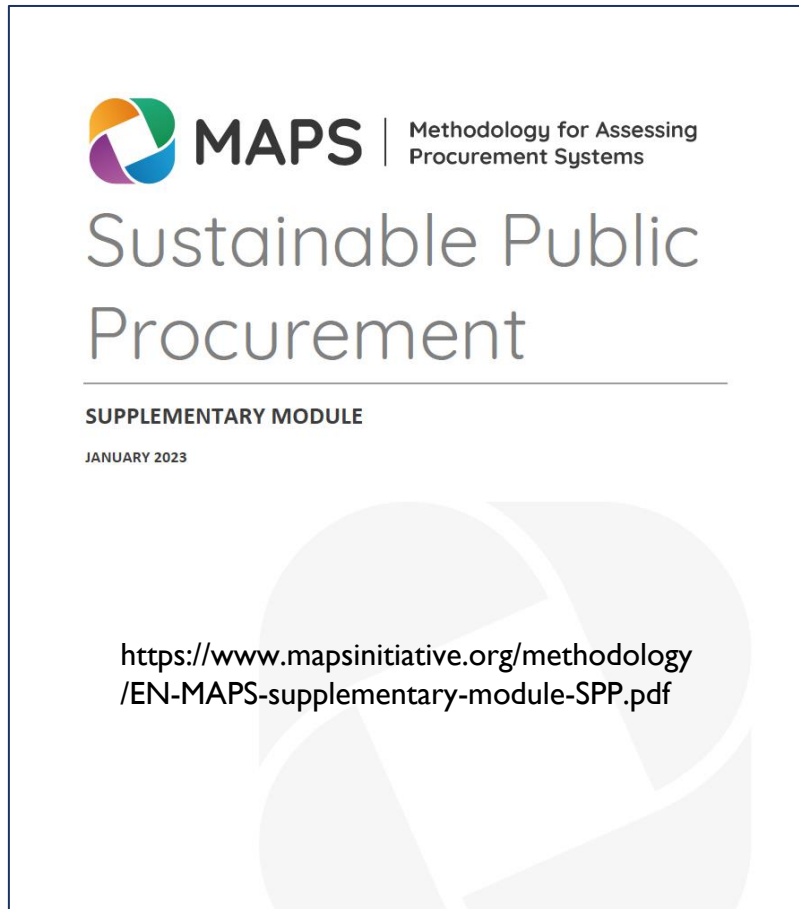
In private organizations evidence suggests that SP efforts have largely focused on formalizing and implementing SP rather than on tracking progress and results.

| Frameworks & Methodologies



The MAPS SuPP module and SDG 12.7.1 questionnaire offer good opportunities to assess the capacity of countries on SPP

II. Global SPP Monitoring Instruments



<https://wedocs.unep.org/handle/20.500.11822/38067>



SDG 12.7 PROMOTE PUBLIC PROCUREMENT PRACTICES THAT ARE SUSTAINABLE, IN ACCORDANCE WITH NATIONAL POLICIES AND PRIORITIES





SDG 12

- **Goal 12:** Ensure sustainable consumption and production patterns
- **Target 12.7:** Promote public procurement practices that are sustainable in accordance with national policies and priorities
- **Indicator 12.7.1:** Number of countries implementing sustainable public procurement policies and action plans.

SDG 12.7.1. Measurement methodology in detail

- The methodology aims at measuring SPP implementation in a given country.
- **Allows national** governments to contribute to the reporting.
- It is **focused on policy and practical implementation aspects** of SPP, via 3 main aspects:

1 - What are the **measures taken** at **political and legal** levels to mandate/facilitate the implementation of SPP

- A: SPP policies, action plans and/or SPP regulatory requirements
- B: Public procurement legal framework

2 - What are the **practical outputs** of SPP policy implementation, and the **support given to public procurement practitioners**?

- C: Practical support and guidance
- D: Environmental and social considerations in public procurement. Sustainable criteria?

3 - Are the actual results and outcomes of SPP implementation **monitored**?

- E: Monitoring system
- F: Percentage of sustainable public procurement

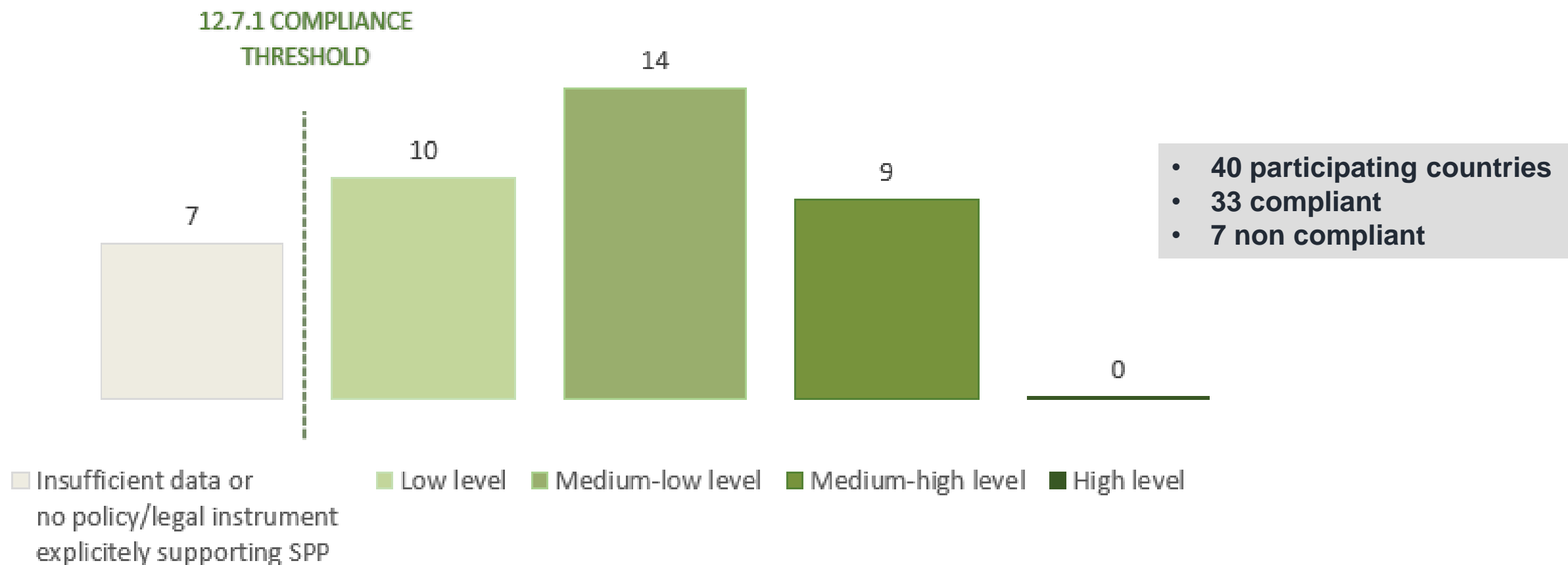
Total Score: $A \times (B + C + D + E + F)$

A = 1 or 0

B to F = 0 to 20

Maximum score : 100 points

Level of SPP implementation: national governments (2020)



40 national administrations that took part in the 2020/2021 reporting exercise on indicator 12.7.1

Europe				Latin America and the Caribbean		Africa and Western Asia	Asia and the Pacific	North America	
									
Autriche	Pays-Bas	République tchèque	Suède	Colombie	Mexique	Île Maurice	Chine	États-Unis d'Amérique	
									
Bulgarie	Portugal	Danemark	Malte	Costa Rica	Panama	Côte d'Ivoire	Japon	Canada	
									
Belgique	Lettonie	Norvège	Pologne	République dominicaine	Paraguay	Tunisie	Indonésie		
									
Croatie	Italie	Finlande	Slovénie	Honduras	Uruguay		Nouvelle-Zélande		
									
France	Chypre	Allemagne	Irlande				République de Corée		
									
			Lituanie				Philippines		

OFFICIAL USE

2020/21 data collection results for indicator 12.7.1

Regional distribution and performance levels

40 participating countries
33 compliant
7 non compliant



Note: numbers indicated above the columns represent the total number of existing countries per region, as per the official classification used by UN SDG database unstats.un.org/sdgs

