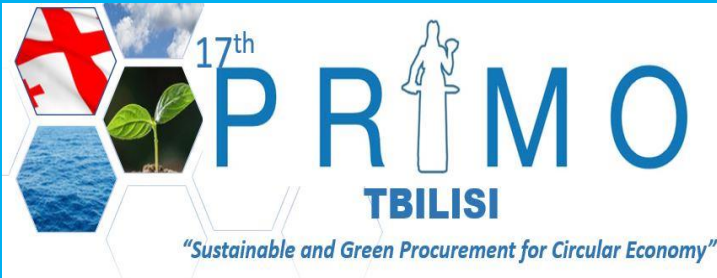


# Role of International Organizations in Supporting Sustainable Public Procurement

Julie Farmer

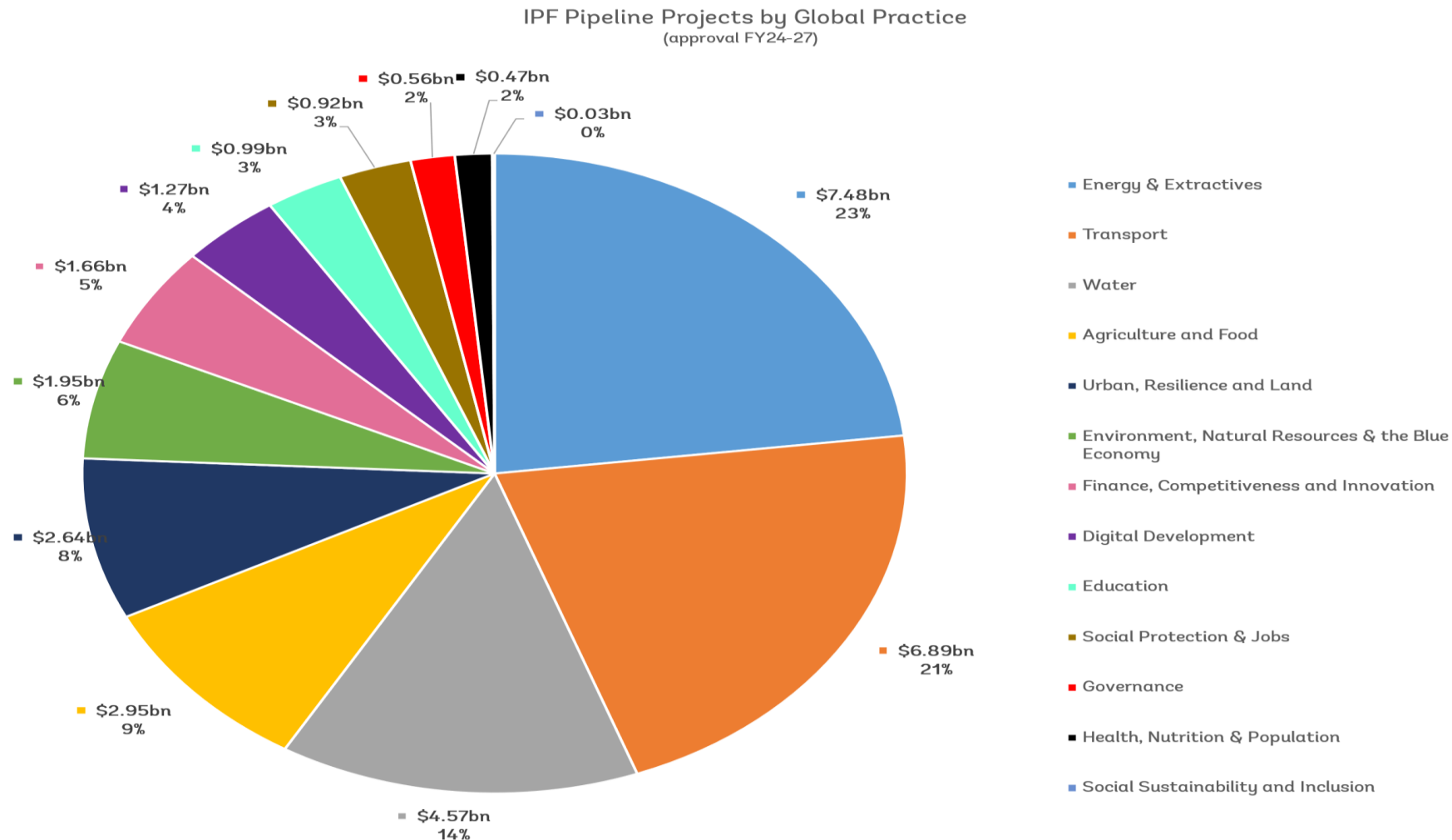
PRIMO, Georgia

May 2024



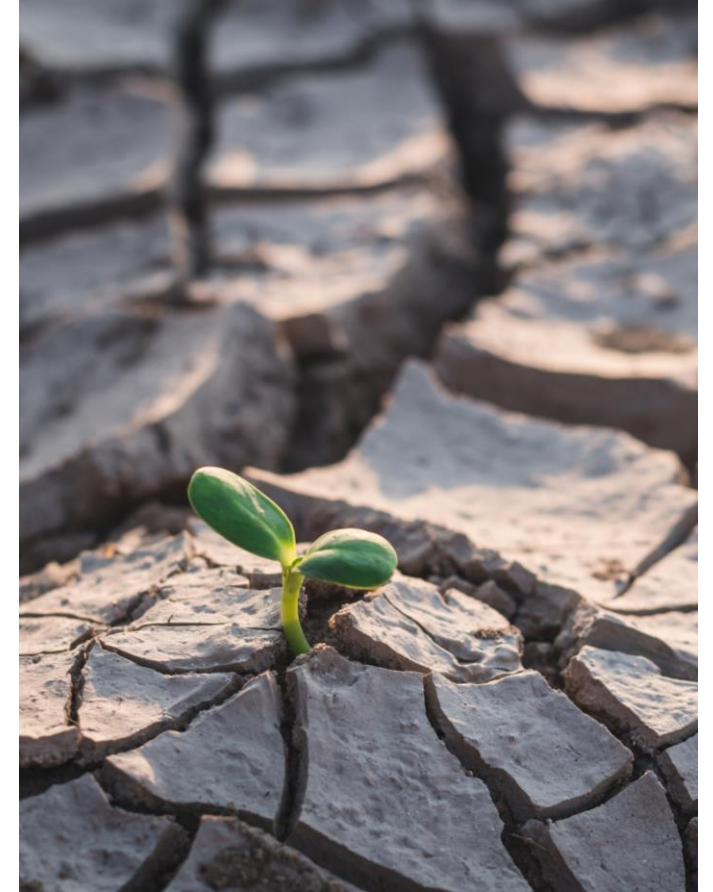
# Bank's Pipeline Spend FY24 - 27

Pipeline IPF projects 2024 to 2027 by sector, commitment of more than \$32 billion



