



Summary Report

2014 Interagency Roundtable on CSR

*Sustainable public procurement as a tool for
promoting responsible business*

19 November 2014 | ILO Headquarters | Geneva

1. Introduction

Initiated in 2011, the Interagency Roundtable on Corporate Social Responsibility (CSR) is a joint initiative co-organized by UNCTAD, ILO and OECD. This unique gathering seeks to bring together CSR experts from international organizations and their development and social partners to explore current topics in CSR, share experiences and identify opportunities for collaboration.

This year, the ILO hosted the fourth annual Interagency Roundtable on CSR on November 19, 2014, moderated by Ambassador Roderick van Schreven, Permanent Representative of the Netherlands to the United Nations and the World Trade Organization in Geneva. Participants included representatives of international organizations; regional, national and local government; employers and workers; business, NGOs and academia.

The topic of discussion this year was the impact of Sustainable Public Procurement (SPP) on responsible business conduct. Starting in a broad discussion of the changing landscape and approaches to SPP, participants explored the standards, benchmarks, successes, failures and objectives of SPP as a theory and as a practice from private, public and international organizational perspectives.

The meeting took the form of an open discussion where all the participants had the opportunity to share their experiences, analysis and proposals. The meeting was divided into three sessions: frameworks for promoting responsible and sustainable public procurement; current practices, including successes and challenges; and international organizations' efforts to support governments to develop sustainable public procurement systems.

2. Overview of Key Discussions by Session

Session I: Frameworks for promoting responsible and sustainable public procurement

The session explored the growing importance of SPP beyond environmental issues. Participants recounted effective implementation of sustainability procurement policies across different countries and industries. Two kickoff speakers focused on the remarkable transformation of views about SPP in the last decade—particularly concerning social issues—and the now near universal consensus that SPP is fully compatible with free trade and an important part of public policy. Two others spoke about research showing that SPP is not just a concern of developed countries, and how it can play a key role in helping developing countries to achieve their goals. The last kickoff speaker shared experiences of the UN system, which has overcome similar impediments to SPP and is steadily, although somewhat slowly and variably, making progress.

Issues which arose in discussions included the importance of regulations, provision of benchmarks and consistency of standards; the need for coherent understanding on sustainable terminology; and the nature of CSR (voluntary vs. obligatory) and how that relates to sustainable public procurement.

Participants agreed that governments want companies to be transparent and accountable in their operations, concerning both environmental and social impacts. Discussion explored the appropriate balance between a universal SPP model to support governments on the one hand and on the other the importance of taking into account country specifics, including national development priorities. SPP has become more widely accepted as selection criteria have shifted from lowest price to best value for money over the whole life cycle of a product.

Concerns were raised about more effective policies and capacity building strategies. a unified message for capacity building and consistency throughout procurement processes were seen as key to improve existing systems and support new ones. Often it was quite difficult to understand and ensure compatibility among various sustainability standards; and that dialogue with companies, the social partners and NGOs was essential. Screening tools to track continuous improvement or sanction bad practices were an integral component, along with performance measures.

Session II: Current practice: successes and challenges

This session looked deeper into government approaches to SPP and challenges they face. Kickoff speakers provided examples from national, municipal and regional experience.

Various participants underlined the need for aligning public policy objectives with SPP objectives, despite its inherent difficulties, including budgetary constraints. Participants highlighted the importance of risk assessments and collaborative risk mitigation. Increased collaboration among governments was also considered important to reduce duplication of efforts and ensure that SPP does not create unintended consequences. One participant highlighted that SPP was not just about encouraging progress in responsible business but also to allow government policy objectives concerning SPP to progress over time.

Some participants advocated for setting standards and ensuring strict compliance as a core element of SPP, while others spoke for an approach lead by development priorities specific to the national or local context. The issue of a level playing field arose, including concerns over SPP policies acting as non-tariff barriers, allowing governments to favour local companies to develop particular industries. In this and other respects, the importance of dialogue with business and the social partners was stressed again. Other topics discussed included:

- The importance of standards set by International Organizations such as the ILO and the UN Guiding Principles adopted by the Human Rights Council.
- Innovation as a result of SPP.
- The implications of full-life-cycle/ supply chain evaluation for effective SPP.
- Dealing with labour criteria in public procurement processes.

Session III: International Organization initiatives on SPP

During the last session, experts from international organizations shared experiences in promoting SPP among governments, including: sharing knowledge, sensitizing policy-makers, developing practitioners' guides on integrating social criteria in public procurement, developing standards such as ISO 20400 on sustainable procurement; and developing training packages for

government administrators and policy makers, including parliamentarians. Collaboration was essential to reach a critical scale.

While affirming the broader framework of universal values, participants stressed that there is no one-size-fits-all approach. Sustainable practices in developing countries were often, but not always, less advanced; and often the policy objectives were not identical to those of developed countries (often being more directly tied to economic development). Even among developed countries, the capacity and the level of knowledge varied substantially.

Although it remained difficult to secure strong commitments from the majority of national governments to engage in sustainable public procurement, several representatives of international organizations highlighted their long-term presence in many countries—including fragile states—and commitment to continue promoting SPP. Nonetheless, SPP did not exist in the absence of the fundamentals of a well-functioning general procurement system, which was the responsibility and shared efforts of all stakeholders.

3. Key conclusions of the discussions

- There are no longer doubts or concerns about SPP being compatible with free trade, and social issues are increasingly included in the criteria set
- A consensus exists that SPP has an important role to play in promoting responsible business practices
- A growing number of governments—at regional, national and municipal level—have put in place SPP systems, and are sharing experiences to identify best practices.
- Continuing challenges often include how to assess risk, verify compliance with criteria set, ensure a level playing field (particularly regarding SMEs); and how to involve business, social partners and civil society in developing and strengthening SPP system.

4. Participants List

ORGANIZATION	PARTICIPANTS
ILO	Emily Sims Emmanuel Julien
ITC	Joseph Wozniak
OECD	Barbara Bijelic
UNCTAD	James Zhan Anthony Miller
UNDP	Alexis Laffittan
UNEP	Farid Yaker
UNICEF	Maria Pia Bianchetti
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UNECE	Maria Rosaria Ceccarelli
UNOPS	Niels Ramm
WTO	Robert Anderson Sainabou Taal
European Union	Jérôme Bellion-Jourdan
ISO	Hans Kröder
Chile	Pablo Lazo
Italy	Giovanni Lombardo
Netherlands	Ambassador Schreven Ton Boon von Ochsseé Taco Stoppels
South Africa	South Africa Mahlomola Skhosana
Switzerland	Karin Federer
Swiss Administrative Court	Judge Marc Steiner
ICLEI - Local Governments for Sustainability	Philipp Tepper
IOE	Renate Hornung-Draus
ITUC	Dwight Justice
Michelin	Eric Le Corre
IISD	Tilmann Liebert
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