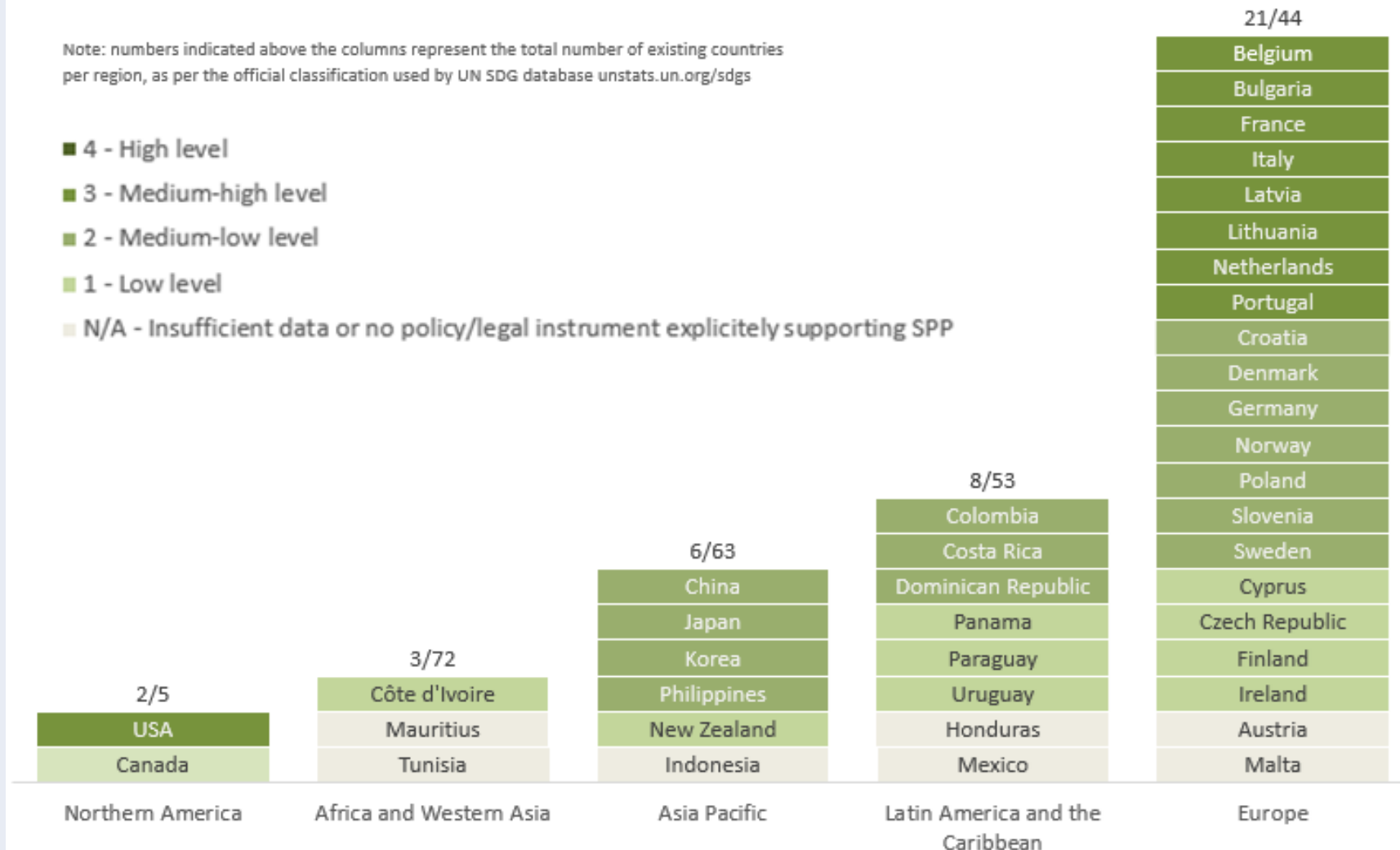
■ 4 - High level

■ 3 - Medium-high level

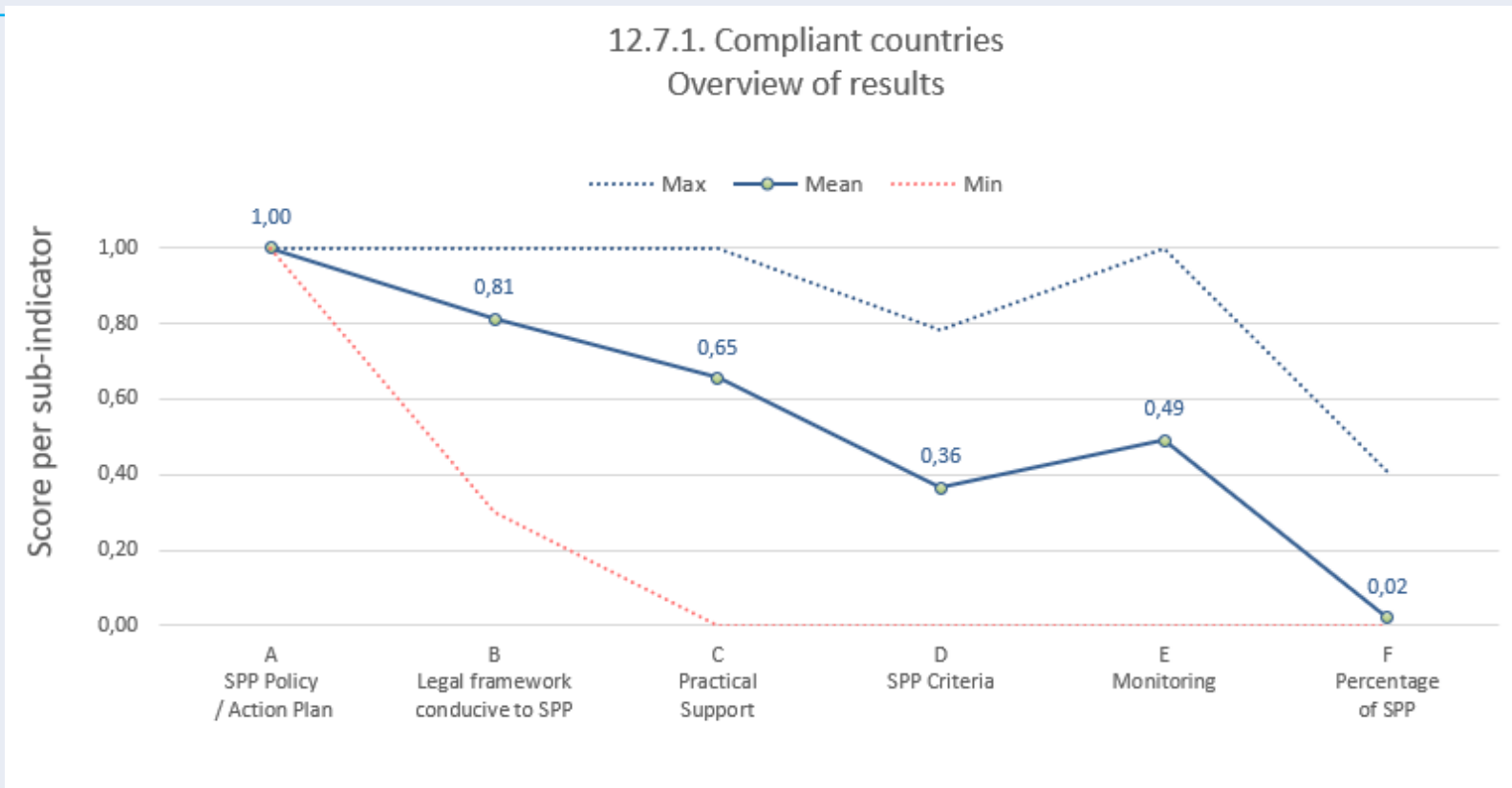
■ 2 - Medium-low level

■ 1 - Low level

■ N/A - Insufficient data or no policy/legal instrument explicitly supporting SPP



