

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

Webinar documentation

September 8, 2020



Responsible public procurement.  
Rights of electronics workers.



## Introduction

- Webinar recorded
- All on mute
- Technical issues?



- Ideas, comments, questions? Ideaboard

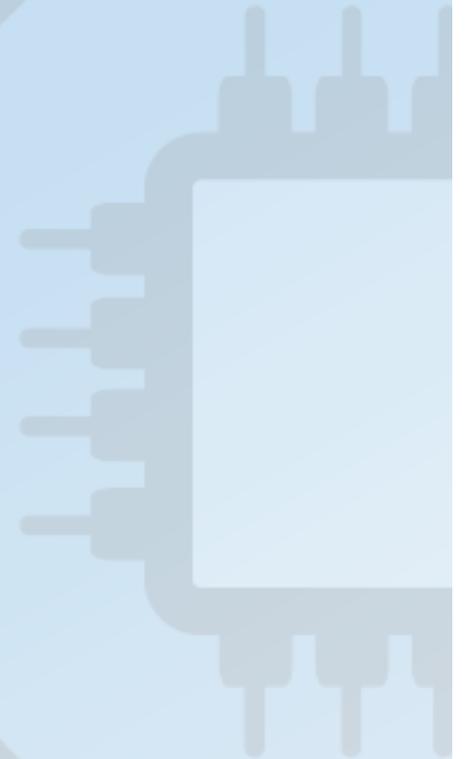
## Mission

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.



