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Sustainable Procurement practices in the UN and role of the EMG

Progress report on the work of the Environment Management Group

Note by the EMG Secretariat

I. Introduction

- 1. Procurement is the process by which public or private organisations buy goods and/or services to fulfill various needs. The procurement process is associated with the obligations of timeliness; effectiveness; efficiency; competition; transparency; equitable distribution; and development.
- 2. The procurement function links the United Nations to the market. As such, the way the UN procures its goods and services is proof of the moral integrity and transparency of the organisation and helps to communicate the intrinsic values of the UN. Discussions have taken place for a number of years about whether the environmental and sustainable development principles that the UN fosters worldwide are reflected in how the UN behaves as a consumer and as a citizen.
- 3. More recently, the UN Secretary-General Ban Ki-moon pledged to make UN practices more environmentally sustainable and called on all other agencies and staff to make common cause with him on World Environment Day (New York, 5th June). This call was reiterated in an official letter to all UN Heads of Agencies on 9 July 2007.

II. The EMG mandate and work on sustainable procurement

- 4. At its 1 September 2004 meeting in Nairobi, Kenya, the Environmental Management Group (EMG) requested UNEP to prepare an inventory of existing sustainable procurement policies and practices within the UN and to develop recommendations for future actions. UNEP in collaboration with the EMG Secretariat then convened an Issue Management Group composed of procurement experts from UN Procurement Services, UNOPS, IAPSO, UNDP and ILO.
- 5. The survey (finalised in March 2006) highlights the latent interest of procurement offices in more sustainable procurement practices but also a clear lack of the capacity and tools to do so. In particular:
 - a. Sustainable development is conceptually present in UN procurement activities but no coordination or guidelines exist at the system level;



- b. Procurement staffs are willing to include sustainability in their work but have asked for:
 - i. a strong and high-level political message to support the initial efforts being made;
 - ii. training at both the highest levels and at the working level; and
 - iii. clear guidelines and other tools, by product category, to help staff choose sustainable options.
- 6. The survey also makes concrete suggestions of ways to integrate sustainability into UN procurement policies and about the role of the EMG in supporting such a process.
- 7. Supported by the call of the UN Secretary-General for a more sustainable UN, the EMG Secretariat reconvened the open-ended Issue Management Group on Sustainable Procurement to discuss the conclusions of the survey and define steps ahead. The group met on 25-27 June 2007 in Washington, USA back-to-back with the Issue Management Group on a Climate-Neutral UN.
- 8. At the meeting the group agreed the EMG should deliver the following:
 - a. <u>Policy</u>: high-level endorsement and consequent legal and procedural modifications to ensure the inclusion of sustainability considerations in UN corporate procurement and facilities management rules;
 - b. <u>Knowledge and culture change</u>: increased capacity in relation to sustainability at work for staff and procurement officials/facilities managers;
 - c. <u>Tools</u>: such as training or product guidelines, to help procurers choose more sustainable options:
 - d. <u>Monitoring of progress</u> and the establishment of a communications system for both in-house and external communications about UN corporate environmental performance.
- 9. Participants in Washington also recommended that beneficiaries of the EMG work should primarily be UN agencies, but noted that public institutions interested in including appropriate environmental, social and governance criteria in public procurement may also benefit.
- 10. At the conclusion of the meeting, the EMG Secretariat was asked to prepare an action plan and an analytical paper to be presented to the Secretary-General and Executive Heads to support their decision to commit themselves to the introduction of sustainable procurement in their organizations.

III. From Sustainable Procurement to sustainable management systems

- 11. Following the above mentioned declarations of the Secretary-General, the EMG and UNEP received several requests for assistance from UN agencies intending to respond to the call to "green the UN system". It is clear that an endeavour of this magnitude requires long-term planning and that UN offices worldwide critically need coordinated advice and support not only in terms of procurement but also with regard to environmental management systems, reporting, staff training etc.
- 12. For this reason, the EMG is currently working on different fronts to drive a process aimed at cementing environmental considerations into UN management through agency-wide Environmental Management Systems (EMS). These will systematically include issues such as carbon neutrality and sustainable procurement (including facilities management).



- 13. The EMG Secretariat therefore proposes to submit a strategy and an action plan to the approval of the next EMG meeting. These will aim to implement within the UN the necessary processes and mechanisms to ensure that agencies are equipped with common methods and tools to operate their buildings and their procurement systems more sustainably, thus reducing energy and resources wastage and achieving carbon neutrality.
- 14. In the meantime, the EMG Secretariat will continue its work and will seek resources to implement the action plan defined by the Issue Management Group on Sustainable Procurement.

IV. Next steps

- 15. In order to work in the area of sustainable procurement, the EMG Secretariat needs the endorsement of the general directions for a sustainable procurement strategy, as found in document EMG/AM.07/09.
- 16. This endorsement will facilitate the EMG secretariat work in approaching those agency departments in charge of procurement, staff training or communications which need to be involved in the implementation of the action plan. EMG members may therefore wish to convey the endorsement to the relevant departments and to identify contact people within the agencies who can assist and advise the EMG Secretariat.
