

Concept Note

on

**Knowledge and Secondary
Materials Market Platform**

on

Sustainable Public Procurement

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Concept Note

1. Description – Knowledge and Secondary Materials Market Platform on Sustainable Public Procurement

United Nations Environment One Planet Network’s Sustainable Public Programme (SPP) has identified procurement of infrastructure/construction as one of the six priority areas for action during 2019-22.

The SPP Construction Interest Group (IG) of the UNEP One Planet Network, through multi-stakeholder’s consultation process, has identified lack of support for implementing sustainable procurement of infrastructure/construction on the ground as one of the major constraints in member countries. The IG aims to bridge this gap by making available existing resources (tools, guidelines, best practices etc.) to procurers at regional, national and local level in member countries for the mainstreaming of sustainable public procurement in public works.

The IG recognizes that sustainable procurement of public works is a journey and all organizations shall be aiming to reach the highest levels of maturity and sustainability impacts and the platform will provide an opportunity for the procurers to start their journey by accessing information and resources.

Along with this mandate the IG aims to kick off an international project for the establishment of an online Knowledge cum Secondary Materials Market Platform with two main focus areas:

1. **Knowledge platform on sustainable public procurement** that will showcase procurement tools (such as RFx documents, evaluation tools; capacity building and information materials, case studies) in language that is understood by procurement professionals and stakeholders.
2. **Secondary Materials Market platform** for the exchange of construction waste products and for the promotion of circular economy in the construction sector

The main aim of the project is to facilitate experience exchange among public and private sector procurers, to share international good practices related to sustainable procurement in the construction sector and to connect the different stakeholders of the international construction markets in the public and private sector by providing information on available waste materials and their possible reuse in construction sector.

The **targeted users of the platform** are procurers from the public and private sector, suppliers of construction waste materials, moreover those construction, waste management and circular economy experts who are involved, at any stage, into the material flow of the traded materials.

The resources available on the Knowledge Platform can be used by any stakeholders. However, the Secondary Materials Market Platform will be country specific.

The implementation of the project would be done in two phases. In the first phase, Knowledge Platform would be made functional. In the second phase of the project, it is planned to develop Secondary Materials Market Platform. This would be a country specific and will be developed in consultation with the government of interested country. Broadly the project would involve the following activities:

Knowledge Platform:

- collecting relevant information/documents from around the world and translating those documents in English language
- cataloguing these documents with procurement stages thus providing handholding support to procurers
- providing information on best practices with the aim to help purchasers, suppliers, policy makers and other stakeholders accelerate integration of sustainability in different phases of procurement cycle and help them contribute at their level of readiness, from their unique abilities in the most effective way.
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Market Platform:

- listing buyers and seller requests for the exchange of secondary construction raw materials
- listing and linking further websites where secondary construction raw materials is available and relevant vendor's lists

Financial Sustainability of the project

Our understanding is that a 'pay as you go' model, which is quite prevalent and successful in many industrialized countries, may not work in developing countries at this stage of maturity where sustainability issues remain low on the priority list of political leadership of a country. Therefore, in beginning, the access to resources for understanding the nuances of implementing sustainable procurement of works and arrive at an appropriate decision has to be provided free of cost to stakeholders for greater public goods. This is the reason why the Interest Group is looking for a founding partner who would support the development of this online Knowledge cum Secondary Materials Market Platform.

2. Background information for this project

On the UNEP Assembly of 15 March 2019, Member States have pledged to develop sustainable public procurement policies and update their procurement legal framework

in accordance with their commitment to achieving SDG 12. The Resolution of this Assembly has named the One Planet Network of the UNEP to facilitate regional cooperation for sustainable public procurement as an essential building block of SDG 12.

The **One Planet Network** is an SDG 12 implementation mechanism and a multi-stakeholder partnership for sustainable development. It leads the shift to sustainable consumption and production, by setting the agenda, facilitating and supporting the implementation of on SDG 12.

The **'One Plan for One Planet' strategy** is the strategy of the One Planet network over the next five years (2018-2022) to deliver on SDG 12 and sustainable consumption and production, while enabling the strategic use of the diverse strengths of the network. The Strategy focuses on the implementation of SDG 12. According to the strategy all One Planet Groups needs to foster tangible changes in practices and measurable impacts of SDG 12.