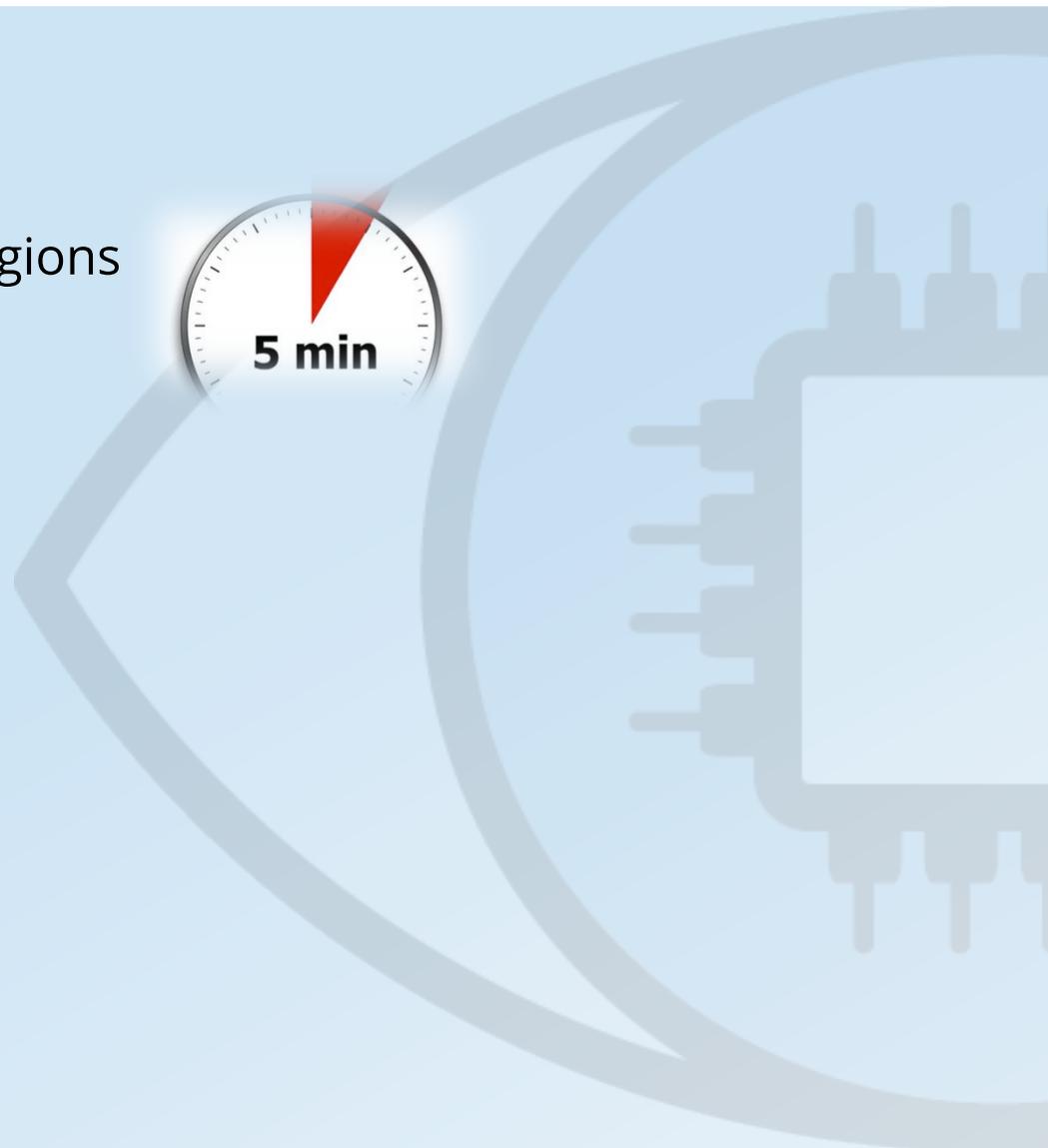
## The Impetus for this Webinar

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



## Perspectives from Production Regions

Dimitri Kessler

Founder and Director  
Economic Rights Institute  
Hong Kong



ECONOMIC RIGHTS INSTITUTE  
BUILDING BRIDGES TO BETTER WORK

## Perspectives from Production Regions – Dimitri Kessler

### **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



## Perspectives from Production Regions – Aykut Kazanci

**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



WAGES UNFAIRLY  
REDUCED OR DELAYED



EMPLOYEES FORCED TO  
WORK IN QUARANTINED  
FACILITIES



BUYERS EXTENDING  
PAYMENT TERMS.