Overview of governments' performance in each section of the questionnaire



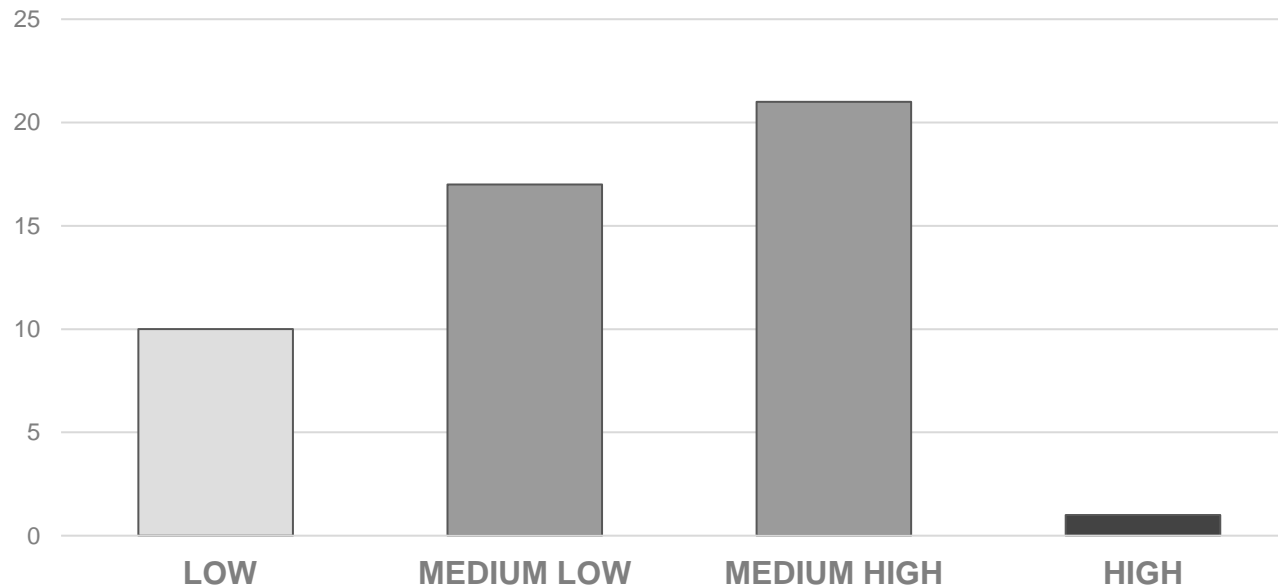
- **Good performance** in terms of reaching an **enabling public procurement legal framework** (sub-indicator B) as it is a necessary first step in the implementation of SPP.
- **Medium performance** in terms of **practical support** provided to SPP practitioners (sub-indicator C) and the general **monitoring of SPP** (sub-indicator E).
- **Lower performance:** development of **sustainable procurement criteria** and conduction of a **risk assessment analysis** before the development of those criteria (sub-indicator D), or in the actual **measurement of SPP outcomes/outputs** (sub-indicator F).

2022 Data Collection Exercise

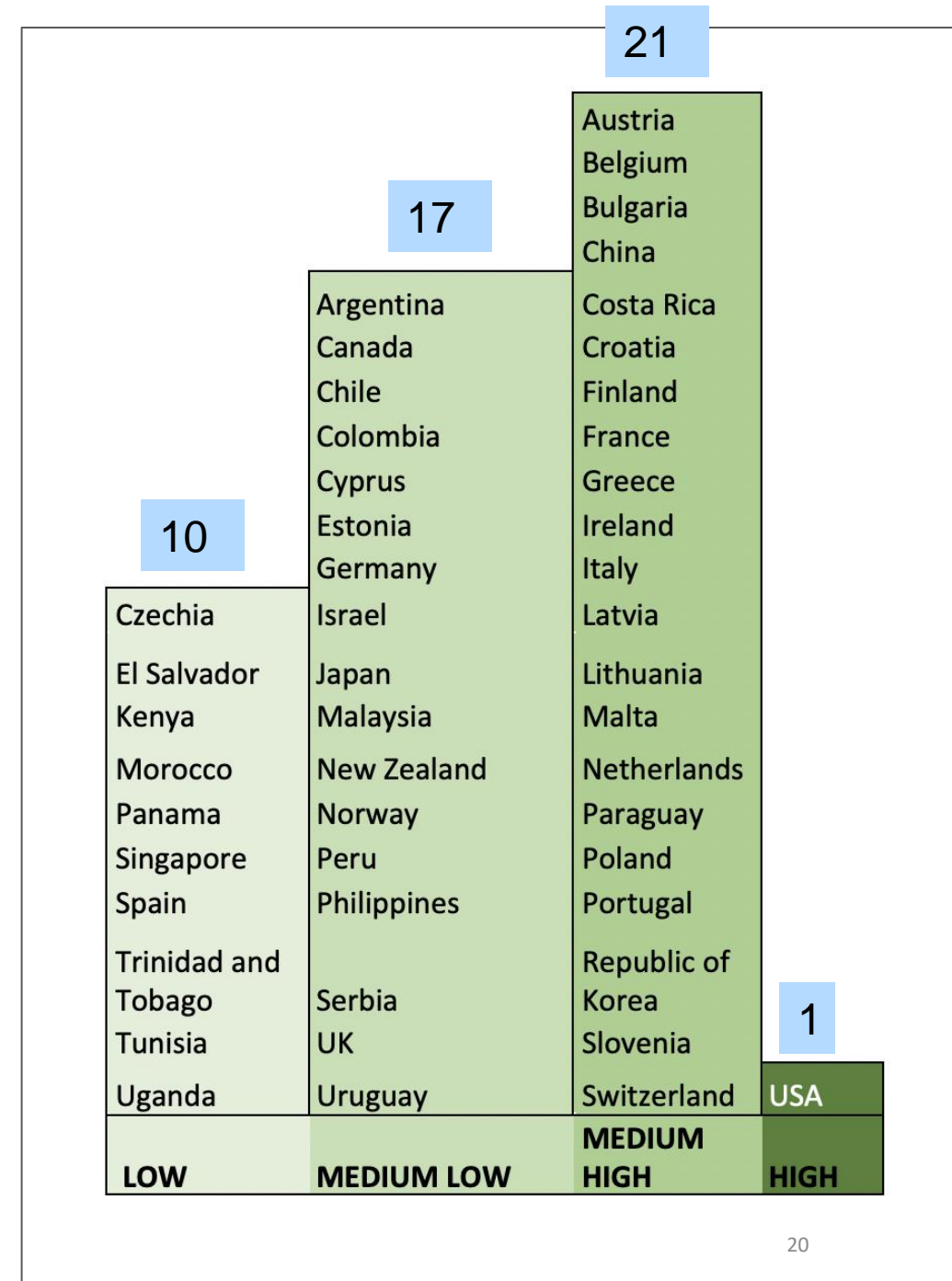


67 participating countries
49 compliant
24 non compliant

Distribution of compliant countries



<https://unstats.un.org/sdgs/dataportal/database>





MAPS

The Universal Tool for Assessing Public Procurement Systems

Paulo Magina
Head Public Procurement
Infrastructure and Public Procurement
Public Governance Directorate, OECD

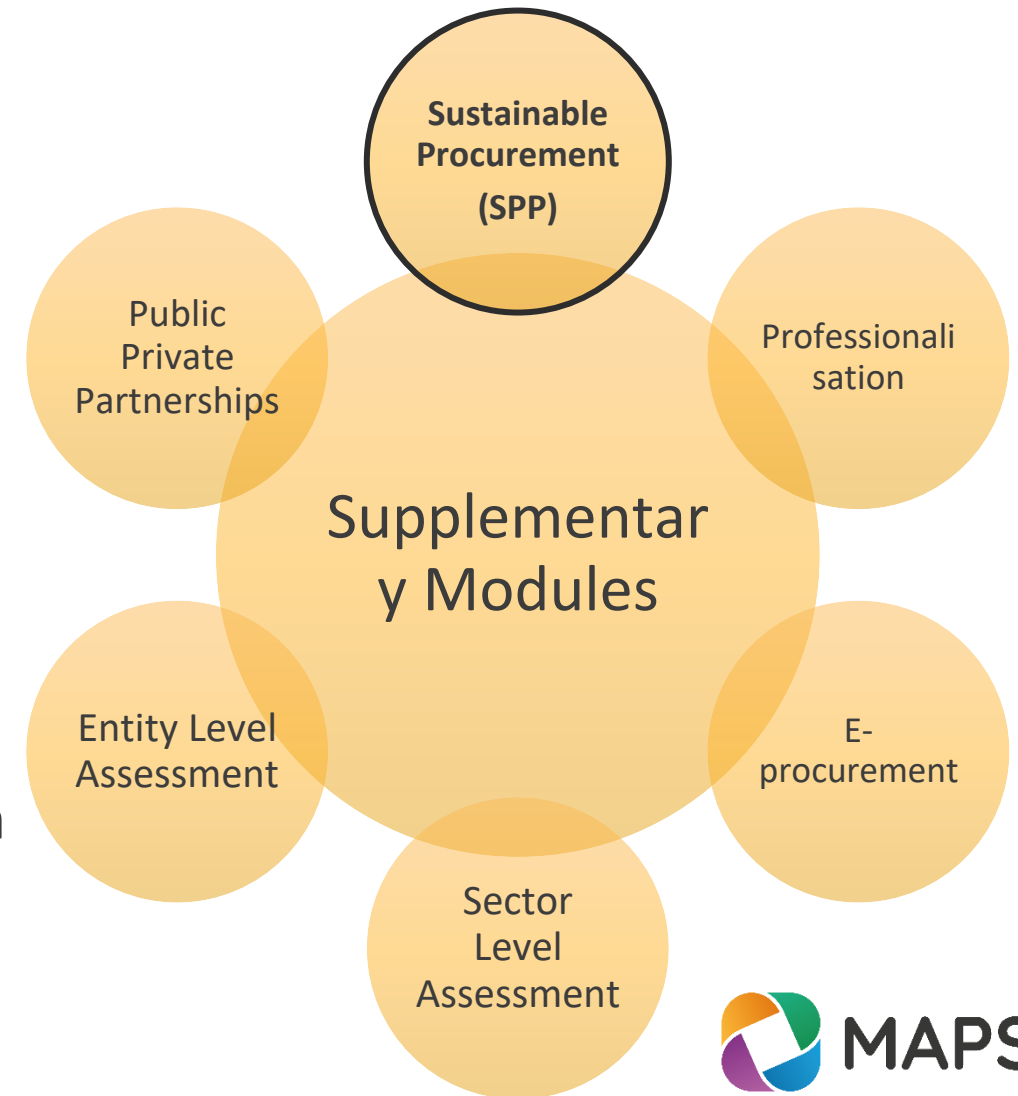




MAPS Suite and supplementary modules

The MAPS Suite includes:

