



Commissioning with ambition, procuring with impact

National Plan on Sustainable Public
Procurement for 2021-2025

Prelude

Sustainable Public Procurement (SPP) is an effective instrument to help reduce CO₂ emissions, the environmental impact and use of raw materials, to achieve an inclusive labour market and to tackle abuses involving people and the environment in international chains. As far as the central government is concerned, these social goals are no longer a minor point in the procurement process, but the main point instead. This was established by the Council of Ministers in the context of the government procurement strategy 'Procuring with Impact'¹.

The Dutch government wrote in its Governing Agreement²: "The Dutch government will make better use of its purchasing power to

accelerate sustainable transitions, to engage vulnerable groups and to purchase innovatively." Municipalities, provinces, Water Authorities and central government together have an enormous purchasing power of more than € 73 billion per year³. They are also decisive players in various markets, such as construction, energy, transport, waste processing, health, safety and education. By managing their procurement according to social goals, they can help transform the Netherlands into the social, sustainable, inclusive and innovative market and society that we need. And at the same time, they can make a significant contribution to the intended sustainable economic recovery from the crisis caused by the COVID-19 pandemic.



Much work has already been done in recent years to give substance to the government's ambition. A lot has been implemented to support and encourage purchasing government agencies. Based on the SPP Action Plan for 2015-2020, an infrastructure has been built with instruments that boost, support, connect and monitor. Five ministries worked together on this: Infrastructure and Water Management, the Interior and Kingdom Relations, Economic Affairs and Climate, Foreign Affairs and Social Affairs and Employment. In 2020, the Dutch



Ministry of Education, Culture and Science joined to promote the theme of diversity and inclusion. Meanwhile, a large and growing group of enthusiastic front runners has emerged who are working on their procurement. A textbook example in all this are the more than 170 organisations that have now joined the SPP Manifesto.

The political ambitions to continue with this policy are strong and, in addition to procurement, now also explicitly involve good commissioning practice. This was found to be of such a determining factor in making real impact, that from now on, it has been decided to also communicate this under the name 'Commissioning with ambition, Procuring with Impact.' SPP can play an important role in combating climate change, in creating a circular economy and equal opportunities in the labour market and in tackling abuses related to working conditions, human rights and the environment in international value chains. This often requires innovative solutions, which can also be promoted through procurement. These procurement ambitions are firmly anchored in the Climate Agreement, the Circular Economy Implementation Programme, the ICSR policy and in the procurement strategy of the central government and many other levels of government.

At the same time, monitoring and evaluations demonstrate that SPP does not yet have the impact needed to achieve our social goals. Despite all good practices and initiatives, too many purchasing organisations are still making insufficiently effective use of SPP. The business community and parliament therefore ask regularly to intensify its application. Recently, for example, the parliament adopted the Özütok⁴ motion to "make sustainability a benchmark in public procurement". The ambition of this 2021-2025 SPP National Plan is to give a strong boost to the application of SPP by government agencies, thus creating a much stronger impact on the market.



This National Plan overlaps a number of other parallel developments in the field of procurement. First, the government procurement strategy 'Procuring with Impact' had already been developed for the approximately € 10-12 billion in government procurement. The National Plan supports the implementation of this government procurement strategy with tools such as the SPP criteria tool and the SPP Self-evaluation tool.

This plan also shows common ground with Better Procurement⁵ of the Dutch Ministry of Economic Affairs. In recent years, this process has focused on improving professionalism and the procurement practice of government agencies. This is not separate from the social goals. After all, a professional procurement practice is one of the conditions for being able to purchase in a sustainable manner. And vice versa, SPP is an important driver in the desire to improve procurement practice, because SPP makes purchasing politically relevant by linking it to social goals. Work is underway on a follow-up to Better Procurement, which will include efforts to improve coordination between contracting authorities and market parties. The aim is to maximise coordination and collaboration between Continued Better Procurement and the activities based on this plan.



Internationally too, public procurement is deemed an important driver behind sustainability and social improvement. In the European Union, some 250,000 government agencies spend around € 2,000 billion (14% of the gross domestic product) on the purchase of services, works and products each year. The Union has therefore been committed to drawing up national action plans to make their procurement more sustainable ever since 2003. A total of 23 Member States have up-to-date action plans. This SPP National Plan is the national action plan of the Netherlands. Since 2017, the European Commission has been pursuing a more strategic use of public procurement. At the end of 2019, this was also incorporated in the European Green Deal, which calls on government agencies to lead by example in their procurement. The EU has further announced mandatory procurement objectives and criteria based on the European Circular Action Plan and is pushing for the mandatory use of e-forms when purchasing.

