

# Minutes Sustainable procurement Working Group March 19<sup>th</sup>, 2025

Watch the recording here: <a href="https://youtu.be/zRY3GkzgIrQ?si=KZF9J7wbkFCQZCck">https://youtu.be/zRY3GkzgIrQ?si=KZF9J7wbkFCQZCck</a>

The issue of the supply chain in humanitarian and development contexts has become increasingly important in recent years. The REH Carbon Working Group has established an average of between 40% and 70% of greenhouse gas emissions. There is therefore a real challenge to decarbonise our purchasing and supply chain (climate vision), but also to better integrate the 3 dimensions of Sustainable Development (socioeconomic, environmental and social) into our activities.

The Working Group's mission is to support member organisations in integrating the concepts of responsible and sustainable purchasing into their supply chains by exchanging and sharing experiences. It has notably published a <u>Sustainable Procurement Criteria Database</u> to help organisations to include sustainable criteria in procurement.

## 1. The REH and the Working Group

The REH (<u>Réseau Environnement Humanitaire</u>) is a network of francophone humanitarian and development practitioners, working together to reduce the environmental footprint of aid. It exists since 2012 and formalised in 2021. There are over 300 members, including more than 30 organisations. The network has 4 working groups to operationalise its work:

- One on waste management
- One on sustainable procurement
- One on environmental assessments
- One on carbon

The current members of the Sustainable Procurement WG are: Action Contre la Faim, Handicap International/Humanity & Inclusion, Oxfam Intermon, Première Urgence Internationale, French Red Cross, ACTED, Bioforce and Médecins du Monde.

The WG often collaborates with the <u>WREC project</u>, the <u>WORM consortium</u>, <u>hulo</u> and the <u>Inter-Agency Procurement Group</u>.

### 2. Defining sustainable procurement

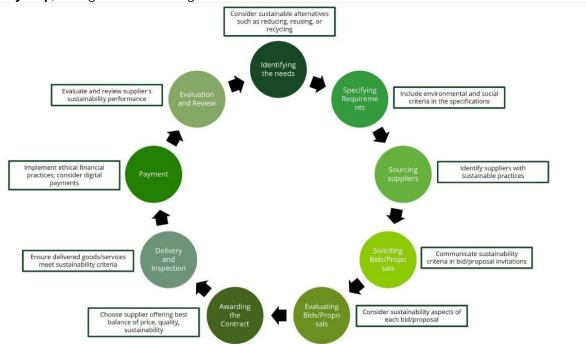
We first had a little recap to define sustainable procurement as integrating social, environmental, and economic factors into procurement processes. It is not only the environmental aspect<sup>1</sup> (albeit very important) but also social and economic aspects such as the need for social equity, fair living conditions, respect for human rights, gender equality, and anti-discrimination practices in procurement.

It is also important to **differentiate between green and sustainable procurement**, the further focusing on environmental responsibility, and the latter which includes environmental, social, and economic aspects. More specifically:

<sup>&</sup>lt;sup>1</sup> Such as looking for sustainable use of resources, protect natural environment and ecosystem, as well as preventing emission of harmful gas emission or preventing a negative impact on the environment like contamination, pollution, water consumption or other elements.

- Green Procurement is considered as a strategic approach that emphasises environmental responsibility in purchasing decisions. This approach prioritises goods and services that are committed to minimising environmental impact, particularly in terms of reducing energy consumption and waste generation.
- Sustainable Procurement incorporates broader ESG (Environmental, Social, and Governance) aspects and builds upon the principles of Green Procurement.

We then looked at the **chain of procurement**, **and how sustainable procurement can be integrated at every step**, through the WREC's diagram below.



We then highlighted how sustainable procurement can reduce the supply chain's impacts on climate change, energy, water, waste, toxic substances, economic benefits, social responsibility and ethical practices, resources use and intensity.



The impact of goods and services need also to be specified and understood, even if the services are more difficult to monitor on this topic.

#### Supply of services:

Pay particular attention to contracting practices, working conditions (e.g.: living wage, forced labor, impact on local communities) and product used to deliver the service (e.g.: paper for printing services, cleaning products for facility management.)

# Supply of goods:

Pay particular attention to sustainability impacts during manufacturing, shipping, utilization (e.g.: Energy/ water/ fuel consumption, consumables), maintenance (e.g.: spare parts), end-of-life disposal options We then looked at specifically, the impact of procurement on an organisation's carbon footprint, as procurement activities contribute to 40-70% of the carbon footprint in the humanitarian sector.