- MAPS core tool to assess the procurement system as a whole
- Guidance and templates to support the assessment
- A quality assurance mechanism ensured through the MAPS Secretariat
- Supplementary modules to focus and deepen the analysis on a specific aspect





Objective of the MAPS SPP module

Providing an assessment tool that integrates SPP in general procurement assessments and reform and helps transforming public procurement systems into more sustainable ones.



The module's key features

- Builds on principles and best practices of “traditional” public procurement
- Integrates sustainability considerations
- Analysis of Context
 - Enabling environment
 - SPP objectives, level of ambition
 - Key stakeholders
- Indicator System: Pillars, Indicators, 29 Sub-Indicators to be assessed

Panel Session

Measuring Success: Monitoring & Impact of SPP

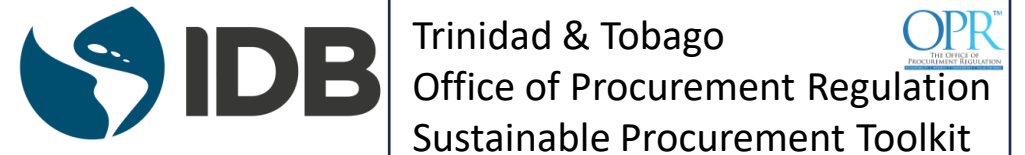
Barbara Morton, Director, Sustainable Procurement Ltd

17 September 2024

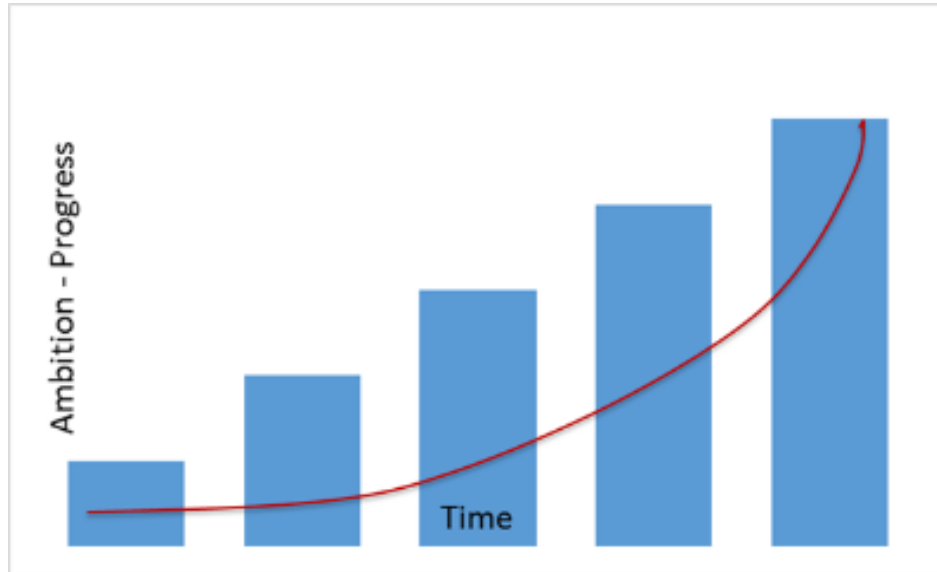
Frameworks and Methodologies



Triple Impact Indicators Project



Maturity matrix - Flexible Framework – a route map



Level 3 Completed

Topic	Level 1	Level 2	Level 3	Level 4	Level 5
People	Completed	Completed	Completed	In Progress	No
Objectives, Strategy and Communications	Completed	Completed	Completed	Completed	
Process	Completed	Completed	Completed		
Stakeholders	Completed	Completed	Completed	In Progress	
Monitoring and Reporting	Completed	Completed	Completed	In Progress	In Progress

- People
- Objectives, strategy and communications
- Procurement process
- Engaging stakeholders
- **Monitoring and reporting**

Plan de implementación de la política al 2027

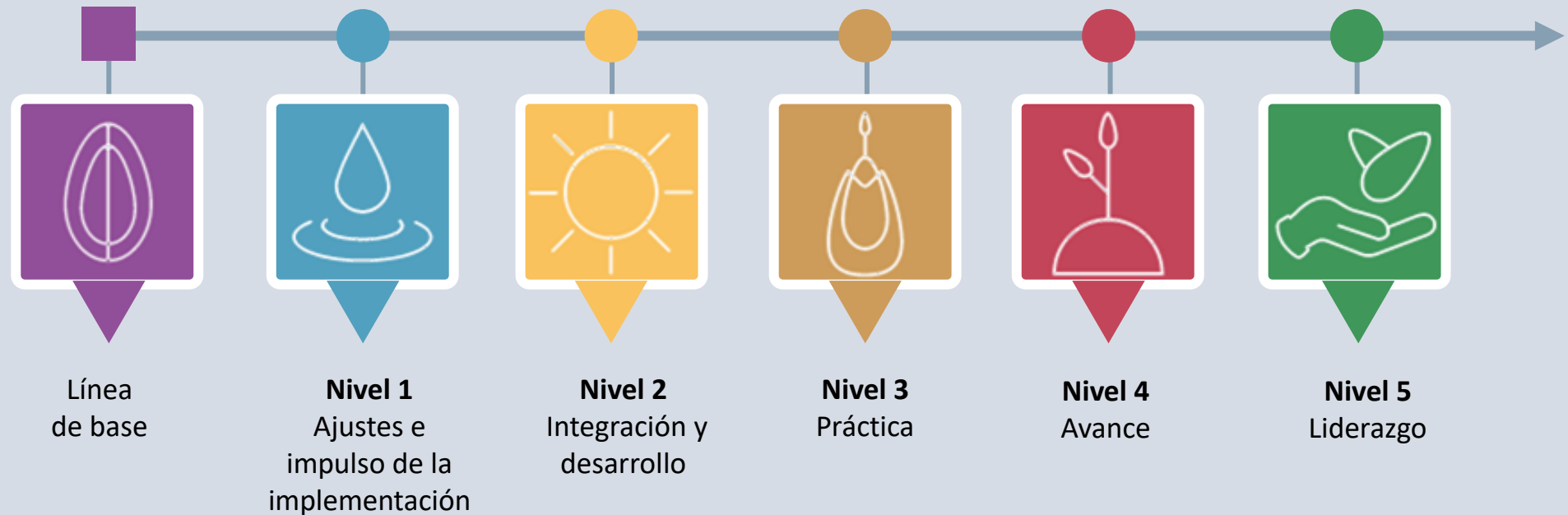
Política,
estrategia y
comunicación

Personas

Proceso de
compras

Relacionamiento
con proveedores

Medidas y
resultados



www.contrataciones.gov.py

- Nueva Ley de Suministro y Contrataciones Públicas.
- Directiva Modelo para la Promoción de Compras Públicas Sostenibles - RICG



What to measure? Policy priorities

Environmental

- Climate Change
- Materials
- Waste
- Hazardous materials
- Biodiversity
- Heritage
- Water