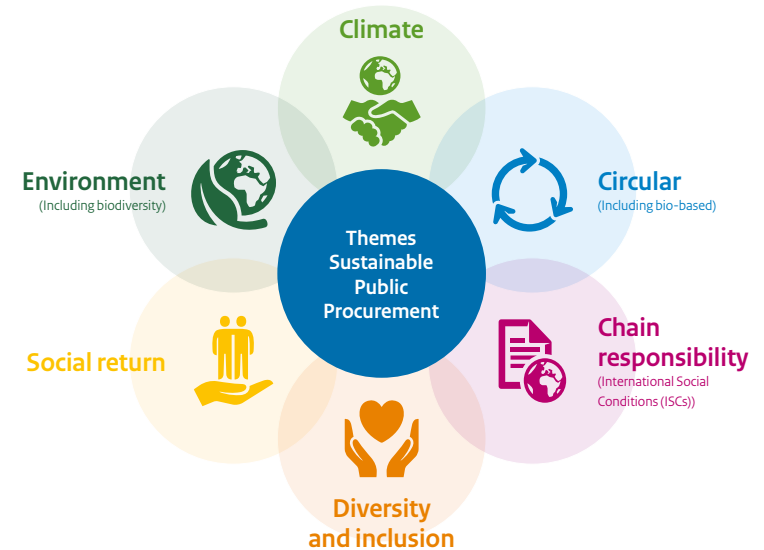
Globally, the Sustainable Development Goals (SDGs) are setting the course for a sustainable and inclusive world by 2030. With ten years to go, it is clear that we are nowhere near on track with the desired sustainable consumption and production⁶, of which purchasing is part⁷. As a result, climate change, loss of biodiversity and pollution continue to rise, with all that this entails for the well-being and prosperity of people. This requires a strong approach in policy and practice to turn the tide. This plan aims to make a significant contribution to this for the Netherlands.

Objective of Sustainable Public Procurement

The objective of SPP is to use the purchasing power of all government agencies (and other purchasing parties) as much as possible to achieve our social goals in the physical and social domain. By purchasing sustainable products, the Dutch government makes a credible contribution to achieving these goals: practise what you preach. This way, the Dutch government creates market demand for sustainable, social and innovative products, works and services. This in turns generates a strong boost to market parties to innovate and make their products and offers more sustainable. SMEs play an important role in this as a major employer and innovator.

Social goals are taken to mean the following SPP themes:

- Preventing climate change (SDG 13)
- Promoting a circular economy (SDG 6, 8, 9, 12, 13, 14 and 15)
- Reducing environmental pollution, such as nitrogen emissions, air pollution, use of harmful substances and pesticides, also to protect biodiversity. This includes combating food waste and reducing water and energy consumption (SDG 14 and 15)
- Promoting a diverse and inclusive society and business community where everyone is treated and judged by what they can do and not by who they are, who they love, where they come from or what they believe in (SDG 10)
- Encouraging labour participation among people with poor job prospects (social return) in line with the pursuit of a diverse and



inclusive society (SDG 8)

- Increasing chain responsibility of companies. This means preventing or tackling abuses in the fields of working conditions, human rights and the environment in accordance with the OECD guidelines for multinational companies (theme international social conditions or ISCs) (SDG 1, 2, 3, 8, 12)

The SPP policy as a whole has no legally enforceable basis. It is largely based on administrative agreements and widely supported social goals. Certain parts of the SPP policy do have a legal basis; the Dutch Public Procurement Act is an important framework, as are the Dutch Environment and Planning Act and the Dutch Participation Act. European Directives are also relevant for public procurement, such as the Clean Vehicles Directive, 2019/1161/EC, which aims to make public procurement of transport more sustainable. The Commission is also making proposals for mandatory criteria and targets for sustainable procurement in the context of the EU Green Deal.

The social goals pursued through SPP have in many cases already been laid down in, among other things, the Sustainable Development Goals (SDGs), the climate agreements, the Jobs Agreement, the Raw Materials Agreement, the OECD guidelines for multinational companies, the Diversity Charter signed by various levels of government⁸ and other goals to which government agencies (and in many cases also companies) are jointly committed.