The One Planet Network focuses on six programs and works in six different thematic groups along these programmes.

The **Sustainable Public Procurement programme**, one of the six programmes of the Network, focuses on the transition to sustainable consumption and production by implementing sustainable public procurement. The goal of the programme is to accelerate the uptake and implementation of sustainable procurement at national, regional and local level as well as worldwide to ensure sustainable consumption and production patterns and assist in the delivery of SDG 12. The Sustainable Public Procurement Interest Group facilitates the implementation of the above programme.

The work of the **Sustainable Public Procurement Group** is essential as procurement is a transversal theme that cuts through the various thematic programmes of the One Planet Network. In order to achieve the goal of the SPP Programme, the Multi-stakeholder Advisory Committee (MAC) of SPP Programme has prioritised five specific topics around sustainable procurement for action during 2019-22. One of the interest groups is the **Interest Group on Construction and Infrastructure** that aims to mainstream sustainable public procurement in the construction and infrastructure sector.

The rationale for choosing procurement of infrastructure/construction as one of the priority areas rests on the fact that most countries spend more than 50% of their total expenditure on public procurement for procurement of works. The works includes new construction of structures of all kinds (buildings, highways, bridges, water & sewage treatment plant, transmission lines, renewable power generation etc.), renovations, extensions and repairs.

As per UNCTAD, developing countries alone would need investment to the tune of \$ 1.6-2.5 trillion annually from 2015 to 2030 to meet infrastructure demand so that no one is left behind. China, through its Belt and Road Initiative, has already pledged \$1 trillion to Belt and Road projects. The World Bank current lending is to the tune of approx. \$30 billions and about 70% of its lending is for the infrastructure projects. So is the case with other Multilateral Development Bank's (MDBs). The scale of investment going into the sector in next two decades has potential to create havoc with natural resources and cause irreversible damages to environment and natural habitats if sustainability consideration is not taken into consideration in business decision. However, the unrealised demand in developing and poor countries means that majority of the infrastructure is yet to be built, so offers a unique opportunity for countries to accelerate the transitions towards low-carbon, climate resilient and sustainable economy by mainstreaming sustainability in procurement phase of infrastructure.

In 2018-19, the IG has carried out study for identifying the gaps, opportunities, threats and difficulties around sustainable public procurement in the construction sector.

The result of this situational analysis identified the following gaps:

- Non-supportive legal and regulatory frameworks for sustainable procurement of works in many countries
- Insufficient documentation and dissemination at local, regional or national levels
- Procurers (and bidders!) need better tools to quantify and evaluate these sustainability aspects
- Lack of financial resources in low and developing countries
- Sustainability agenda not reaching to the financial and decision making

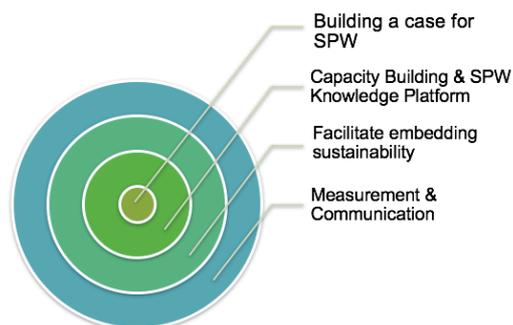
To address these gaps and in order to facilitate the uptake of sustainable procurement of work on the ground, the IG members developed strategic implementation plan through a multi-stakeholders dialogue spread over four months. The Strategic Implementation Plan identifies four major work streams to address challenges in embedding sustainability in different phases of procurement of works. The Strategic Implementation Plan of the IG was endorsed by the Secretariat, One Planet Network during the meeting held in Paris in Feb 2019.

3. Detailed Information on the project

3.1 Expected Project Activities

- **Work package Nr. 1: Knowledge Platform on Sustainable Public Procurement**

Objectives of Strategic Implementation Plan



- **Figure 1: Strategic Implementation Plan**

The IG on Infrastructure/Construction found that there is a wealth of knowledge of in global North on the subject but the same is not available to stakeholders in global South. The key question is how we support stakeholders in the global South who wishes to embed sustainability in procurement decision. Therefore, development of an online Knowledge is fundamental for addressing the knowledge gap of procurement professionals in member countries for implementing sustainable procurement of works as it would provide free access to relevant resources to stakeholders as per their need on 24x7 basis.

