Public Procurement in Times of Crisis and Beyond: Resilience through Sustainability

Webinar documentation

September 8, 2020
Introduction

- Webinar recorded
- All on mute
- Technical issues?
- Ideas, comments, questions? Ideaboard
Mission

Electronics Watch helps public sector organisations work together, and collaborate with civil society monitors in production regions, to protect the rights of workers in their electronics supply chains.
The Impetus for this Webinar

How can public buyers support workers, whilst showing to our paymasters that we are not losing focus of value for money too?
Agenda

- Perspectives from Production Regions
- Perspectives of Public Procurers
- Overarching Themes
- Questions & Answers
- Wrap-up
Dimitri Kessler
Founder and Director
Economic Rights Institute
Hong Kong
Effective Influence Requires Systems, Not Short Term Crisis Responses

Does COVID bring with it new risks? Yes.
- Out of the loop: the flexibility of flexible employment
- Prejudice, infection & the risk of infection
- Economic & recruitment difficulties incentivize coercion
- Quarantines & security heighten tensions & hostility
- Tectonic shifts of wider politics

It is impossible to intervene effectively without doing the “homework” to build systems independent of COVID
- How credible, wide & comparative is your monitoring?
- How do you consider risks & the cost/effectiveness of interventions?
- How do you consider these costs in pricing?
- How do you structure buying to strengthen constructive influence?
Perspectives from Production Regions

Aykut Kazanci
Senior Supply Chain Specialist
China
IF BUSINESS IS GOOD, ALLOCATE SUFFICIENT BUDGET FOR TRAINING, IF BUSINESS IS NOT GOOD, DOUBLE IT

Training, in a broader sense, covers engaging and monitoring suppliers

Add SARS-CoV-2 preventive measures ignored

- Distance: Needs layout restructuring
- PPE: Needs better, proper, renewed
- Hygiene: Needs soap/disinfectants
  +++ Needs training
Perspectives from Production Regions

Ha Kim
Managing Director
Center for Development and Integration
Vietnam
TRANSPARENCY: FROM POLICY COMMITMENTS TO REAL ACTIONS

Brands and factories are required to:

- Publish information related to the Business & Human Rights commitments and contact of focal points in each country/region

- Publish Sustainability reports with details information for each country/factory; violations or gaps consolidated from audits/reviews (if any) and the general improvement plans

- Publish the list of suppliers/buyers in each country

- Open to independent reports/reviews and constructive dialogues
Perspectives of Public Procurers

Mercè Corretja Torrens
Director General of Public Procurement of the Government of Catalonia
Spain
PUBLIC PROCUREMENT AS AN OPPORTUNITY TO GET OVER THE ECONOMIC CRISIS

- The COVID-19 pandemic has highlighted some of the weaknesses of Public Procurement in Catalonia and Spain as well.

- At the same time, PP rises as an important economic tool to promote projects for the economic recovery helping local companies and SMEs, in areas of innovation and green public procurement.

- Some examples:
  - Launching projects to increase energy efficiency
  - Working with local companies to reduce the carbon footprint
  - Launching projects of organic food in Public Sector
  - Promoting manufacture of sanitary equipment/sanitary textile by local companies
Perspectives of Public Procurers

Stéphane Beauvais
Public Policies Manager
UGAP – Union des Groupements d'Achats Publics
France
STRENGTHEN LINKS AND MUTUAL KNOWLEDGE BETWEEN US, OUR SUPPLIERS AND THEIR SUBCONTRACTORS
Perspectives of Public Procurers

Steve Johnston
Director Strategic Procurement
CAUDIT – Council of Australasian University Directors of Information Technology
Australia
COLLABORATION

- Working together
- Reducing duplication
- Aligning demand
- Generating savings
- Shifting goals
Perspectives of Public Procurers

Albert Geuchies
Contract Category Manager Datacenters
Ministry of Education, Culture and Science
The Netherlands
There is no sustainable solution without sustainable demand