Broad embedding in the organisation-Practical example 1:

The Municipality of Utrecht places ultimate responsibility for SPP with the actual client

“Including SPP criteria should not be the ultimate responsibility of the procurement department, but that of the client within the organisation.” The client is the content owner of what is procured and therefore also responsible for SPP.

The procurement process of the Municipality of Utrecht reflects this: the procurement project team draws up a tendering approach as standard. This includes what SPP ambition level is being pursued, whether circularity plays a role and which (other) SPP themes are

focused on. As regards the SPP ambition level, the project team must make a choice based on three steps: if there is a promising category in which the expectations in terms of social impact is high, then the project team opts for the highest ambition level (3): the market is challenged as much as possible. At the lowest ambition level (1), at least [the basic level of the national SPP criteria](#)* is used. The approach is assessed by the tactical tender board and the budget holder. This process approach means SPP is always part of the decision-making process and provides an excellent opportunity to embed SPP.



* See: SPP criteria tool: www.mvicriteria.nl/nl or www.sppcriteria.com

The Municipality of Utrecht has included the “SPP, unless” concept in its SPP Action Plan. SPP cannot be ignored and by including SPP in the regular process and dividing the involvement among various roles (from budget holder to buyer), the Municipality of Utrecht ensures SPP is always considered. The Municipality of Utrecht recommends other organisations look for similar opportunities to link SPP to existing processes, projects or roles.

A practical tip from the Municipality of Utrecht: make sure you put something down on paper at the start of the tender and that it contains something about SPP and becomes an integral part of the tender.

A further success at the Municipality of Utrecht is the general support for SPP. The action plan has been drawn up by people from across the organisation and various departments and not just from the procurement department or the sustainability team. This ensures that the plan links up with the sustainability goals of the organisation and that organisational units support the formulated action plan and the SPP action plan has everyone’s support.

The involvement in SPP has already led to various successful SPP projects, such as the tender for Hot and Cold drinks by means of Rapid Circular Contracting, sustainable catering through competitive dialogue and the tender for work clothing, which is based on the functional need and overarching sustainability goals.

“Embedding of SPP within the organisation depends entirely on support and involvement throughout the organisation”

Marieke Hoffmann, SPP advisor



State of affairs in 2020

What is going well

Much has been achieved since the start of the first SPP Action Plan at the end of 2015. There has been broad awareness of the importance of purchasing in a sustainable manner. And there is a growing group of front runners who are committed to this. These are often organisations involved in the SPP Manifesto, the Circular Procurement Green Deal or one of the learning networks.

An evaluation of the Action Plan⁹ shows that SPP is making headway across the board. Since 2015, for example, the use of award criteria that promote SPP has increased (from 39% to 49% of the procurement processes), SPP is more often included in market consultations (from

18% to 46%) and a higher number of organisations are now equipped to apply SPP (from 28% to 54%). The SPP Self-evaluation tool too provides a positive picture of the commitment to SPP. In 2019, for example, social return was included in 71% of the measured purchases, environmental criteria in 67% and international social conditions in 51%¹⁰. All three have increased slightly compared to 2018, the first year of measurement.

In the survey among companies¹¹, nearly 90% of the respondents have a positive image of SPP and 34 to 48% also see a positive effect in terms of awareness-raising, ambition and promoting innovation.



The Netherlands is one of few countries worldwide that monitors the effects of SPP. The first effect report by the National Institute for Public Health and the Environment (RIVM) on public procurement in sixteen product groups in 2015-16 shows that the impact can be significant. The investigated purchases together are estimated to have led to at least 4.9 Mtonnes of greenhouse gas emissions avoided during the terms of the contracts (mainly through the purchase of sustainable electricity and solar panels). Bio-based purchasing has avoided the use of 13,000 tonnes of oil equivalents.

Furthermore, support has been successfully expanded in recent years with the central SPP desk at PIANOo, the SPP Manifesto (now more than 170 signatories), the SPP criteria tool (2,000 visitors per month), learning networks (500 visitors), successful procurement academies for circular procurement and ISCs, the self-evaluation tool, the [ISO 20400 web tool](#) and international collaboration in which the Netherlands is seen as a front runner and driver in the field of SPP¹².