Socio-economic

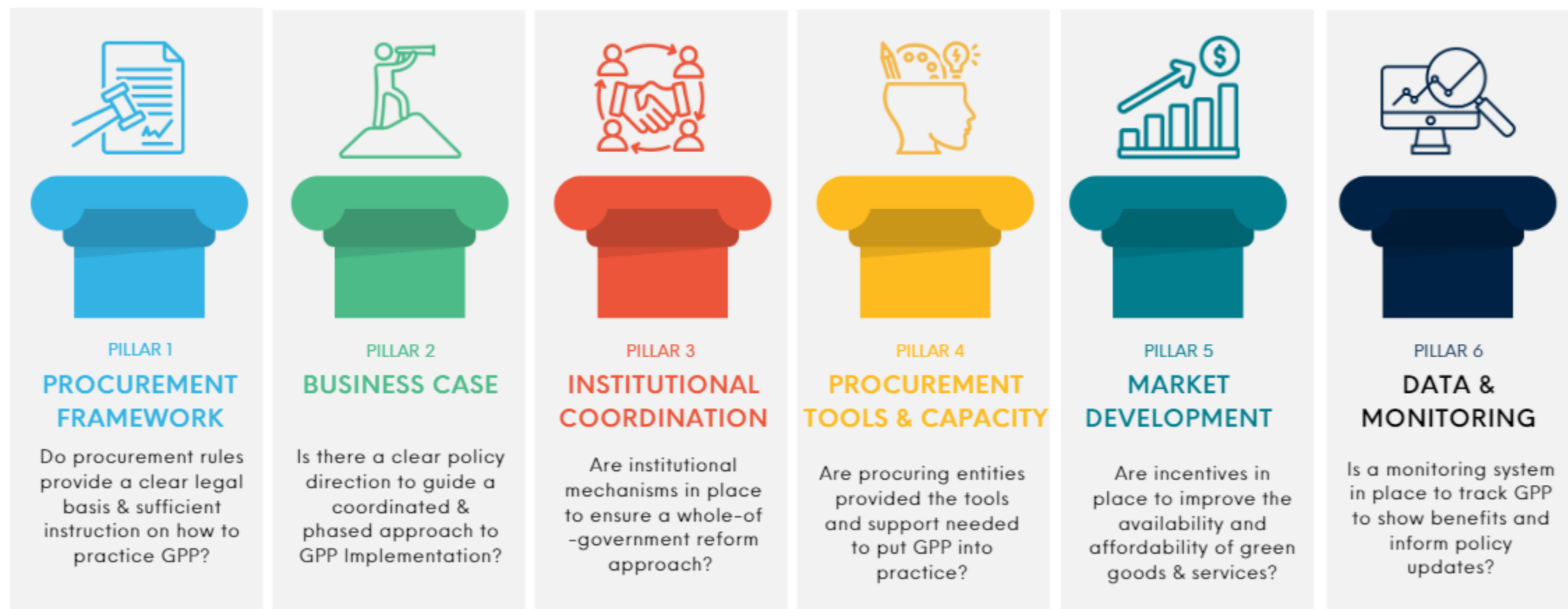
- Equality
- Fair Work
- Employment, skills and training
- Health and wellbeing
- Communities
- Security and crime
- Fairly and Ethically Traded



Example: <https://sustainableprocurementtools.scot/>

Six Pillars of Green Reforms in Country Procurement Systems

This Checklist sets out six Pillars each with a set of indicators of Good Practice. Use this Checklist to identify entry points and develop a menu of GPP reform options in line with national priorities.



| Practical Implementation Experiences



Practical Implementation Experiences



Scottish Government
Riaghaltas na h-Alba



ITAIPU
BINACIONAL



Latín América S.R.L



Triple Impact Indicators Project



IDB



OAS

Technical Secretariat
INGP

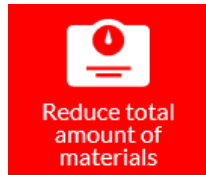


IDB

Trinidad & Tobago
Office of Procurement Regulation
Sustainable Procurement Toolkit

Example KPIs

Sourcing



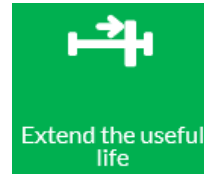
e.g.

- total material use avoidance (tonnes)
- CO2 equivalent reduction (tonnes)
- Cost savings (£k)

e.g.

- Virgin material use avoidance (tonnes)
- Recycled content (%)

Use phase



e.g.

- % of materials & products diverted from landfill for re-use (tonnes)
- % of products reaching 'end of life' that are reused/ repaired/ refurbished/ remanufactured

e.g.

- % remanufactured products supplied to equivalent performance and quality standards

End-of-life



e.g.

- Waste reduction savings (£k)
- Diversion from landfill for recycling (tonnes, %)
- Cost savings (£k)
- Number of jobs created in the local economy
- Number of training opportunities created
- Number of MSMEs engaged

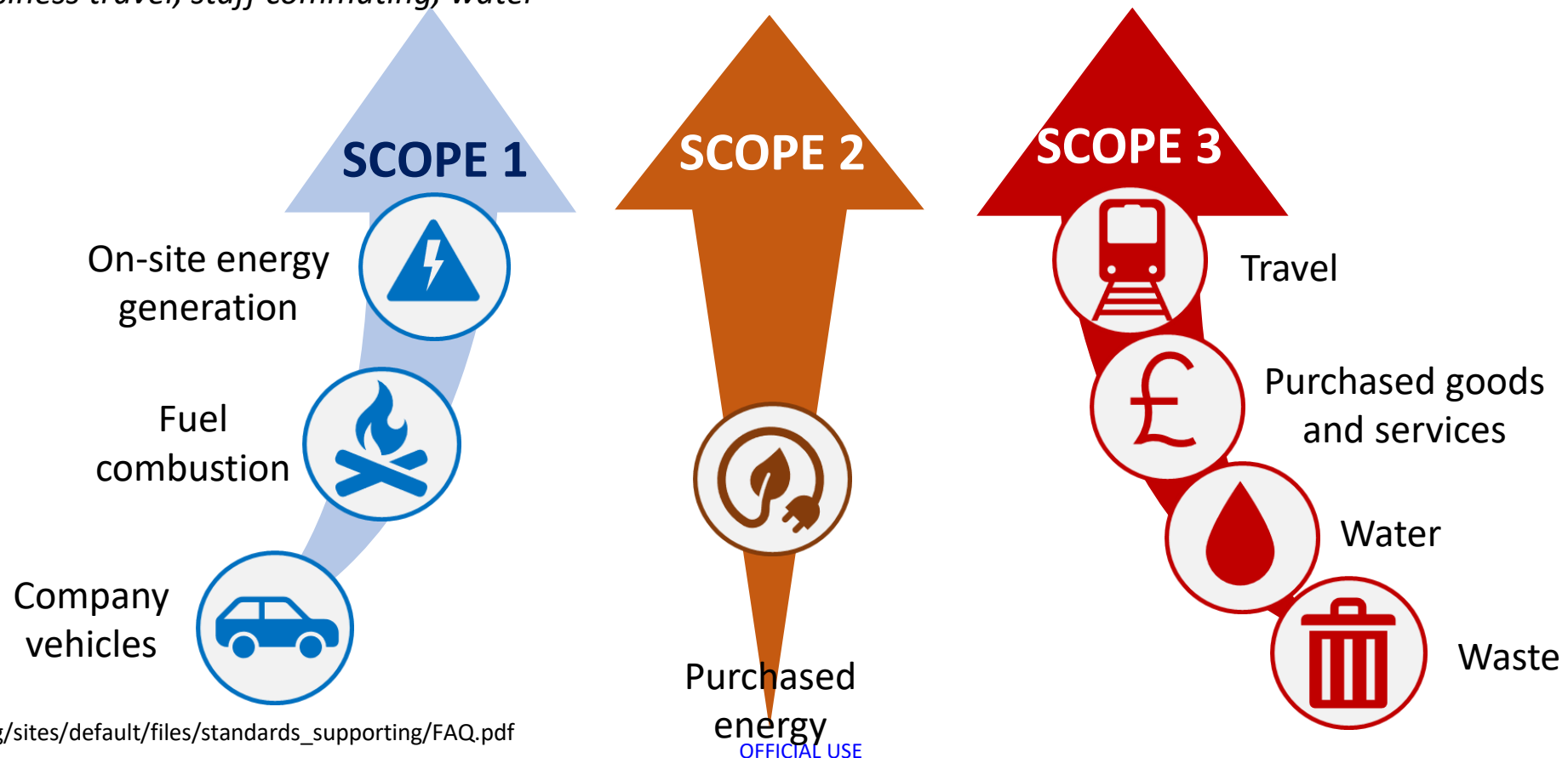
Classifying GHG emissions ... including Procurement

When determining greenhouse gas emissions that arise from organisational activities (its carbon footprint), in accordance with the GHG Protocol*, these may comprise:

Scope 1 - Direct emissions arising from owned or controlled sources *e.g. owned vehicles, combustion of fuel in facilities*

Scope 2 - Indirect emissions from purchased energy *e.g. electricity, heating, cooling*

Scope 3 - All other indirect emissions that occur in the organisation's value chain *e.g. **procurement of goods and services**, waste, business travel, staff commuting, water*