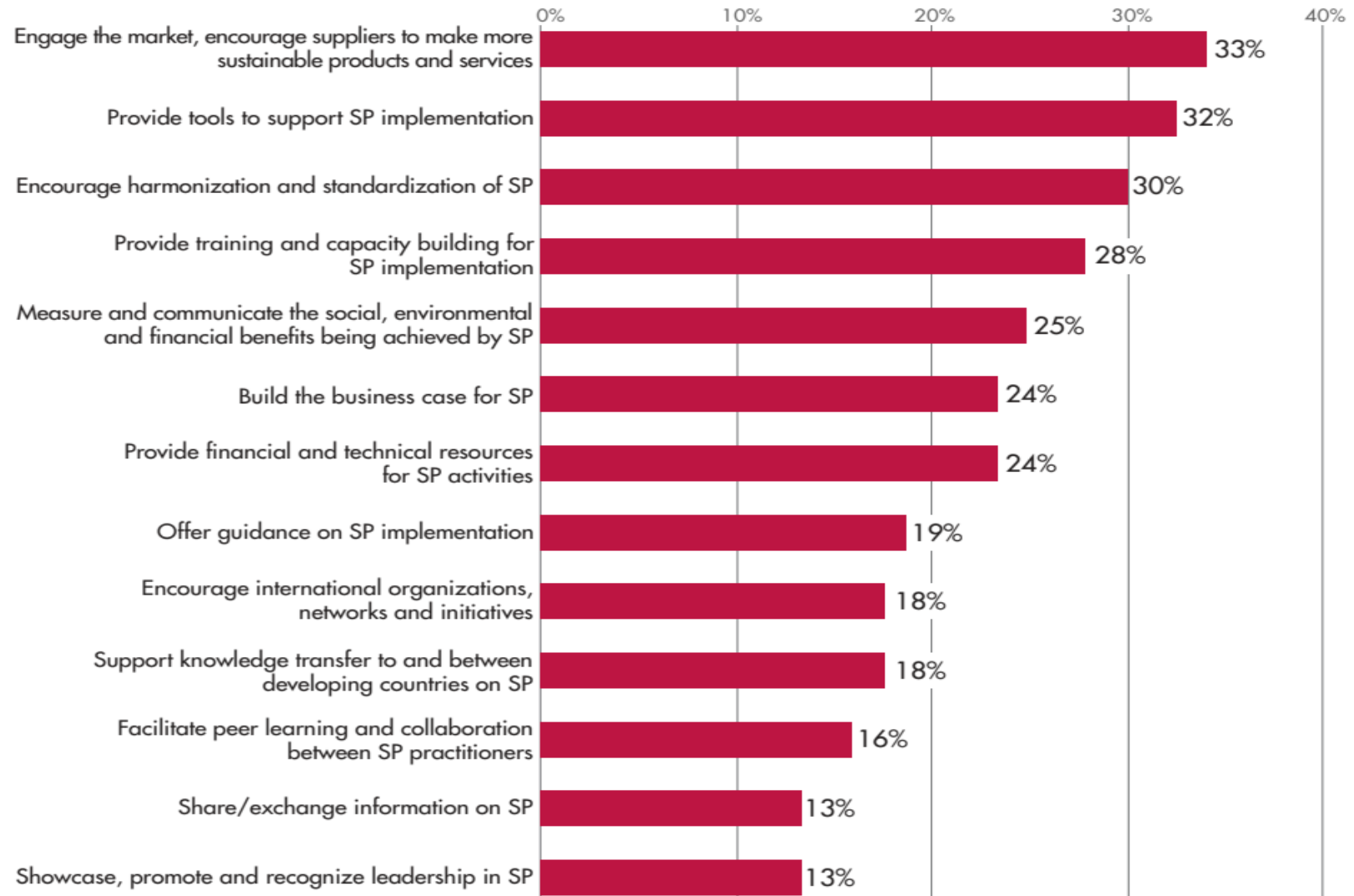
# SPP - Ensuring a 'Just' Transition

- Recognition of the climate crisis is widespread; yet **Low-Income Countries** (LICs) are at the **forefront of its impacts** without contributing significantly to the causes
- Sustainable Public Procurement can **bolster local industries** and businesses, and **support local workers**
- It is important to **tailor approaches** to accommodate **regional variances, market capacity, and national policy priorities**



# What support do countries want from international organizations?

Activities participants felt should be coordinated internationally



N=237

Respondents could select only 3 options

Source: 2021 SPP Global Review Stakeholder Survey.

# World Bank's Approach to Sustainability

## Environmental and Social Framework (ESF)



- Ten standards covering around 50 procurement-related E&S issues
- Flexible, risk-based approach to mitigate a project's biggest E&S risks

## Green, Resilient and Inclusive Development (GRID)



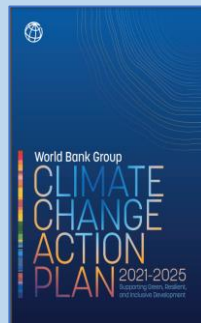
- Promotes economic growth that goes hand in hand with environmental goals and social inclusion
- Ensures Bank investment meets criteria to be green, resilient and inclusive

SPP

## Climate Change Action Plan

- Integrating climate & development
- Identifying/prioritizing mitigation and adaptation opportunities
- Drive climate finance and leverage private capital to deliver results

Reinforced by the **Paris Alignment strategy** mandated from 1 July 2023



## Climate Change Development Reports (CCDR)

- Core diagnostic reports
- Integrate climate change and development considerations
- Help prioritize most impactful actions to reduce GHG emissions and boost adaption and resilience



# Mandated Use of Rated Criteria

Rated Criteria are used to evaluate the non-price attributes of bids/proposals, they evaluate and compare key technical requirements and how each supplier intends to address them

**Through SPP lens = mechanism to identify and reward suppliers:**

- who can **offer added value** in the design/build/operation of an asset that results in efficiency improvements