What needs to be improved

At the same time, SPP is by no means commonplace yet. It appears with some regularity that public procurement is still mainly driven by the lowest price and that, in those instances where SPP is required, this is not weighted enough to have any significant effect¹³. RIVM and the PBL Netherlands Environmental Assessment Agency conclude in the CE Monitor that, if all government agencies had fully applied all calculated measures in 2017 and 18, a total of 654 ktonnes of CO₂ emissions per year for roads and office furniture alone and 12 Mtonnes of material would have been saved. In practice, only 2.5 to 4% of this has been realised.

A proper translation from ambition to concrete implementation is still lacking. This is partly because the ambitions in the organisation are not properly translated into concrete goals for clients and because clients and budget holders are not subsequently held accountable for achieving the social goals. Instead, they are held accountable for proper implementation within budget, without unnecessary risks and hassle¹⁴. SPP can increase (perceived) costs and complexity and is therefore often not included in purchase orders, or only marginally. Moreover, commitment to SPP often depends on enthusiastic individuals such as a director or buyer, with structural anchoring still lacking¹⁵. A mere change of staff could result in the implementation being put on the back burner. Given the national shortage of professional buyers, this can occur regularly.

Even if government agencies do try to purchase in a sustainable manner, this does not always lead to the desired effect. The aforesaid evaluation by CE Delft shows that, despite all good intentions and efforts, the purchase price is still leading in three-quarters of all purchases. In addition, many organisations pay little attention to contract management, which means agreements are often not properly embedded contractually, nor are they checked for compliance¹⁶. In the evaluation, only 13% of organisations indicate to include SPP in contract management frequently (i.e. in more than half of cases).

The result is that, despite everything, SPP does not yet have the desired large-scale effect in the market. This means that innovative, sustainable market parties are still unable to sufficiently sell their products and services to achieve a market share of sufficient size and that other market parties are still not encouraged enough to even start becoming more sustainable. Government agencies therefore run the risk of a higher level of difficulty in achieving their social goals.

Strategic commitment to sectors – Practical example 2:

Central government creates momentum in the ICT market by means of smartphone pilot project

Procuring 'green' ICT is not so much self-evident yet, but the central government has shown through a pilot that 'going green' in the sector does not always need to be complicated. In addition to promoting life-cycle extension and procuring products that can be repaired, there was a need for an additional solution for more sustainable ICT. Through market research, the central government went in search of a basic concept to promote innovation and sustainability in the ICT sector. The solution turned out to be compensation: for every smartphone the central government procures, one is removed from the waste mountain in Africa for recycling purposes.

This is done by the social enterprise Closing the Loop, which has a network in Africa for the local collection of old telephones that are recycled in Europe. One for every smartphone or device that is procured. The project is accessible and flexible for the central government, because it has become a pilot that stayed below the tender limit and runs parallel to other contracts. This has been an important next step in making the ICT of the central government circular. Since 2017, the central government has been offering suitable ICT equipment for a second life outside the Dutch government. The central government also ensures that equipment that is not suitable for this purpose is



properly recycled by specially certified companies. See: www.denkdoe-duurzaam.nl/themas/ict/feiten--cijfers. The central government is also taking other steps, for example, by developing the Circular Product Passport.

The compensation programme reduces the demand for new raw materials and keeps scarce raw materials within the cycle, because materials from old smartphones are recycled. Positive effects of the compensation programme further include increased employment and fair working conditions. In Africa, the final market where old smartphones are destined for use, discarded devices are collected by local companies. Procuring these devices for recycling ensures local prosperity, fair wages and healthier people, because fewer toxic materials are burned.

The pilot will last two years and the RIVM is researching the environmental impact of the compensation programme.

The speed at which the social enterprise Closing the Loop is growing since starting its collaboration with the central government proves the boost an organisation can give to a sector. Thanks to its exposure and a growing portfolio, it has been able, among other things, to achieve the TCO Edge Certified certification faster than expected, which shows it can offset e-waste and create employment the proper way.

