Final Meeting for the 10YFP SPP Working Group 2b:

Final Framework and Next Steps

September 9, 2015

Farid Yaker, UNEP
Jason Pearson, SPLC
Dr. Anastasia O’Rourke, IEc
Webinar Agenda

• Farid Yaker, UNEP
  • Welcome
  • Update on the 10YFP SPP programme

• Jason Pearson, SPLC
  • Overview of SPLC’s work and Guidance v1.0

• Dr. Anastasia O’Rourke, IEc
  • Project goals and steps taken
  • Guidance framework
  • Pilot Questionnaire results
  • Potential next steps

• Discussion & Q&A
  • Feedback on progress made to date in the working group 2b
  • Potential next steps for this line of inquiry and potential activities
Update on the 10YFP SPP programme

Objectives

1. **Build the case for SPP**: improve the knowledge on SPP and its effectiveness as a tool to promote greener economies and sustainable development

2. **Support the implementation of SPP on the ground** through increased collaboration and improved coordination between SPP stakeholders
The network of the SPP programme counts 83 partners in 42 different countries and includes governments, international organizations, NGOs, consultancies, private sector representatives and SPP expert.
SPP biennial Work plan 2013-2015

**Areas of work**

1. Implementing SPP on the Ground
2. Assessing Implementation & Impacts
3. Addressing Barriers & Promoting Innovative Solutions
4. Collaborating with the private sector

**Implementation**

- Greening supply chains
- Ecolabels & Sustainability Standards
- Addressing legal barriers
- Implementing Product-Service Systems
- Including Small and Medium Enterprises (SMEs)
- Collaborating with Central and Local Governments
- Collaborating with Multilateral Development Banks (MDBs)
- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices
- Collaborating with Central and Local Governments
- Collaborating with Multilateral Development Banks (MDBs)
- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices

**SPP Ground Projects:**
- UNEP’s SPPEL
- ICLEI’s Procura+
- IISD’s SPP Programme

**Collaborating with the private sector**

- Addressing legal barriers
- Implementing Product-Service Systems
- Including Small and Medium Enterprises (SMEs)

**Collaborating with Central and Local Governments**

- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices

**Collaborating with Multilateral Development Banks (MDBs)**

- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices

**Improving and exchanging capacity building and information tools**

- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices

**Harmonizing and improving SPP implementation methodologies**

- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices

**Monitoring SPP Implementation**

- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices

**Measuring Impacts & Communicating Benefits**

- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices

**Promoting best SPP practices**

- Improving and exchanging capacity building and information tools
- Harmonizing and improving SPP implementation methodologies
- Monitoring SPP Implementation
- Measuring Impacts & Communicating Benefits
- Promoting best SPP practices
10YFP SPP Programme biennial work plan 2015-2017

Flagship projects

Providing financial and technical support for SPP implementation

1a. SPP Tender Implementation & Impact Monitoring

SPP policy advocacy and awareness raising*

Developing, sharing and using SPP tools (methodologies and capacity-building tools)

1 Implementing SPP on the ground

Implementing

The new work plan is still under development

2a. Monitoring SPP Implementation

2b. Measuring Impacts & Communicating Benefits

2c. Promoting SPP best practices*

Knowledge management, outreach and communication:
Global Review on SPP, Global SCP Clearinghouse, Websites and Social Networks management, Webinars

2 Areas of work

4a. Promoting supply chains’ sustainability

4b. Ecolabels & Sustainable Standards

4c. Promoting resource-efficient business models and circular economy

4d. Developing purchasing guidance for priority sectors*

4 Collaborating with the private sector

3 Identifying Obstacles & Promoting Innovative Solutions

3a. Addressing price barriers and Promoting life-cycle costing (LCC)*

3b. Identifying legal and trade issues & promoting solutions*

3c. Including Small and Medium Enterprises (SMEs) in SPP

*non-active groups are open to interested leads or donors
Upcoming events and next steps

1. Final report of the working group 2b due in October 2015

2. Expert Meeting of the 10YFP SPP programme working group 2b:
   “GHG emission reduction impacts & potentials of GPP”, Seoul, South Korea. 19-20 November 2015

3. COP21 side events on the measurement of GHG emissions in public procurement

4. Second phase of the working groups 2a and 2b
   January 2016 onwards

5. Global Review 2015 to be started soon
Opportunity

$10 Trillion

Institutional purchasers send a powerful economic signal that focuses the forces of market innovation.

Challenge

Purchasers lack shared resources to build a robust strategy and avoid duplication of effort.

Suppliers face multiple, “different but similar” market signals as they seek to differentiate their offerings.

Solution

A shared program provides a framework for leadership action and aligns market innovation for a positive future.
Guidance for Leadership in Sustainable Purchasing
Version 1.0
SPLC Guidance V1.0 Overview

Released in Feb. 2015: Download at www.sustainablepurchasing.org
About the 2B Project
The 2B Project Hypothesis

Sustainable Public Procurement (SPP) practices will increase if there is a reliable way of measuring and communicating the sustainability benefits of SPP programmes.
2B Project Steps

- Baseline analysis
- Expert Workshop
- Framework development
- Pilots
- Presentation of Findings
2B Framework development inputs

Framework (Guidance) for measuring and communicating SPP benefits
Some key concepts and definitions
How do we measure SPP?

