SYMPOSIUM ON SUSTAINABLE PROCUREMENT
GENEVA, SWITZERLAND 22 FEBRUARY 2017

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The last presentation of the day -
But clearly the most “exciting” topic of the day...

"How are sustainability measures in procurement processes practiced in a manner consistent with both the principle of best-value-for-money and international trade obligations?"
Agenda:
Premise: Healthy Communities

Context
Challenges & Opportunities
Future
Goal: Healthy Communities

- Social Capital
- Economic Capital
- Cultural Capital
- Human Capital
- Physical Capital
Path to Healthy Communities

Establish a social value market place, using sustainable purchasing and social enterprise suppliers

With trade agreements that encourage & support best-value-for-money purchasing...
Context:
A Community Based Perspective

Social Enterprise represents the supply side

Sustainable purchasing represents the demand side

Trade Agreements act as regulatory and influencing factor in that supply chain relationship
Social Enterprise is “an enterprise that seeks to achieve social, cultural or environmental aims through the sale of goods and services. The social enterprise can be for-profit or not-for-profit but the majority of net profits must be directed to a social objective with limited distribution to shareholders and owners.” Canada’s Ministry of Innovation, Science and Economic Development

Social Enterprises address complex social issues...Employment for Persons with Barriers, Social Inclusion, Poverty, Affordable Housing, Health Care, etc.
Market Place Trend

Supply Side:
Increasing capacity & impact of social enterprise

Demand Side:
Sustainable purchasing rising globally

Trade agreements more prevalent and shifting –
But confusing and ambiguous
International / Inter-provincial
Challenges
The ‘Old’ Paradigm

Market Place built solely on economic capital ROI

Trade agreements reflect the framework and behaviour of an old economic and purchasing paradigm

Rather than focus on ‘best value for money’ the financial value is separate from social value
Existing trade agreements offer opportunities to achieve social value purchasing:  
(But seldom used)

Procurement from non-profits, etc.

Financial Thresholds
Or,

We often use ‘work arounds’ as solutions

Not ‘local’ but “social value impact”

Not “set asides” but “social value impact”
Constant Challenge: “Chill Effect” of Trade Agreements

Ambiguity and lack of understanding trade agreements results in ‘chill effect’ imposed upon social purchasing and community benefit policy development.
Emerging Opportunities
Growing Social Enterprise Sector: Social Value Supply Side

- Social Enterprise Council of Canada
- Social Enterprise Institute
- Buy Social Canada
- Social Value Measurement
Supportive Public Policy for Social Enterprise

Canadian Shifts:
Federal & Provincial Public Policy Supports for Social Enterprise Ecosystem

- Innovation, Science and Economic Development
- Employment and Social Development Canada
- Public Service & Procurement Canada
- Provincial Supportive Strategies & Programs
- Municipal Community Benefit Agreements

International trends reflect this as well... Scotland, Victoria in Australia...
Old Purchasing Model

Purchaser + Traditional Supply Chain = Supplier Value

Emerging Purchasing Model

Purchaser + Social Value Supply Chain = Community Value
Emerging Demand Side Trend: Increased Sustainable Purchasing Policy & Practice
The Future

Either

Trade Agreements

Sustainable Purchasing

OR

NEw Paradigm Ahead
Back to the Presentation’s Challenge:

How do we practice sustainability measures in procurement processes in a manner consistent with both the principle of best-value-for-money and international trade obligations?

The emerging trends may answer this question...
If...

Sustainable procurement represents an opportunity to provide more value to the organisation...

ISO 20400 Draft
Then...

the next generation of trade agreements will have to recognize, encourage and facilitate social enterprise opportunities along with sustainable purchasing outcomes...
Emerging Paradigm: A Convergence of Social Enterprise, Sustainable Purchasing and Revised Trade Agreement Frameworks

Past
- Risk Aversion
- Price, Quality
- Transaction

Future
- Ethical Issues
- Price, Quality, Environment
- Engagement

Opportunity Creation
- Price, Quality, Social
- Transformative
The future...

Trade agreements support best-value-for money purchasing as a means to create a social value marketplace & healthy communities...
Thank You!

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