“Look for opportunities and engage into dialogue with the market; they will tell you what the possibilities are”

Johan Rodenhuis, Contract Manager at ICT Werkomgeving Rijk

It is also possible to create momentum in the market on a small scale. The concept of offsetting e-waste is accessible, simple, practical and can be applied at any scale. The advantage of a pilot project is that work can be done quickly and that a lot can be achieved. According to the central government, a lot can be achieved by applying a trial and error mindset. In any case, the basic principle is not to tell the market what to do. Challenge parties in a tender to demonstrate how they distinguish themselves through functional award criteria or how they tie in with the vision of the organisation.

Vision for Continuation

In the Governing Agreement, the Climate Agreement and in various other instances, the Dutch government has expressed its ambition to use public procurement to help realise major social transitions. Currently, the effect of SPP is still insufficient for this. The follow-up must therefore be aimed at increasing the impact of SPP on achieving the social goals and thus achieving the government's ambitions.

As a first step, it has been evaluated how effective the existing SPP infrastructure is based on the SPP Action Plan for 2015-2020 and how it is valued by its users. The next question was what else is needed to achieve the desired ambition. In response, the collaborating ministries have developed a vision based on this, featuring four main outlines.

Fundamentals in place

The previous Action Plan has created a basic infrastructure that is necessary for SPP. Firstly, with the SPP Manifesto, government agencies are motivated to pursue ambitious goals and to implement them. Signatories of this Manifesto must draw up and implement a public action plan for this, in which they record how they will help achieve their social ambitions through procurement. Proper embedding in the organisation and monitoring are also part of this. To enable monitoring, the central government has introduced the [SPP Self-evaluation Tool](#)¹⁷. This allows government agencies to monitor

and control their own efforts, while at the same time creating an anonymous national picture. The aforesaid national impact monitoring has been set up as well.

The central government has invested in knowledge building in purchasing organisations. A national SPP desk at PIANOo serves as an important source of knowledge and source of information. Meetings and learning networks have been organised and training courses have been given, such as the Circular Purchasing Academy and the ISC Academy. Finally, various tools have been developed for support, such as the widely used SPP criteria tool, which helps buyers to quickly formulate effective purchasing criteria for 46 relevant product categories. During this government term, € 10 million has been made available specifically for innovation-oriented procurement, including for the Small Business Innovation Research (SBIR) approach.

The evaluation by CE Delft shows a broad appreciation by the target group for this set of tools. When asked what support the central government should definitely continue to provide after 2020, the PIANOo SPP desk, the SPP criterion tool, meetings and support/collaboration are often mentioned (see figure 1). The evaluation shows that signing the SPP Manifesto has had a positive effect for the majority of the signatories in the form of awareness-raising, commitment and as a basis for their own SPP policy. In fact, only the BuyWisePrice scores very low. This is in fact intended as a minor positive incentive and not to meet a structural need.

Only 1% of respondents indicated that further support from the central government was not needed. From the perspective of the target group, it is therefore important to continue with engaging parties, building up knowledge, offering supporting tools and monitoring the progress of the implementation of SPP within the Dutch government.