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



## Perspectives from Production Regions – Ha Kim

### 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



## Perspectives of Public Procurers – Mercè Corretja Torrens

### **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



## Perspectives of Public Procurers – Stéphane Beauvais

# STRENGTHEN LINKS AND MUTUAL KNOWLEDGE BETWEEN US, OUR SUPPLIERS AND THEIR SUBCONTRACTORS

### SHARE VISION



### SUB-CONTRACTORS



## Perspectives of Public Procurers

Steve Johnston

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

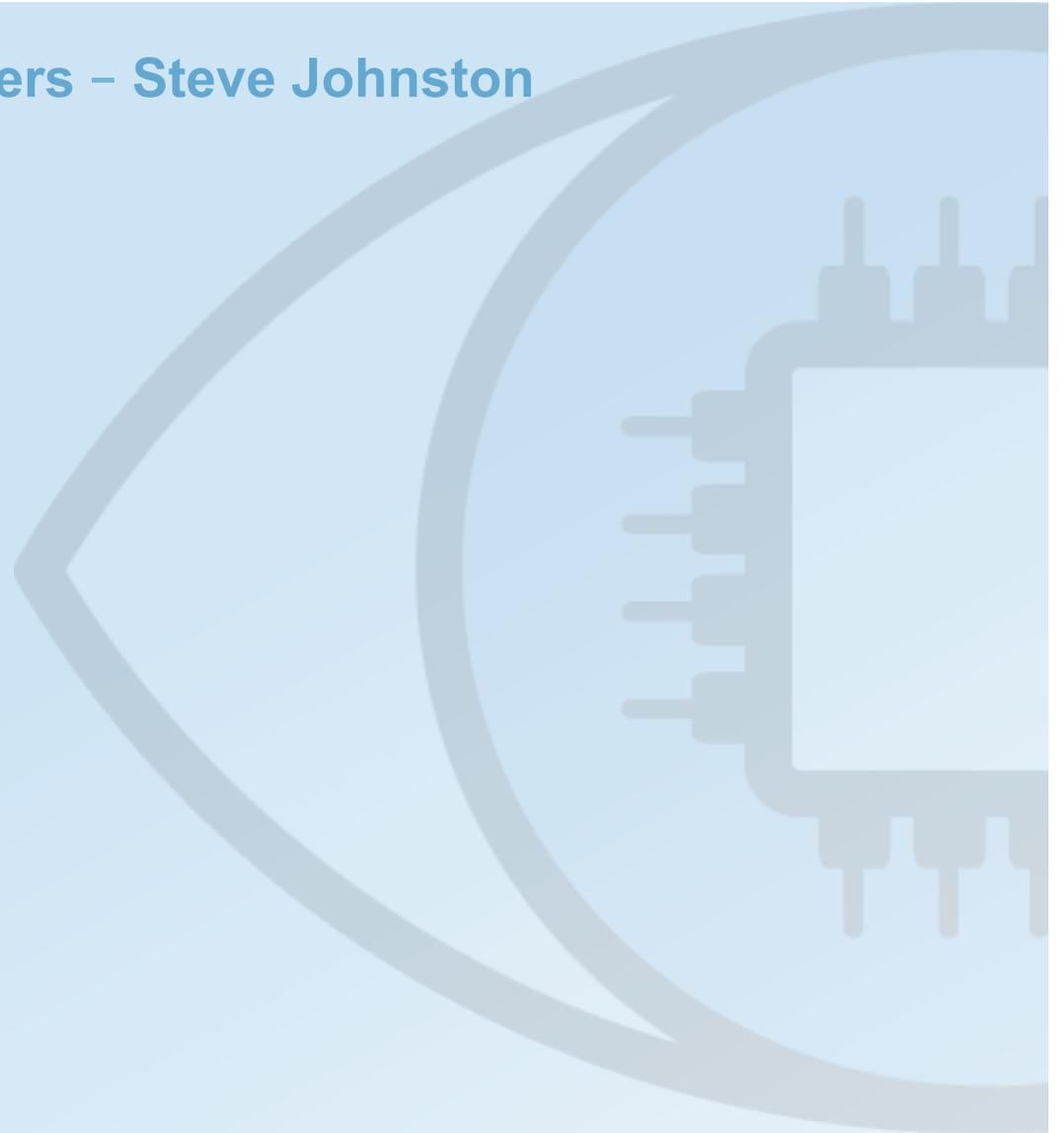


**CAUDIT**

## Perspectives of Production Procurers – Steve Johnston

### **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



## Perspectives of Public Procurers – Albert Geuchies

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

## Perspectives of Public Procurers

Carla Canal Rosich

International relations officer  
Barcelona City Council  
Spain



# Perspectives of Public Procurers – Carla Canal Rosich

“States should promote respect for human rights by business enterprises with which they conduct commercial transactions” 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

2- WHY Requirement for due diligence  
WHO Companies and public buyers

**1- WHAT Mandatory Transparency of the whole supply chain (from mineral extraction to final disposal of waste)**

For every company  
**In every tender**  
In the web

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

Develop mechanisms for follow up and control (network)

## Perspectives of Public Procurers

Fareed Amir

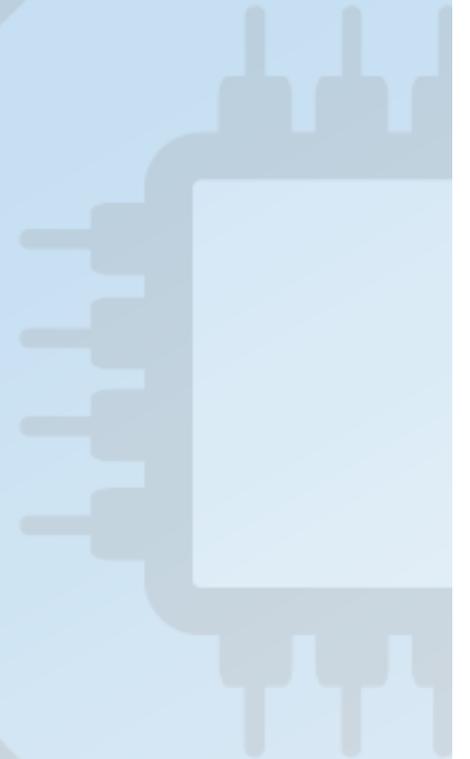
Public Sector Lead, Modern Slavery Unit  
Home Office  
UK



