Promoting Sustainability through Public Procurement

Good Practices from OECD Country Experience

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How does the OECD supports the public procurement community?

• With data: how Procurement matters for sustainability

• Strategic Public Procurement - from vision to practice

• Highlights from working with countries:
  1. Sustainability and Strategic Public Procurement
  2. Sustainability and Diagnostics - the MAPS
  3. Sustainability and Infrastructure Investments
PUBLIC PROCUREMENT
MATTERS FOR
SUSTAINABILITY…
Government procurement as share of GDP and of total govt. expenditure

The **2015 Recommendation on Public Procurement**: 12 integrated principles

- Transparency
- Integrity
- Access
- Balance
- Participation
- Efficiency
- E-procurement
- Capacity
- Evaluation
- Risk management
- Accountability
- Integration
Supporting countries by building evidence

Assessment tools, MAPS

Key performance indicators

Strategic use:
- Green
- SME
- Innovation

Professionalisation

→ Toolbox - innovative, practical, collaborative solutions
GOOD PRACTICE 1:
SUSTAINABILITY & STRATEGIC PUBLIC PROCUREMENT
Countries increasingly use procurement to achieve broader policy objectives

- **Green public procurement**
  - <2012>: 52%
  - <2016>: 62%

- **Support to Small and Medium Enterprises**
  - <2012>: 30%
  - <2016>: 46%

- **Support to procure innovative goods and services**
  - <2012>: 12%
  - <2016>: 19%

**Legend**:
- Yes, it is mandatory
- No, it is not mandatory and targets are not in place
- No but it is subject to defined targets
- Yes, it is mandatory but targets are not defined
- Yes, it is mandatory and targets are defined
OECD Recommendation: Strategic public procurement

“Secondary policy objectives should be balanced against the primary procurement objective.”
OECD Recommendation, principle V

Good practice from the procurement community:
1. Evaluate whether public procurement is the best option to pursue this particular goal (e.g., sustainability)
2. Develop a strategy
3. Assess the impact of the resulting actions
GOOD PRACTICE 2:
SUSTAINABILITY & DIAGNOSTICS
Measuring results: Strategic procurement

% of countries that measure the results of their public procurement to boost...

...Green Objectives

- Yes: 69%
- No: 31%

...SMEs

- Yes: 19%
- No: 81%

...Innovative Goods & Services

- Yes: 42%
- No: 58%
Upgrading the MAPS for universal use

Methodology for Assessing Procurement Systems

- Used by more than 90 countries and international financial institutions
- Linked to international standards, e.g. new OECD Public Procurement Recommendation
- Revived in the era of the Sustainable Development Goals
MAPS and the SDGs

- **SDG Target 12.7**
  - “Promote public procurement practices that are sustainable, in accordance with national policies and priorities”
  
  → *MAPS Indicator 3(a): Sustainable Public Procurement*
  + Optional Module

- **SDG Target 16.6**
  - “Develop effective, accountable and transparent institutions at all levels”

  → *MAPS Indicators 5, 6, 8, 12, 13*
GOOD PRACTICE 3:
SUSTAINABILITY & INFRASTRUCTURES
Building sustainable infrastructure: 2 visions

- **Requirements-based**
  - A new airport for Mexico City

- **Competition-based**
  - A new Highway A6 in Almere, NL
…two approaches to sustainable public procurement of infrastructures

• **Sustainable financial instruments...**
• Using “green bonds” (USD 2 billion) to finance construction that has to follow specific environmental performance criteria

• **...or procurement strategies for sustainability?**
• Using technical specifications, MEAT, CO2 performance ladder, Lifecycle Cost Analysis tool with Environmental Cost Indicator (ECI) to choose the greenest offer
For more information on OECD work on public procurement

www.oecd.org/gov/ethics/public-procurement.htm