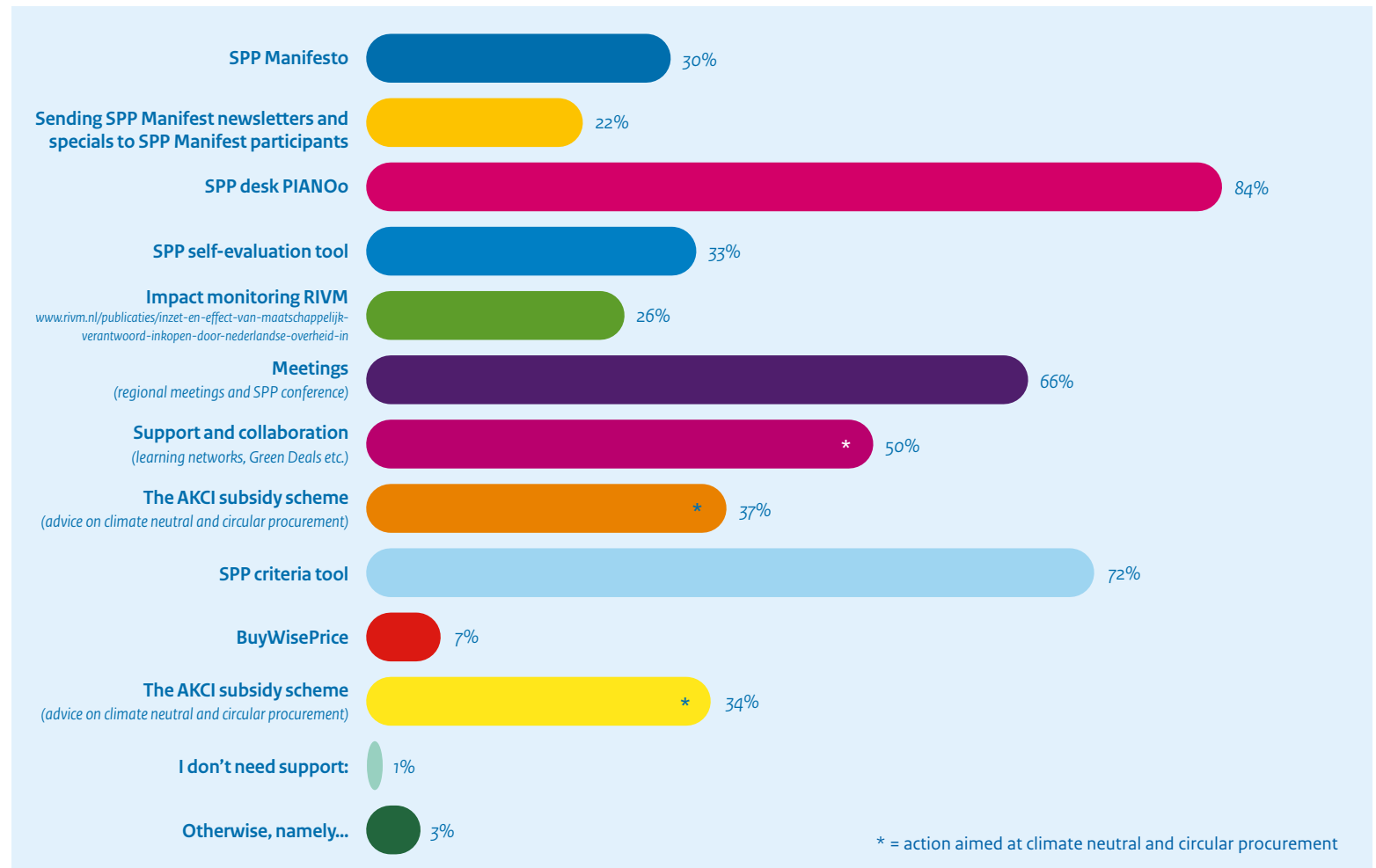


Figure 1. What support from central government must absolutely be retained in the future?

New impulse along four main outlines

Based on the evaluation of the previous Action Plan by CE Delft, the stakeholder analysis and the study into ICSR conditions in public procurement on behalf of the Policy and Operations Evaluation Department (IOB) of the Dutch Ministry of Foreign Affairs¹⁸, a clear picture emerges of where the obstacles lie in order to achieve a more effective application of SPP: the responsibility for achieving the social goals is not properly invested, there is insufficient strategic focus on creating impact, the policy lacks the necessary commitment and is also too fragmented. The approach can therefore be divided into four main outlines, which mutually enhance each other:

- A. Broad embedding of SPP within the organisation
- B. Strategic commitment to sectors
- C. Less informal
- D. Integrated approach to SPP

A. Broad embedding of SPP within the organisation

The vital importance of proper embedding of SPP throughout the organisation is widely endorsed by government agencies¹⁹ and market parties²⁰, as well as by all evaluations. In the stakeholder analysis, the respondents report a discrepancy between ambition and implementation. The board's interest is high when signing the SPP Manifesto. After that, knowledge and interest sometimes subside, especially in decisive intermediary links in the SPP chain within organisations, such as project leaders, budget holders, lawyers and policy coordinators. Because embedding is lagging behind in the day-to-day policy, the responsibility for SPP wrongly shifts to the purchasing department too much (which only fulfils an advisory role), whereas good commissioning is in fact key. Due to this flaw in the system, the focus

of the organisation remains on time, budget and regularity, and thus social impact often only plays a marginal role in the end.