## Perspectives of Public Procurers – Fareed Amir

### **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

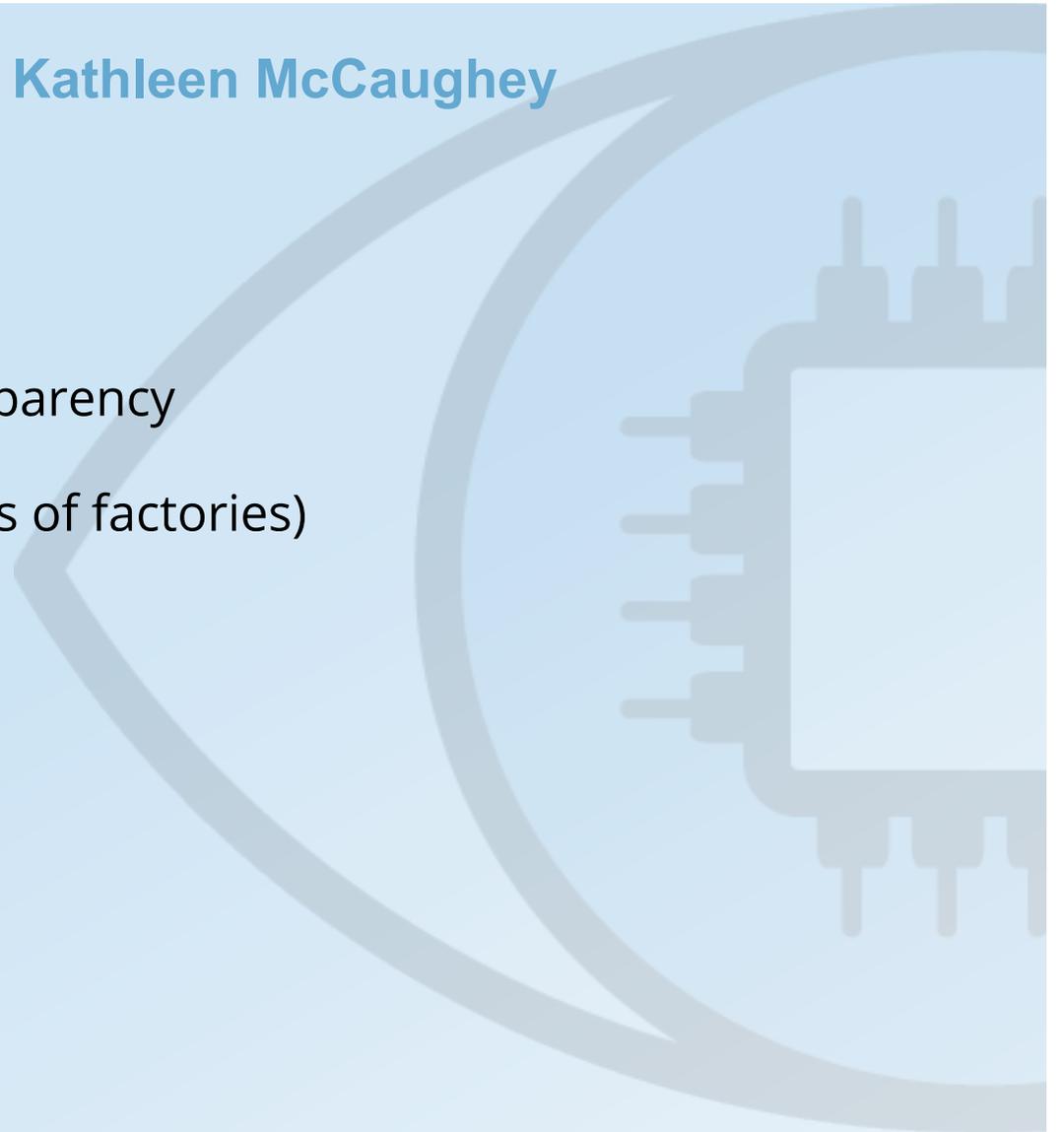
Manager Sustainable Supply Chains  
Region Stockholm  
Sweden