# 3. Working group's projects

The WG then presented the different projects they are working on, their aim for 2025 and their current progress:

- Work on the Sustainable Procurement Criteria Database (SPCD) see below
- A **supplier check list with ESG criteria** is under development, as some contracts can be used to build a customer-supplier relationship based on environmental criteria.
- Contract clauses integrating ESG criteria:
  - o For example:
    - Good's contract ex: integrating reverse logistics aspects, or take back waste schemes for recycling
    - Service contract ex: having a low carbon travel plan
    - Work's contract ex: integrating a waste management plan
  - o To develop this, the WG will work on:
    - Benchmark between NGO
    - Improvement proposition
    - Link with SPCD
- Having a practitioner's community for sustainable purchases, where the WG links with other ongoing initiatives, share good practices and lessons learned, with people in charge of supply chain in other organisations
- Developing **a sustainable supplier database**. While this would be very helpful, it is more difficult to share that information, so it will probably take more time. The first step is to define TORs for the database.

## **Sustainable Procurement Criteria Database (SPCD)**

The Sustainable Procurement working group has developed an updated version of the field-oriented <u>'Sustainable Procurement Criteria Database' (SPCD)</u>. This tool offers a list of sustainable procurement criteria (environmental and social criteria) on 30 goods and service categories and is available in English, French, and Spanish.

The objective of the tool is to be collaborative that will be adjusted and updated upon receiving user recommendations and feedback. It is open for feedback (in <u>French</u>, <u>English</u> and <u>Spanish</u>).

Following the initial feedback received during the FR and EN collaborative workshops, the WG has incorporated the comments received and is proposing a new, updated version of the tool in July 2024.

This new version contains in summary:

- **19 cross-functional product-services criteria**: new, more precise criteria on reparability, end-of-life management and packaging (JI feedback).
- 25 cross-functional supplier criteria: new criteria on women's empowerment and inclusiveness
- 25 detailed markets including recycling and waste management (in collaboration with WREC)

For programme articles, the tool refers to partners' resources:

- <u>Green procurement specifications</u> by sector, WREC
- <u>Circular product purchasing tool</u>, WREC
- List of durability specifications for more than 40 categories of articles, ICRC

Tutorial videos are available in all three languages here.

As the WG want to spread the database largely, it has been designed as a simple excel file: you can download it, adapt it to your needs. **It's an open-source database!** 

Overall, the idea is to make a change in practices by pushing on the use of criteria, on integrating the ESG criteria to suppliers. The more people will use it, the more changes will be applied, the more suppliers will accept to change their own practices!

Yet, there have been a few challenges in the implementation and through the feedback received to date. In particular:

- Being "operational" and adapted to all field context
- Defining a common standard standards can vary a lot from an organisation to another
- Availability of technical advisors to define standards on sustainable and inclusive criteria
- Buy in / Change of practice → as often with changing processes, in particular in supply chain, change takes time and there can be some resistance.

The WG is trying to update the database regularly by adding new criteria and taking account on the feedback. So do not hesitate to <u>provide your feedback!</u>

#### 4. Conclusion

Finally, the WG still identifies a few barriers to be able to implement sustainable procurement in their organisation:

- There is a huge need to **pool services to arrive at a critical mass** to be able to use it as a negotiating factor with suppliers
- **Importance of getting feedback** for continual improvement on the SPCD so that it responds to the field's needs and realities
- Advocacy to the donor community to accept the fair price/ real cost that comes with sustainable procurement

Q: How do you see the SPCD interacting with Humanitarian Procurement Centres (HPC)?

**A**: For now, we do not have links with them, but it would make sense  $\rightarrow$  if there are any contacts!

**Q**: How applicable are the aspects of the criteria in our operational environments (less mature markets)?

**A**: This approach of sustainable procurement is not putting aside the small suppliers as the target is also local procurement. Nevertheless, the technical specifications need to be adapted regarding to the context and to serve level working with small suppliers and local suppliers. For example, in remote locations, it is taking more time to bring them on board, and orders must be placed regularly and over a sufficient long period of time to allow them to work on their own sourcing of products. Engaging them involves explaining our new needs, visiting them and negotiate proposition up to their capacity. That's why we sectorised the database to be more context related.

**Q:** Did you pilot that or had a chance to discuss it with a couple of private sector companies to understand feasibility on their hands?

**A**: We have been able to test it in a few locations/organisations since its initial launch in September 2023. For example, the database has been used by ACF teams in Burkina Faso. Because the criteria need to be selected based on the context, we use it more at a country level to set the conversation with the local supplier we are working with.

Hulo has been integrating them in their joint procurement initiatives, and having discussions with the local suppliers on the understandability of the criteria for example.

**Q:** Would there be any plan to also add a supplier database by country?

A: You could reach out to the local clusters to see if there are some of these lists that exist!

**A**: It is part of a project of the WG. The basic idea is to share information about the suppliers by saying: this one is respecting criteria and the other one not. We are working on it, even if it's quite difficult for many reasons, such as organisations keeping information for themselves depending on the context. For now, it's a pilot phase.

If you're interested, there are lots of resources done by different actors in the sector <u>on the REH website</u>. The <u>WREC website</u> has lots of resources as well, and in particular a <u>quick guide on environmentally sustainable procurement.</u>

Thank you all for joining, and if you have any questions, you can reach out to sustainable procurement@environnementhumanitaire.org