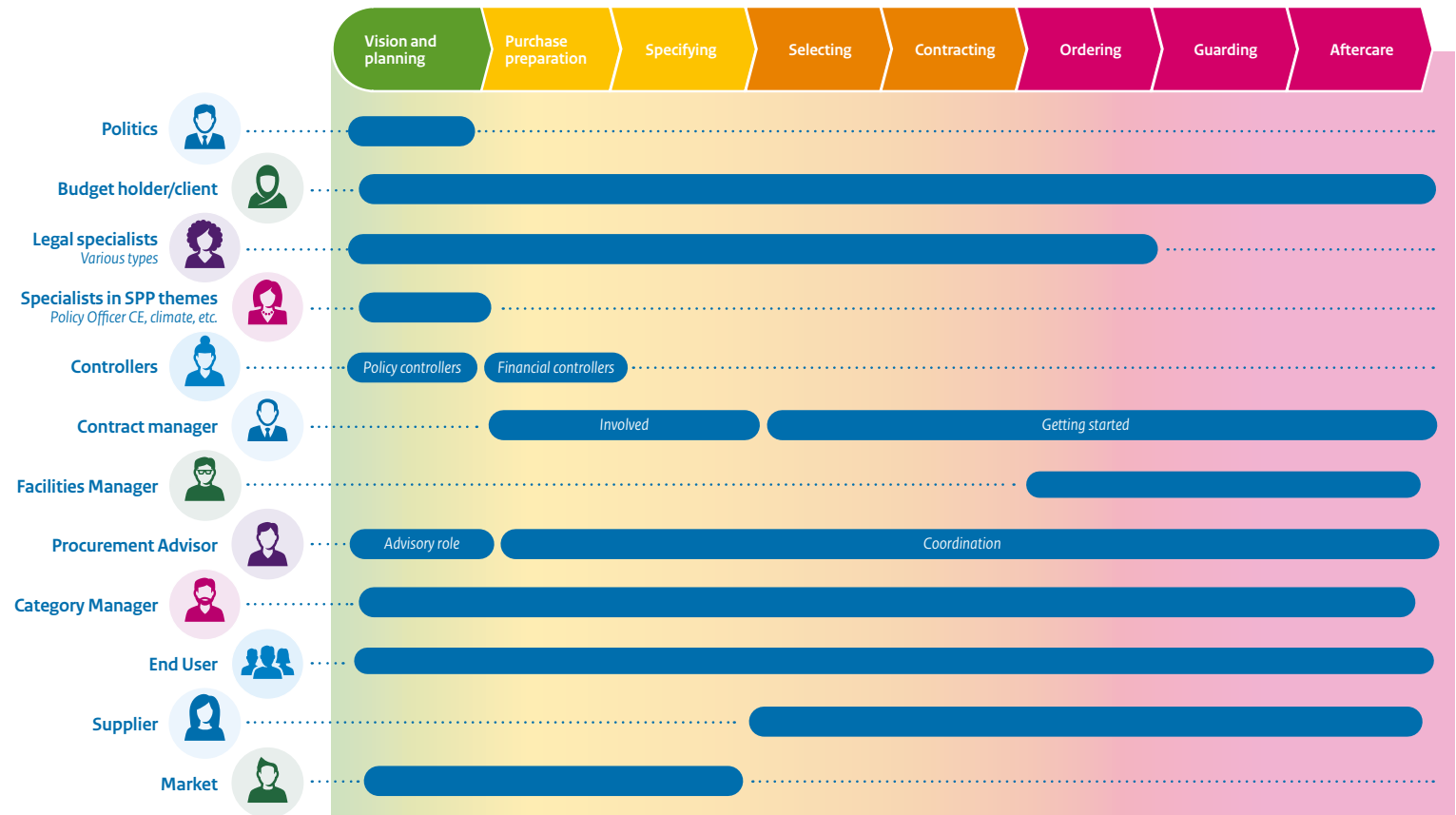
To make SPP structurally more effective, the responsibility for achieving the social goals through purchasing must be shifted to the clients. This requires structural embedding in the day-to-day policy of government agencies. Steps that could be taken^{21, 22} include knowledge sharing, building an organisational culture in which contributing to the transitions is deemed of paramount importance, setting clear KPIs and procurement objectives in which the social goals are not included without obligation, and adding SPP to the standard procedures, including evaluation and accountability.

In the stakeholder analysis, respondents regard it an important role for central government to encourage, train and facilitate administrators and policymakers of other governments in realising this embedding. Finally, the evaluation by the IOB shows, among other things, that special attention is needed for the important role of contract management and monitoring the realisation of the ambitions. Both are currently often poor, reducing the incentive for companies to take steps.