- Create Innovative Sustainable Demand
- Work with the Market
- Be a Director on the Chain
- Start a Sustainability Program
Carla Canal Rosich
International relations officer
Barcelona City Council
Spain
1- WHAT Mandatory Transparency of the whole supply chain (from mineral extraction to final disposal of waste)

2- WHY Requirement for due diligence

WHO Companies and public buyers

For every company
In every tender
In the web

Develop mechanisms for follow up and control (network)

"States should promote respect for human rights by business enterprises with which they conduct commercial translations" Guiding Principle 6
B&HR UN
To comply their own duty

Public buyers have to demand business partners with capacity to assess human rights supply chain risk and provide remedies where abuses are found to occur

HOW/WHERE in the tenders and in the contract: In particular conditions as EW but also in other (Subject Matter, Selection criteria, Technical specifications, Award criteria and CC)

Lying or not answering → Penalty or even termination of the contract or even a ban on hiring a certain company in the future

Why: Sometimes resellers or public buyers they are not enough aware of their responsibilities and their power
Perspectives of Public Procurers

Fareed Amir
Public Sector Lead, Modern Slavery Unit
Home Office
UK
THE PURPOSE OF TRANSPARENCY

- Why we wanted to publish a government modern slavery statement
- How we worked with over 100 people to develop it
- Impact we have seen on government departments
Perspectives of Public Procurers

Kathleen McCaughey
Manager Sustainable Supply Chains
Region Stockholm
Sweden
KNOW YOUR SUPPLY CHAIN

- Monitoring during a pandemic
- Risk assessments
- Verifying at tender (country, address of factories)
- Contractual obligations on transparency

Perspectives of Public Procuring – Kathleen McCaughey
Perspectives of Public Procurers

Pia Uhre Trulsen
CSR Manager
Norwegian Hospital Procurement Trust
Norway
**The Ethical and Transparent Supplier**

<table>
<thead>
<tr>
<th>Demands in procurement</th>
<th>Suppliers responsibility</th>
<th>Suppliers transparency</th>
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<tbody>
<tr>
<td>Equal qualification criteria's in all European public tenders</td>
<td>Choose responsible manufacturers</td>
<td>Transparent supply chains</td>
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<tr>
<td>Comply with ILO core conventions for human- and workers rights</td>
<td>Follow up manufacturers on human- and workers rights in a regular basis</td>
<td>Transparent how suppliers work with human- and workers rights in their supply chains</td>
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<td>Tenders must ensure transparency which manufacturers used in public contracts</td>
<td>Be a partner driving improvements</td>
<td>Transparency in issues to public buyers</td>
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<td>Ensure suppliers have a system following up on human- and workers rights in the supply chain</td>
<td>Be up to date on social issues in worldwide supply chains</td>
<td>Cooperate with public buyers, other suppliers and customers to drive improvements</td>
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<td></td>
<td>Report non-conformities to public buyers</td>
<td>Welcome visits at manufacturers site</td>
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<td>Ensure compliance with ILO core conventions on own business and sub-suppliers who contribute to performance of the contract</td>
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- Set the demands and follow-up
- Cooperate with other public procurers
- Clear on expectations
- Be open and transparent and give the suppliers enough time to adjust
- Be strict when needed

**Co-operate between public procurers and suppliers on labor and human rights in priority matters**
Perspectives of Public Procurers

Angus Warren

CEO
Advanced Procurement for Universities and Colleges
UK
TRANSPARENCY THROUGH TECHNOLOGY

- Mainstream social media scanning – Globalworks, etc.
- Whistle blower portals
- Human Rights NGOs data sharing platforms
- Create a international database accessible to public buyers of production sites containing information / reports on their human rights (and environmental) status, recording what they produce – identifying links to brands and sub-suppliers
- RBA to open their audit database to public buyers?
A Webinar Theory of Change?