*https://ghgprotocol.org/sites/default/files/standards_supporting/FAQ.pdf

Practical Implementation – an example



Supplier selection processes



Requesting Carbon Management Plans



Relevant and Priority contracts



Phased approach



Integrating climate, circular economy and other reporting requirements



Annual Procurement Reporting

Triple Impact Indicators & Roadmap

A suite of impact indicators

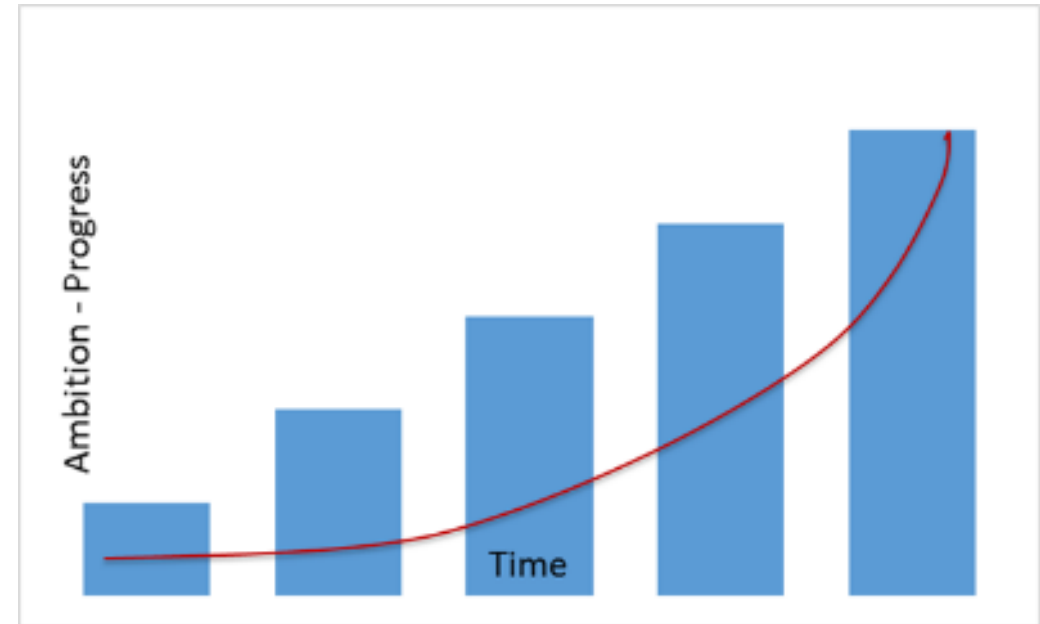
A roadmap aligned to Paraguay's Action Plan

Recommended actions for:

Short

Medium &

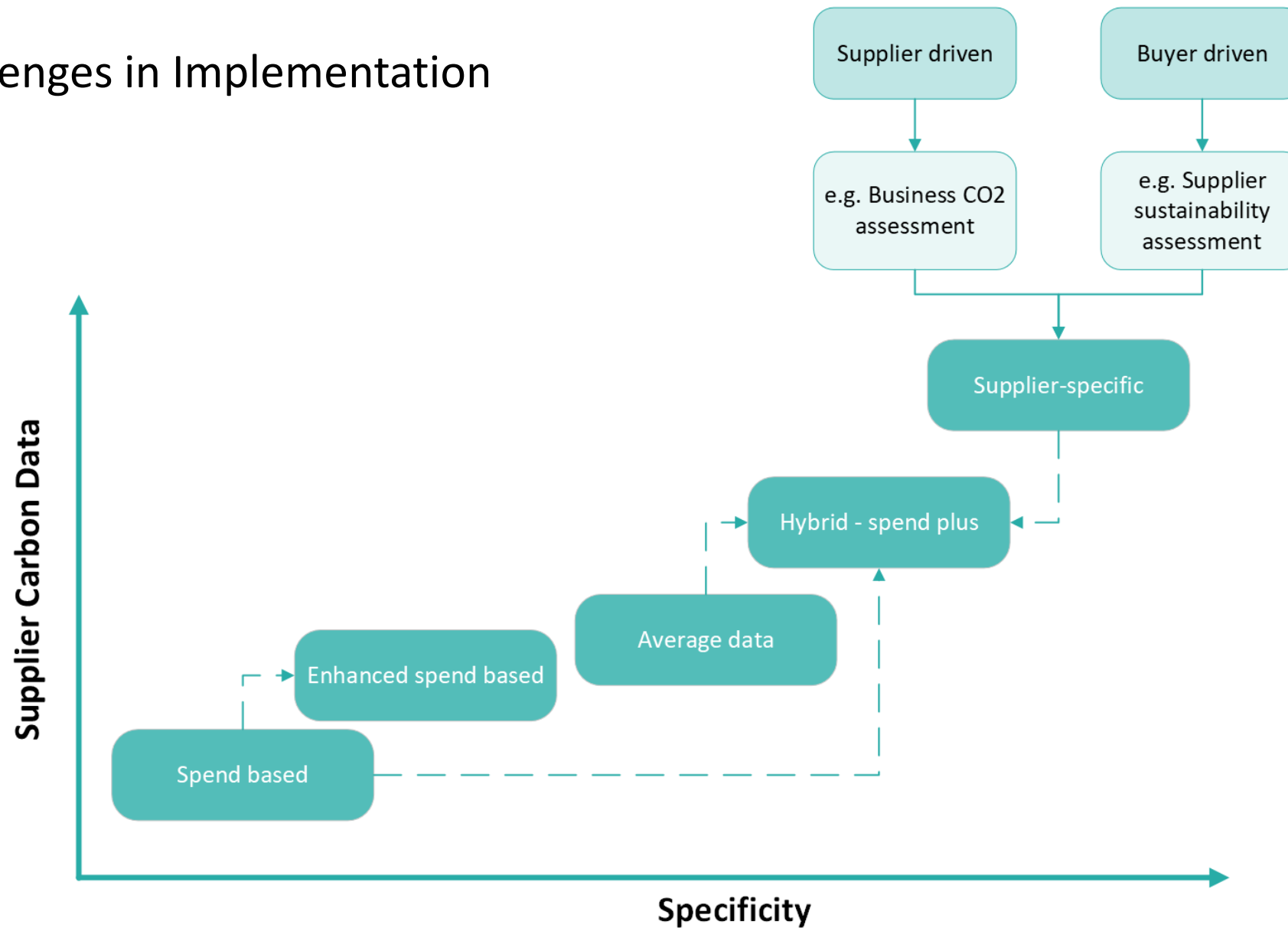
Long-term



| Challenges in Implementation



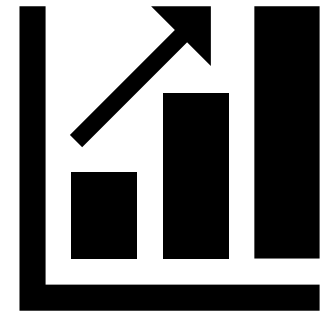
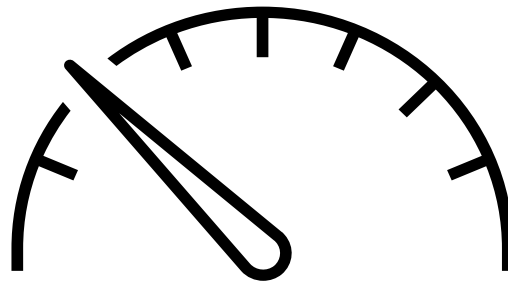
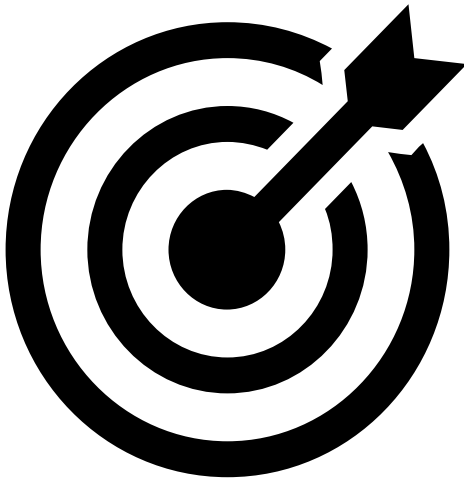
Challenges in Implementation



Source: Sustainable Procurement Limited on behalf of ClimateXChange for the Scottish Government