## Perspectives of Public Procurers – Kathleen McCaughey

### **KNOW YOUR SUPPLY CHAIN**

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



## Perspectives of Public Procurers

# Pia Uhre Trulsen

CSR Manager

Norwegian Hospital Procurement Trust

Norway



# Perspectives of Public Procurers – Pia Uhre Trulsen

## THE ETHICAL AND TRANSPARENT SUPPLIER

Demands in procurement	Suppliers responsibility	Suppliers transparency
<p>Equal qualification criteria's in all European public tenders</p> <p>Comply with ILO core conventions for human- and workers rights</p> <p>Tenders must ensure transparency which manufacturers used in public contracts</p> <p>Ensure suppliers have a system following up on human- and workers rights in the supply chain.</p>	<p>Choose responsible manufacturers</p> <p>Follow up manufacturers on human- and workers rights in a regular basis</p> <p>Be a partner driving improvements</p> <p>Be up to date on social issues in worldwide supply chains</p> <p>Report non-conformities to public buyers</p> <p>Ensure compliance with ILO core conventions on own business and sub-suppliers who contribute to performance of the contract</p>	<p>Transparent supply chains</p> <p>Transparent how suppliers work with human- and workers rights in their supply chains</p> <p>Transparency in issues to public buyers</p> <p>Cooperate with public buyers, other suppliers and customers to drive improvements</p> <p>Welcome visits at manufacturers site</p>