- **provide a sustainability proposal** that demonstrates an understanding of E&S risks and can put forward a sound methodology that addresses them (e.g. management of biodiversity risks, minimization of waste)
- put forward **key personnel that are experienced** in delivering projects that have a positive impact on the environment
- can **effectively use locally sourced sustainable materials**, eco-labels etc
- **proactively manage carbon emission** reductions throughout their own supply-chain

# World Bank procurement resources available to support SPP

## Targeted Suite of Guidance Docs



- Four Guidance documents, each covering a project phase:
  - Introductory module: overview of SP
  - Concept phase: early influence on project
  - Appraisal: developing the PPSD
  - Implementation: contract management

## F2F and Online Learning



- In-person 2-day training on SP/ESF initially targeting procurement practitioners
- 2 eLearning modules; an overview module (30 mins) and a detailed module for operations (1.5 hours)

## Practical Tools



- Prototype tool soon launched, explaining how specific project environmental and social risks can be mitigated
- Set of draft clauses for use in national bidding documents



# The future of SPP and the role of international organizations

“In a perfect world, which is not the current world, SPP would not be SPP. It would be regular public procurement. It would not be a ‘thing’, but just the way we are.”

## Aligned sustainability standards

A mutual-recognition framework to harmonize green requirements for businesses

## Bridging the ‘green cost premium’

How do we help cover the ‘green premium’ of increased upfront

## New Technology

What is the role of social media and AI? How do we share new technologies and use them to lead to better sustainability

## Net zero supply chains

What is procurement’s role in measuring and reducing ‘Scope 3’ emissions (i.e. supply chain GHG emissions)

## A global supplier collaboration

A global supplier conversation to cover the big issues such as ‘who pays’ and what industry must contribute







**Thank You!**