Challenges in Implementation

- Measuring, Monitoring and Reporting
- Aligning reporting strands & systems
- Capacity and capability



| Approach of MDBs



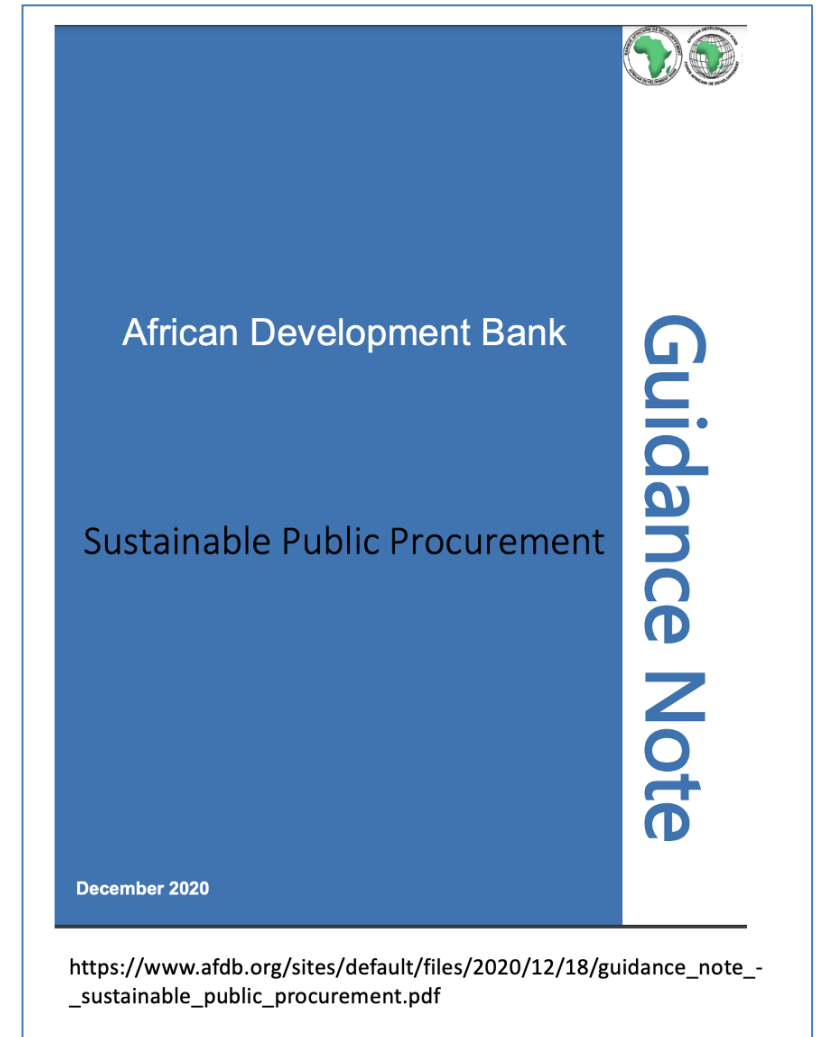
Monitoring the integration of sustainability criteria in banks' funded projects.

To what extent do borrowing countries follow the guidelines developed by MDBs?



ENVIRONMENTAL AND SOCIAL HANDBOOK

OFFICIAL USE



Examples of criteria monitored by MDBs

- **Energy efficiency** (e.g., energy-efficient products or services)
- **Resource use** (e.g., sustainable sourcing of raw materials)
- **Environmental footprint** (e.g., reducing emissions, waste, or water use)
- **Social considerations** (e.g., labor conditions, fair trade, gender equality).

Key Performance Indicators (KPI)



Process Indicators

- #, \$, % of procurements issued includes sustainability criteria
- #, \$, % of contracts where winning vendor scored well on sustainability
- Average weight allocated to sustainability
- #, %, of staff trained in sustainable procurement

Outcome Indicators

- GHG emissions reductions
- Waste reduction/avoidance
- % recycled content
- Products with third-party certifications
- Suppliers with CSR strategies/policies
- Suppliers with science based targets

Use of Procurement Monitoring and Information Systems (PMIS)

- MDBs often use **Procurement Monitoring and Information Systems (PMIS)** to track procurement activities, including sustainability performance : real-time data on the procurement process and dashboards for monitoring procurement metrics, including sustainability aspects.

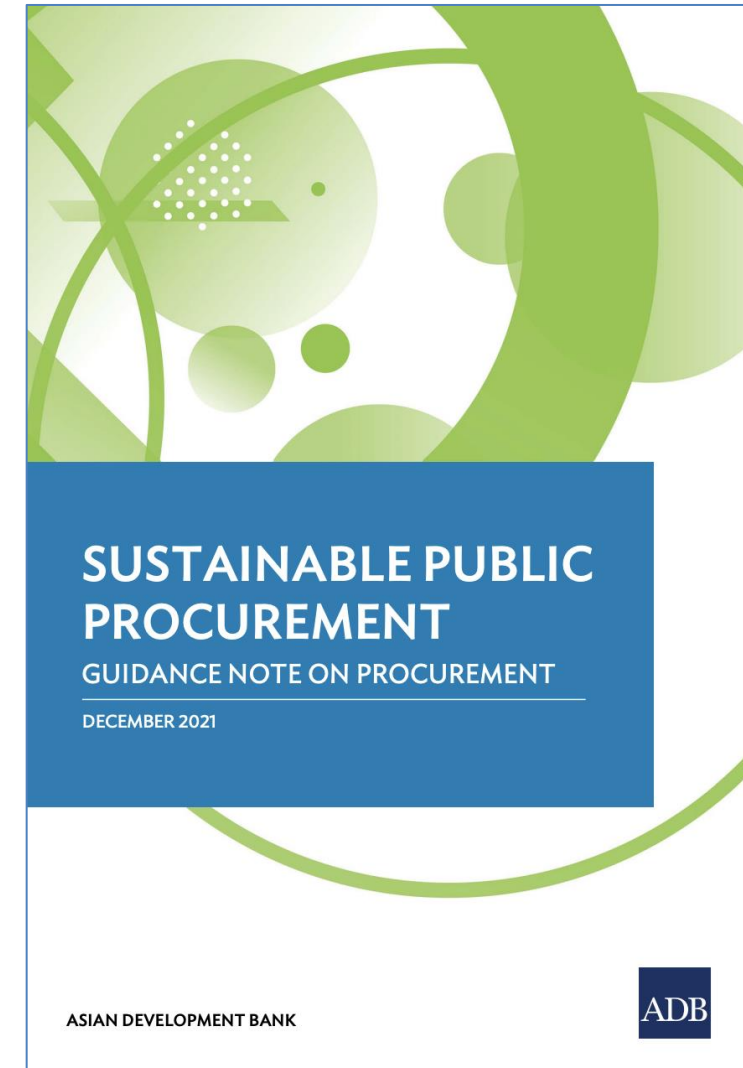
Key metrics tracked in PMIS can include:

- Compliance with sustainability criteria in contracts.
- Progress in achieving sustainability KPIs (e.g., GHG reductions or sustainable sourcing).
- Budget tracking for sustainability initiatives (e.g., the share of procurement budget dedicated to green technologies or social inclusion).

SPP Monitoring at country level: the ADB Approach

SusPP Monitoring at country level covers alignment with government policy and targets relating to sustainable development, existing incorporation in procurement legal framework/ practices, roles and responsibilities, emerging market and monitoring & reporting, as well initiatives relating to sustainable procurement in the country by different agencies.

ADB already has existing country procurement assessment cycles (per Country Partnership Strategy cycle) - and sustainable procurement has been adopted as a topic to be covered in that assessment.



SPP Monitoring at country level: the ADB Approach (2)

Monitoring of sustainable procurement starts from the **strategic procurement planning** (which has a dedicated section on sustainable procurement).

This forms the basis to apply particular sustainable procurement interventions, and the related resourcing including monitoring & reporting.

The **project procurement plan** is being updated to enable the tracking of sustainable procurement by application, by output and linking to the desired outcome areas in the form of the 4 pillars defined in the guidance note.