Policies
- Measure adoption, type, scope and mandate

Activities
- Process evaluation
- Measure outputs and progress towards goals

Outcomes
- Outcome evaluation
- Measure impacts
- Measure benefits

Global Review of SPP
2A working group
2B working group
Key measurement concepts

SPP Activities includes:
• Spend analysis
• Policy development
• Spec. development
• RFP language development

Outputs/ Embedment Indicators includes:
• Sustainability policy, guidance, or specifications in use
• RFPs have sustainability criteria built in
• Integration of SPP program into e-procurement systems
Key definitions, continued

Intermediate Outcomes
• \# of contracts that meet sustainability policies

Longer-term Outcomes
• More sustainable goods/services purchased leads to:
  
  * **Internal Benefits**: Benefits enjoyed by the purchaser, e.g. Cost savings, revenue growth, risk reduction
  
  * **External Benefits**: public good/ social welfare benefits, can be environmental, social or economic
Measurement work happens at each step

SPLC Guidance V1.0 Overview: All Steps

- **PREPARE**: a vision for the sustainable purchasing program.
- **ENLIST**: support from key internal and external stakeholders.
- **DESIGN**: the proposed sustainable purchasing program.
- **ANALYZE**: identify impacts within spending; prioritize categories for action.
- **LAUNCH**: convene a cross-functional team appropriate for the cycle's objectives.
- **PLANN**: identify and select proven strategies for mitigating impacts while delivering value.
- **IMPLEMENT**: set goals, timelines, and policies; train staff and engage suppliers.
- **REPORT**: track and benchmark performance; evaluate for continuous improvement.
Guidance Framework Steps
Choose benefit categories your organization cares about:

- What benefits are relevant to your organization, mission, and stakeholders?
- Focus on environmental impacts, or focus on economic or social as well?
- Are there already SPP initiatives in place that inform future vision?
Side note: Potential benefits (longer-term outcomes) of SPP

Environmental Benefits
- Reduced greenhouse gas emissions
- Reduced energy, water, and fuel consumption
- Reduced waste generation
- Improved air quality
- Efficient use of materials
- Reduced use of hazardous substances
- Maintains biodiversity

Social Benefits
- Creates employment opportunities
- Improves occupational health and safety
- Improves social inclusiveness
- Promotes economic opportunity for indigenous people
- Promotes equal opportunity employment
- Promotes fair and ethical trade
- Supports small and medium enterprises

Economic Benefits
- Reduces cost
- Promotes innovation
- Promotes regional economic development
- Develop markets for sustainable products and services
- Grows revenue
- Improves reputation
- Reduces risk

Source: 2B Baseline Review Report
Enlist Step

- Ask: what types of communication will resonate with different audiences?
- Collect input on the importance of various measures
Design Step

• Use a Logic Model to define program-level metrics
• Conduct a preliminary analysis of tracking systems and data sources.
• Lay the foundation for program evaluation by considering:
  • Baselines
  • Expected outcomes
  • Evidence required
  • The need for validation.
Side note: What do we mean by “Logic Model”?

- A graphic showing how a program is supposed to work

Activities → Outputs → Outcomes

- For example:

  - SPP Spec’s, RFP Language for Energy Effic. IT Products
  - Increase purchase of energy effic. IT products
  - Reduced GHG from use of IT products by Agency
  - Robust market for energy effic. IT products
Commit Step

- Ensure management’s commitment includes measuring and reporting.
- Encourage managers to use measurement data as part of a continuous improvement cycle.
• The kickoff agenda and report-out should include a plan and budget for measuring and communicating results.
Analyze Steps

- Review spend analysis options-
  - Product/service category focus or supplier focus.
  - Different methods available, e.g. EIOLCA
- Collect purchasing data to support spend analysis
- Conduct analysis to identify priority product/service categories or priority strategies
- Set a measurement baseline using outcome of spend analysis
Planning Steps

- Define the scope and level of measurement activities.
- Select benefits categories and performance metrics.
- Develop a plan for collecting and reporting data.
• Include a commitment to measurement and reporting of outcomes.
Implementation Steps

For each priority strategy implemented:

- Identify key indicators & SMARTT metrics for each indicator
- Establish a baseline for each metric to measure progress against
- Check on data quality as you implement, correct errors
### Side note: Selecting SMARRT Performance Indicators

<table>
<thead>
<tr>
<th><strong>Specific</strong></th>
<th>What condition or situation is the program targeting for improvement? How will the program influence the situation?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measurable</strong></td>
<td>How much influence or change do you expect to achieve (quantify if possible)? How will you know when you achieve your target?</td>
</tr>
<tr>
<td><strong>Actionable</strong></td>
<td>What steps can your program take to achieve your target? To what extent can your program influence the outcome?</td>
</tr>
<tr>
<td><strong>Results-based</strong></td>
<td>What tangible benefits will result from achieving your target? How will these benefits materially affect the condition or situation you are aiming to improve?</td>
</tr>
<tr>
<td><strong>Realistic</strong></td>
<td>How attainable is the target? What is the probability of success?</td>
</tr>
<tr>
<td><strong>Time-bound</strong></td>
<td>By what date (or how far in the future) do you expect results to occur?</td>
</tr>
</tbody>
</table>
Reporting and Communication Steps