- 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



## Perspectives of Public Procurers – Angus Warren

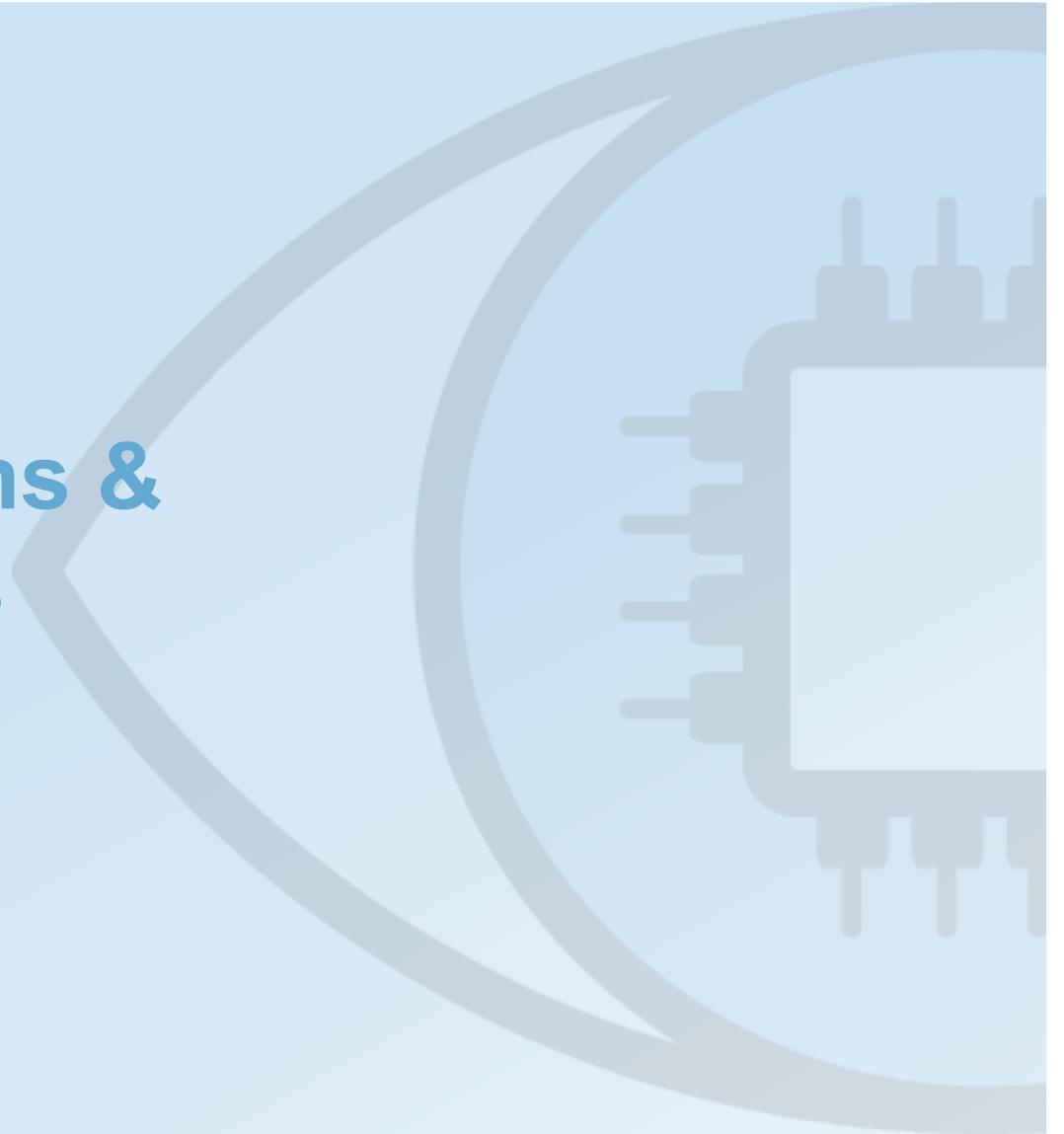
### **TRANSPARENCY THROUGH TECHNOLOGY**

- 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?



# Questions & Answers



# Questions & Answers

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

### My own ONE IDEA +

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 (workers) or env. preserving human, labor, env rights

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

Love the thought of consequences on businesses that either lie or choose not to reply to independent evidence of serious violations!  
+ 2

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 chance they didn't have before

### Comments +

Great point about the need for companies to go beyond policies. We need to see the impact!  
+ 1

It seems that public procurement also faces the need for fundamental change, how it works with its supply chains - focus on dialogue  
+ 1

Collaborate to open up the 'space' for workers to self-organise into independent democratic unions - workers can act as their own monitors.  
+ 1

We have asked vendors for open-book pricing for some time; it's time to ask for open and transparent social responsibility.  
+ 1

I fully understand transparency demands. In the sector I work in, companies argue strongly that they cannot share this information as it is a business secret. Relationships are just starting to be constructive. Any

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 procurers fill in our electronic survey when it comes

Re the union point: Not enough space to add - where national law allows it.  
+ 0

Being strict on enforcement requires a wider perspective on supply network to ensure business goes to BETTER options.  
+ 0

An international database containing information/reports on human rights/sustainability is a great idea BUT how realistic? Who would lead?  
+ 0

### Questions +

As we know audits are deficient, which alternative concepts could be used as proof of better practices in the realm of public procurement?  
+ 6

How important are procurement consortia? Should countries/regions that want to develop towards socially responsible public procurement as a first step try to set up such buying clubs? How complex is

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?  
+ 4

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)?  
+ 4

When will the UK Home Office publish the results of the Modern Slavery Act review AND mandate by law for the public sector to report annually?  
+ 3

How can public buyers change their contracts to e.g. support a less volatile or cyclical production and so lessen the burden on workers?  
+ 2

adding to cost question: can potential cost saving be transformed in bigger asks towards industry?  
+ 2