Objective

The key objective of the online Knowledge Platform is to provide free access to quality resources for embedding sustainability considerations in procurement decision, which is otherwise not available. Even if such information/document is available, retrieving such information is a herculean task that kills the enthusiasm of stakeholders for taking new initiatives.

Outcome

The access to free resources has been identified as a major constraint for embedding sustainability in procurement of works. On the one hand, the Knowledge Platform will provide hands on support to stakeholders and on the other it will address the capacity building need of stakeholders.

Target Users

The target users of this platform are public/private procurers, policy makers and other stakeholders from both industrialised and non-industrialised countries. The platform will also attract practitioners and experts on the discussion forum to share/express their views on specific issues flagged by any registered users of the platform.

- **Work package Nr.2: Market Platform on Circular Procurement (“Marketspace of Secondary Raw Materials”)**

Objectives

The objectives of the independent Marketspace are to promote and facilitate circular procurement practices in the construction sector, to support public authorities in the implementation of sustainable and circular procurement and to foster tangible exchanges among the public and private sectors. For this aim the platform will host a global Marketspace for (non-hazardous) secondary raw materials.

Outcome

An independent, free, cloud based online marketspace in English, and when possible in other languages, which operation complies with the public procurement regulations of the targeted countries and fulfils the requirements of the private sector procurement as well.

Targeted Users

The targeted users of the platform are public authorities, public companies and project consortiums of PPPs projects that will be supported as buyers or suppliers of non-hazardous construction waste. Moreover the Marketplace will target private companies in their position as buyers or suppliers of construction secondary raw materials.

Targeted countries

Initially the exchange will be launched in a country, where policy framework for use of secondary materials already exists and psychological barriers for using secondary materials does not exist in the mind of people. Since transportation of secondary material has huge environmental impacts, it will be piloted in smaller countries and based on experiences gained, it will be extended to other countries.

Exchanges facilitated on the Marketspace

The Marketspace aims to facilitate exchanges on trading possibilities of (non-hazardous) construction waste. The following exchanges will be facilitated:

- **Public to public exchange:** when public authorities and public companies act as supplier of construction waste and look for public entities who are interested in buying it moreover when public authorities intends to buy construction waste materials from another public entity.
- **Public to private exchange:** when public entities or public companies act as supplier of construction waste and look for private sector buyers. Moreover when public entities act as buyers of secondary raw material of private sector sellers.

How it works

Public or private sector participants of the platform provide information on construction waste materials (defined as secondary raw material) that they would like to buy, sell or exchange. The platform collects this information and lists the available data according to different categories. The different categories can be filtered by the buyers or sellers.

When the bids of the buyer and seller match the communication among them will be facilitated by the platform and they will be free to carry on with the negotiations in a way as they choose. In the future, the platform might provide the possibility to act as an e-procurement site. Nevertheless, at this early stage of the development the project does not aim to operate as an official e-procurement website for public entities.

All communication among the buyers and sellers via the platform will be held private and secure and end-to-end encrypted.

It should be possible to establish buyer groups that show a joint interest for a specific secondary raw material once it is available on the market.

Moreover, the platform is expected to host a vendor's list for the suppliers of secondary raw materials depending on the different material categories and a list of experts who can support the development of public tenders on the procurement of construction waste materials or can advise the public sector on the matchmaking possibilities.

Distinctive features of the platform

The platform shall be publicly founded thus it will be fully independent and open to all operators, similar to the UN Global Marketplace but designed specifically for waste/secondary raw material exchange in the construction sector.

There are several waste trading platforms available globally however their main focus in the raw material exchange in the private sector. The Marketplace designed within this project **aims to address first and foremost public entities** (authorities, public companies, PPSs consortiums etc.) and support them as sellers or as buyer of secondary raw materials.

Furthermore, the Marketplace will facilitate **exchange among public and private sector** buyers and thus among public and private sector organisations working in the field of constructions.

Important to note that by supporting the **establishment of cross border buyers' consortiums** the platform will support public entities not only as stand-alone buyers but also as partners.

3.2 Expected Benefits of the Project

The project is expected to address one of the major challenges in implementing sustainable procurement of works in member countries by providing free access to quality resources to stakeholders at a place. The project also aims to enlist support of experts, who can provide hand holding support to stakeholders desirous of integrating sustainability in procurement decision. Implementation of this project will accelerate uptake of sustainable procurement of works in the member countries and help achieve SDG 12. Besides this project will serve as information exchange and discussion forum and thus addressing the capacity building needs of stakeholders.