What to Communicate:
• Progress on each strategy
• Aggregation to program level
• Contextualizing benefits, e.g. with “social math”
• Benchmarking
• Attribution issues/program evaluation

And to Whom:
• Within your organization
• Stakeholders
• Public
Continuous improvement of individual SPP strategies and SPP program

• Decisions to take on new SPP strategies: launch of new strategy cycle

• Management tool to inform broader/higher-level organizational and business planning

• Inform Policy
Piloting the Guidance Framework
Pilot Goals and Structure

- Test the approach developed in the Framework Guidance
- Collect structured feedback on improving and refining the framework.
- Identify areas for future research and work.

- Two types of pilot
  - Low engagement * reported here today.
  - High engagement
<table>
<thead>
<tr>
<th>Organization</th>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEGESTI</td>
<td>Sylvia Aguilar</td>
<td>Costa Rica</td>
</tr>
<tr>
<td>China Environmental United Certification Center</td>
<td>Wang Cheng</td>
<td>China</td>
</tr>
<tr>
<td>Collaborating Centre on Sustainable Consumption and Production (CSCP)</td>
<td>Johannes Reidel</td>
<td>Germany</td>
</tr>
<tr>
<td>ECPAR</td>
<td>Audrey Some</td>
<td>Canada</td>
</tr>
<tr>
<td>Green Purchasing Network</td>
<td>Gakuji Fukatsu</td>
<td>Japan</td>
</tr>
<tr>
<td>Green Purchasing Network India</td>
<td>Romil Bajaj</td>
<td>India</td>
</tr>
<tr>
<td>Independent expert</td>
<td>Cristina Gazulla</td>
<td>Spain</td>
</tr>
<tr>
<td>Indian Railways</td>
<td>Sanjay Kumar</td>
<td>India</td>
</tr>
<tr>
<td>Korea Environmental Industry and Technology Institute (KEITI)</td>
<td>Hyunju Lee</td>
<td>Republic of Korea</td>
</tr>
<tr>
<td>OECD</td>
<td>Despina Pachnou</td>
<td>France</td>
</tr>
<tr>
<td>SCPRAC</td>
<td>Dafne Mazo</td>
<td>Spain</td>
</tr>
<tr>
<td>State of California, Department of General Services</td>
<td>Charleen Fain Kelser</td>
<td>USA</td>
</tr>
<tr>
<td>Swedish Competition Authority</td>
<td>Annie Stålberg</td>
<td>Sweden</td>
</tr>
<tr>
<td>U.S. General Services Administration</td>
<td>Kevin Funk</td>
<td>USA</td>
</tr>
</tbody>
</table>
Pilot Results: Overall the feedback was positive

Q6 Relative to other issues in SPP, how important is the measurement and communication of benefits?

Answered: 14    Skipped: 0

- Most important, top of my list
- Very important, we need to focus on it
- Important, but other issues are more pressing
- Not very important right now, but will be in the future
- Not at all important
- n/a
Pilot Questionnaire Results: Most Helpful Sections

Most often selected as “Very Helpful or Helpful”:

- Section A. Prepare the Vision.
- Section G. Plan.
- Section I. Implement.
- Appendix A: Landscape of methods and calculators for measuring SPP benefits by type of benefit
- Appendix B: List Calculators for Measuring SPP Benefit (in this report, this information is provided in Appendix XX).
Pilot Questionnaire Results: Suggested Improvements

- Appendix B: More detail and guidance is needed on the methods: how and when to use them.
- More regional / country level adaptation of Guidance,
- Simple steps - match to different levels of progress in SPP
- Case examples and illustrations - short and long
- Advice on gathering data using existing e-procurement platforms
- Further investigation into social benefits metrics and methodologies.
Recommended next steps for this topic
How can we progress this work further?

1. Further research and methodology development
   - Calculating and characterizing social benefits
   - Applications of methods to SPP listed in Appendix B

2. Develop more detailed “how to” guidance on:
   - Economic benefits
   - GHG emissions reductions
   - Effectively gathering and analyzing data

3. Further Testing and Adaptation of the Framework Guidance
   - Into SPLC Guidance & Rating System
   - With 2A workgroup guidance
   - Country/regional adaptations
   - Different types of government agencies - small local, regional, state, national

4. Collecting and Sharing Best Practices and Case Examples
Your ideas, questions, thoughts

Today, on this Webinar and/or

Email us: with your thoughts and ideas.

Farid Yaker, UNEP
farid.yaker@unep.org

Jason Pearson, SPLC
jason@sustainablepurchasing.org

Dr. Anastasia O’Rourke, IEc
aorourke@indecon.com
Thank you!