Have any buyers other than in Sweden suspended or ended their contracts because of failure to fulfill EW contract clauses?  
+ 2

What is an innovative (??) sustainable demand?  
+ 2

To what extent do auditors require public procurement contracts to demonstrate accountable/verifiable respect to labor and environmental limits?  
+ 1

Technology to support monitoring seems interesting. Are there any pitfalls you might imagine?  
+ 1

Given limited resources how do we do more to confirm the self-declarations we receive from Suppliers (in the SSQ) on key issues?  
+ 1

How to keep focus on need for more effective workers' rights monitoring and intervention if the incentive to work together is reduced costs?  
+ 1

Many of the resources/ we used to rely on for 'checking' suppliers are based upon historic data (pre-dating C-19), are there any new tools?  
+ 0

# Questions & Answers

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

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

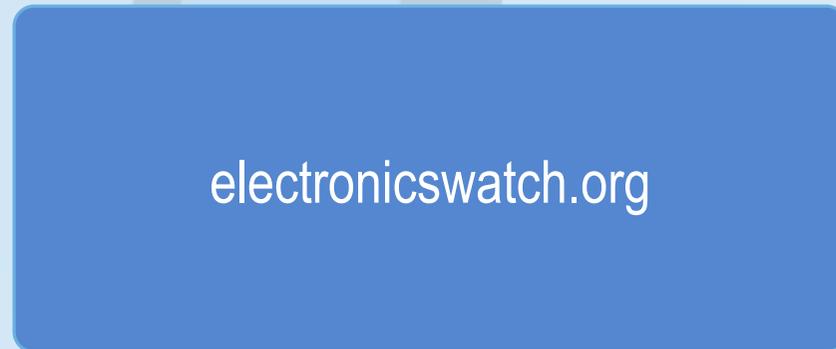
My own ONE IDEA	Votes
Doing The Right Thing And Doing It The Right Way: - the right thing: best value for money. - the Right Way: not at the expense of people (workers) or env: preserving human, labor, env rights.	3
Bring together socially responsible public procurement with sustainable investment practices by public investors (e.g. pension funds) to strengthen the leverage in engagement with industry	2
Love the thought of consequences on businesses that either lie or choose not to reply to independent evidence of serious violations!	2
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 chance they didn't have before	0

Comments	Votes
Great point about the need for companies to go beyond policies. We need to see the impact!	1
It seems that public procurement also faces the need for fundamental change, how it works with its supply chains - focus on dialogue	1
Collaborate to open up the 'space' for workers to self-organise into independent democratic unions - workers can act as their own monitors.	1
We have asked vendors for open-book pricing for some time; it's time to ask for open and transparent social responsibility.	1
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 procurers fill in our electronic survey when it comes.	1
I fully understand transparency demands. In the sector I work in, companies argue strongly that they cannot share this information as it is a business secret. Relationships are just starting to be constructive. Any advise?	1
Re the union point: Not enough space to add - where national law allows it.	0
Being strict on enforcement requires a wider perspective on supply network to ensure business goes to BETTER options.	0

An international database containing information/reports on human rights/sustainability is a great idea BUT how realistic? Who would lead?	0
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Questions	Votes
As we know audits are deficient, which alternative concepts could be used as proof of better practices in the realm of public procurement?	6
How important are procurement consortia? Should countries/regions that want to develop towards socially responsible public procurement as a first step try to set up such buying clubs? How complex is this?	4
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)?	4
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?	4
When will the UK Home Office publish the results of the Modern Slavery Act review AND mandate by law for the public sector to report annually?	3
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To what extent do auditors require public procurement contracts to demonstrate accountable/verifiable respect to labor and environmental limits?	1
How to keep focus on need for more effective workers' rights monitoring and intervention if the incentive to work together is reduced costs?	1
Given limited resources how do we do more to confirm the self-declarations we receive from Suppliers (in the SSQ) on key issues?	1
Many of the resources/ we used to rely on for 'checking' suppliers are based upon historic data (pre-dating C-19), are there any new tools?	0

Thank you!



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