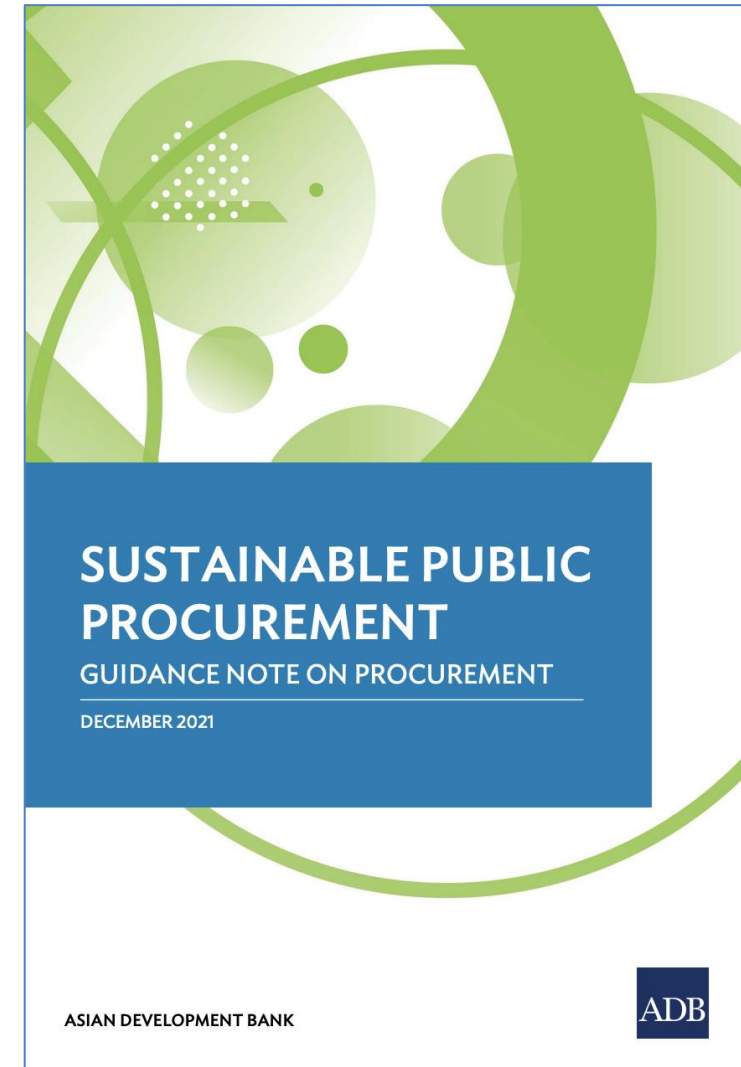
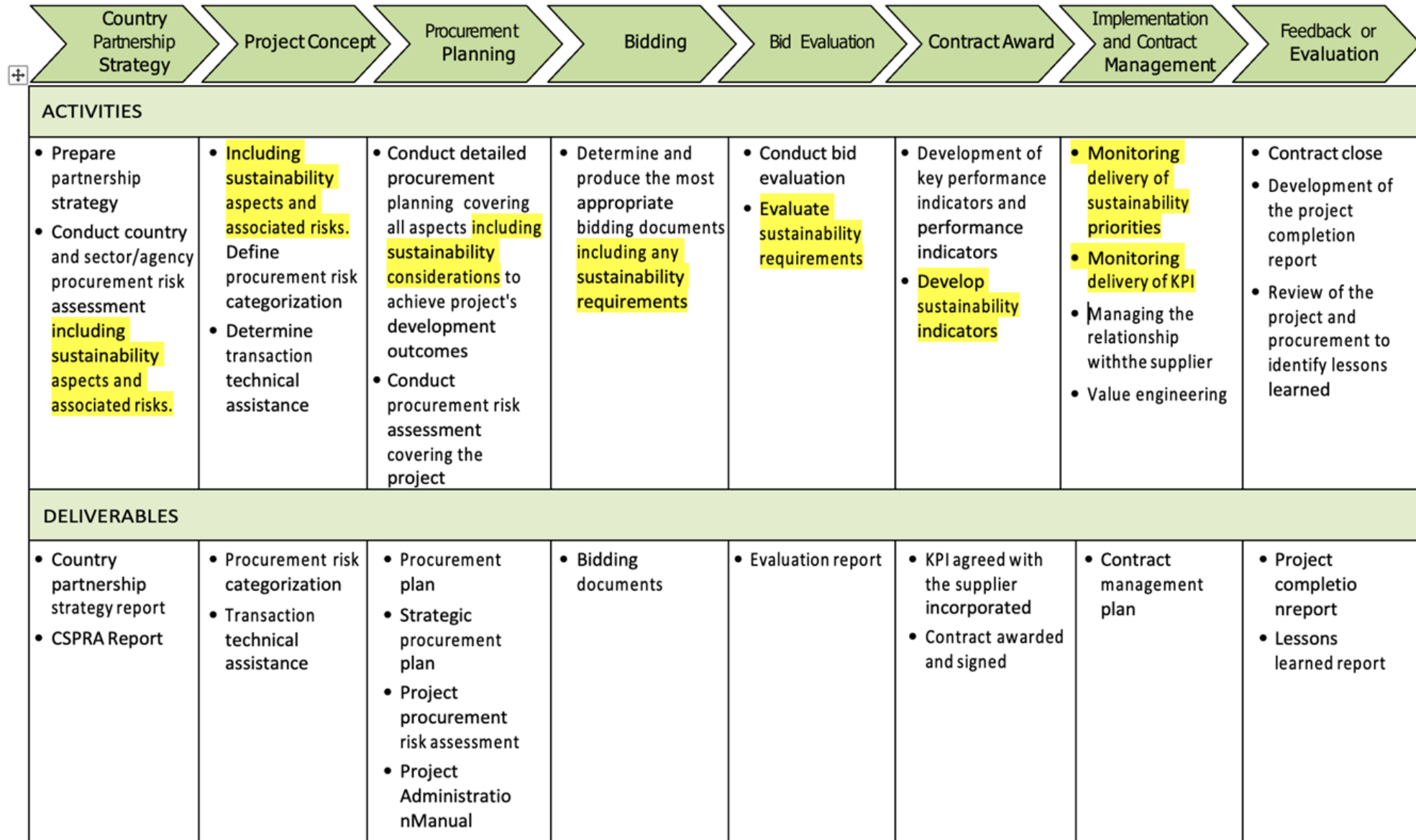


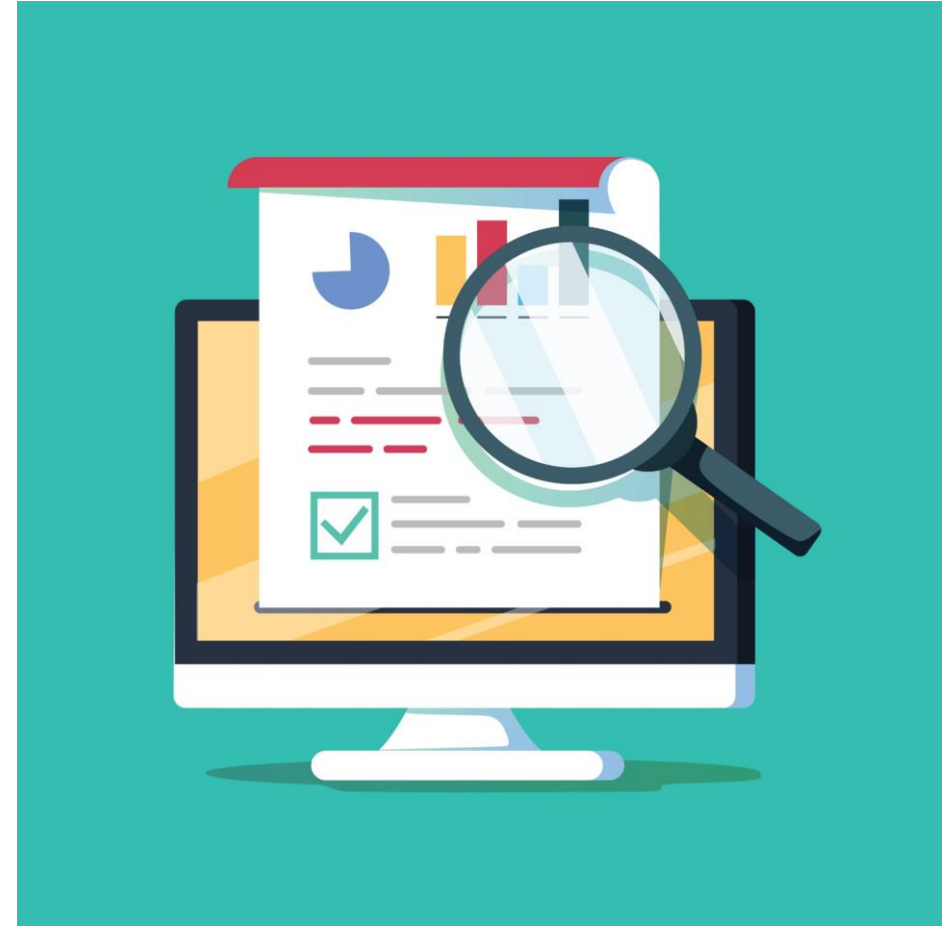
Figure 11: Sustainable Public Procurement in ADB Procurement Cycle



Project Completion Report

ADB Project Completion Report

- Lessons learned
 - Was VFM achieved?
 - What lessons are there for future sustainability procurements?
- Debrief with suppliers and key stakeholders
- Develop debriefing document to feed into the next SPP
- Provide staff with valuable learning opportunities



| Private Sector Practices



| Role of Technology & Innovation



| Future Directions



Thank you!