Knowledge Platform Output and Performance Indicators

- Procurement Tools
- Communication Materials
- Discussion Forum
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*Possible Indicator: Number of tools. Number of outreach products – brochures, webpages... - and awareness raising activities (list products and activities, as well as number of relevant stakeholders reached)**

Waste Exchange Platform Output and Performance Indicators

- Estimated Material Savings
- A circularity indicator to be defined
- Number of Established buyer groups
- Number of “Exchanges”
- Number of Advertised Procurement Information
- *Potentially and in the future number of members*

4. Implementation

- a) Risks and mitigation: *(Describe the main risks and obstacles, related mitigation measures):*

The biggest risk is the fact that if the website does not get the required traction among stakeholders, the entire money spent of the project would go waste. In order to mitigate this risk, it is proposed to provide only those information/documents which is relevant to stakeholders and is easy to access as per their own requirements and needs. The IG felt that there are many excellent resources, which are available in other languages. The platform seeks to get translated all such resources in English language and make available to stakeholders. Further, the platform will host circular market exchange for buyer and seller where market players can interact with each other and the platform will help them match-making their requirement. The platform also aims to provide expert services to any stakeholders desirous of getting hand holding support. The IG proposes to enter into tie up with One Planet Network and other organisations for providing link for this website on their websites.

Thus, put these different offerings together, the platform is uniquely placed to provide resources to stakeholders for mainstreaming sustainability in procurement of infrastructure/construction/works and IG is confident of its success.

- b) Sustainability: *(Describe the ability and potential to sustain the activity after the end of the project):*

- a. *The Platform aims to provide value-added services such as online training, tailoring made documents, training kits etc. to stakeholders on payment basis. The revenue generated through this means will be used for upkeep and updating resources on the website. Provision of the such value-added services will allow for the training/capacity building of additional public procurement officials following the completion of the project.*
- b. *Trained public procurement officials will be provided with the tools to implement elements of sustainable public procurement.*

- c. *Recommendations from the report can be used to guide ongoing and additional public procurement reforms*
 - d. *The IG proposes to launch certified Sustainable Procurement Professionals programme to create a pool of trained experts in the market for delivering sustainable procurement of infrastructure/construction/works*
- c) *Replicability: (Describe the ability and potential to scale-up over time, and to replicate in different contexts):*
- a. *The training materials provided can be used much more broadly than within the limited context of the workshops implemented as part of this project.*
 - b. *This capacity-building model, based on a combination of local context and international best practice, can be expanded to cover additional areas.*
 - c. *The circular materials exchange will be expanded to other markets after launch of the programme in one country.*

5. Work Plan

ACTIVITY	Timeframe	Responsible Partner	Other Partners
Collecting resources from various sources			
Cataloguing resources as per different phases of procurement			
Designing and Developing website			
Disseminating information about Knowledge platform through media campaign and partners			
Enlisting vendors of secondary materials on Exchange Platform			
Enlisting experts from around the world for providing handholding support to stakeholders			

6. Monitoring, Reporting and Evaluation

The IG proposes to set up an International Advisory Committee for monitoring, reporting and evaluation purpose. The Advisory Committee would develop indicators for success of the project, monitoring progress against these indicators and advise on further improvement of platform. The Advisory Committee will consist of member/representative from funding partners, One Planet Secretariat, and other partners.

7. Project Partners

The IG is currently in talks with various organisations to join as project partners.

8. Budget and Timeline

Based on the discussion with the promoter of Sustainable Supply Chain School, the estimated cost of the project is about \$ 0.5 Million. This includes translation of documents from other languages into English for reaching out to wider audiences. The cost includes running and maintenance cost for one year. It is expected to be completed within one year from securing the funding for this work.

The IG will provide pro-bono support in collecting resources, guiding professionals to develop the platform and advise on future updating of the website. In the long run, it is envisioned that the platform itself would be able to generate sufficient revenue for day to day operation and updating of the website by offering value added services on payment basis to stakeholders.

9. Team members

SN	Name of Organisation	Focal Point	Email
1.	EcoVadis	Stephanie Dinter Crocq	scrocq@ecovadis.com
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