Steps
- Regional/international dialogue
- Stakeholder dialogue
- Contractual obligation
- Sharing monitoring/data platforms
- Sharing experience/case studies
- Responsible purchasing

Objectives
- Demand
  - Aligned
  - Innovative
  - Sustainable
- Transparency
  - Supply chains
  - Due diligence
  - Working conditions
- Collaboration
  - Among public buyers
  - Public buyers and suppliers

Goals
- Economic Recovery
- Responsible Business
- Safe Conditions
- Labour Rights
- Environmental Responsibility
- Efficiency
- Savings
Questions & Answers
Questions & Answers

Public Procurement in Times of Crisis and Beyond: Resilience Through Sustainability

My own ONE IDEA

Bring together socially responsible public procurement with sustainable investment practices by public investors (e.g. pension funds) to strengthen the leverage in engagement with beholders.

Love the thought of consequences on businesses that either lie or choose not to reply to independent evidence of criminal violations!

Doing The Right Thing And Doing It The Right Way - the right thing best value for money... the Right Way not at the expense of people (worker) or en: persuading human, labor, env...

Use your leverage to support workers in your supply chain to self-organise into genuine trade unions where possible... the spotlight you shine gives them a gigs you they didn't have before

Great point about the need for companies to go beyond policies. We need to see the impact!

It seems that public procurement also faces the need for fundamental change, how it works with its supply chains - focus on dialogue

We have asked vendors for open-book pricing for some time; it's time to ask for open and transparent social responsibility.

Great that you share this information as it is a business imperative. Relationships are just as important to be maintained.

Re the union point: Not enough space to add... where national law allows it.

UNISON is developing a tripartite training course for local government. We are conducting new research to capture Covid impacts. Grateful if the panelists and other processors fill in our worksheets as soon as it becomes available.

Comments

Collaborate to open up the space for workers to self-organise into independent democratic unions - workers can act as their own monitors.

As we know audits are deficient, which alternative mechanisms could be used as proof of better practices in the realm of public procurement?

What are possible questions to ask now in a dialogue with the suppliers to make sure rights of workers are respected (in times of crisis)?

How important are procurement consortia? Should contracting/legions that went to develop towards socially responsible public procurement up first step try to set up such consortia?

Questions

In a dialogue with ICT suppliers what are the proofs we can ask to be sure they are doing serious efforts to respect workers in COVID times?

What is an innovative (?) sustainable demand?

Technology to support monitoring seems interesting. Are there any pitfalls you might imagine?

Given limited resources how do we do more to confirm the self-declarations we receive from suppliers (in the SSO) on key issues?

In dialogue with ICT suppliers what are the proofs we can ask to be sure they are doing serious efforts to respect workers in COVID times?

To what extent do auditors require public procurement contracts to demonstrate accountability/verifiable respect to labor and environmental limits?

How to keep focus on need for more effective workers' rights monitoring and intervention if the incentive to work together is reduced costs?

Many of the resources we use to rely on for checking suppliers are based upon historic data (pre-dating C-19). Are there any new tools?
Public Procurement in Times of Crisis and Beyond: Resilience Through Sustainability

My own ONE IDEA

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<td>I fully understand transparency demands. In the sector I work in,</td>
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<td>companies argue strongly that they cannot share this information as it</td>
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<td>is a business secret. Relationships are just starting to be</td>
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<td>constructive. Any advise?</td>
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<td>Being strict on enforcement requires a wider perspective on supply</td>
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<td>network to ensure business goes to BETTER options.</td>
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<td>When will the UK Home Office publish the results of the Modern Slavery</td>
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<td>Act review AND mandate by law for the public sector to report annually?</td>
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<td>How can public buyers change their contracts to e.g. support a less</td>
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<td>volatile or cyclical production and so lessen the burden on workers?</td>
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<td>bigger asks towards industry?</td>
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<td>Have any buyers other than in Sweden suspended or ended their contracts</td>
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<td>because of failure to fulfill EW contract clauses?</td>
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Thank you!

This webinar has been produced with the assistance of the European Union. The contents of this webinar are the sole responsibility of Electronics Watch and its partners and can in no way be taken to reflect the views of the European Union.

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