See also the practical example with this main outline:

1. *The Municipality of Utrecht places ultimate responsibility for SPP with the actual client*

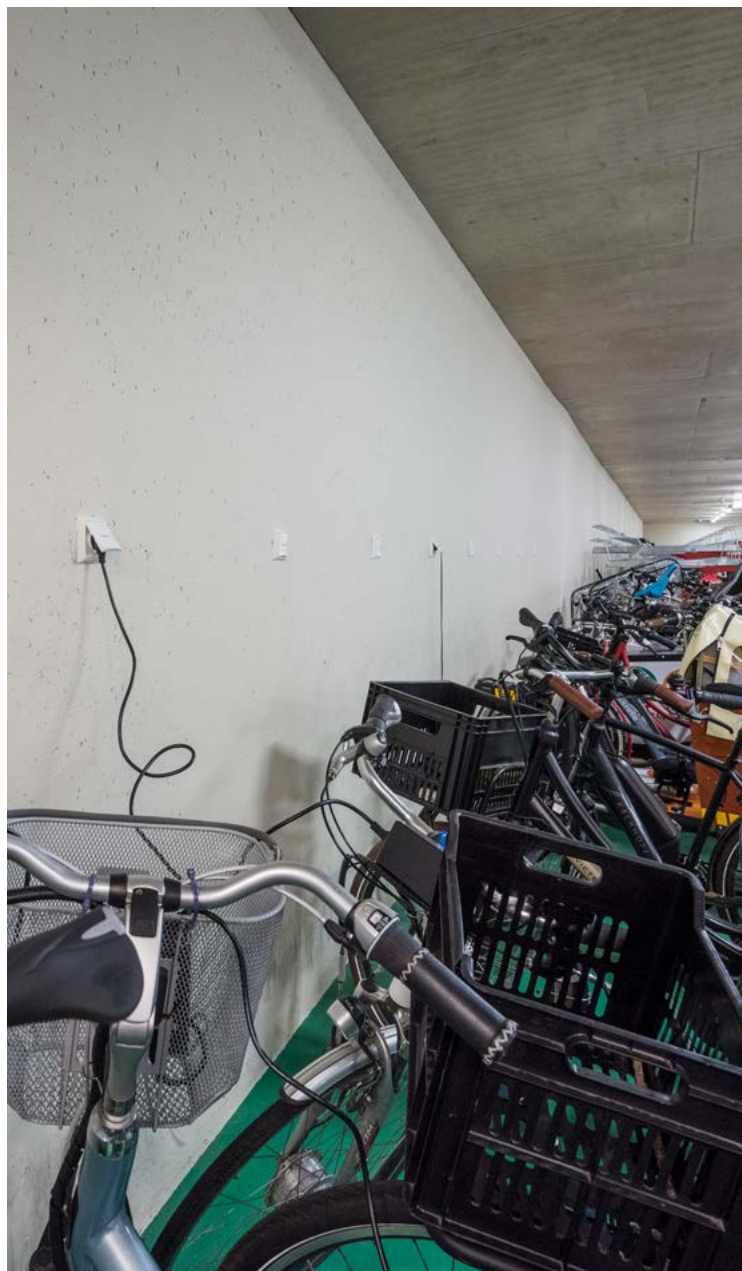
Impression of the different roles in the process
Based on reports by Schuttelaar & Partners and Metabolic



B. Strategic commitment to sectors

According to the evaluations by CE Delft and the IOB, a strategic focus on sectors is necessary to create more effect with SPP. This concerns the product categories where public procurement can really make a difference, because there are major opportunities for improvement, because they have a major impact, because the value chain contains

major risks, because the government itself is a major player and/or because it is in keeping with important policy themes such as tackling plastic. Examples are construction, ICT, textiles and catering. Sectors in which the SPP policy is currently still limited can also come into the picture, such as healthcare, education or the energy sector.



An important new development in this is the set-up of buyer groups²³. These are groups of buyers *and* clients who jointly work towards innovation, tool development, market change and ultimately towards purchasing (each independently). They are supported in this by experts and jointly participate in market meetings, among other things. The objective of these groups is to also learn lessons that are more widely applicable, for other organisations and other purchasing categories and product groups.

See also the practical example with this main outline:

2. *Central government is moving the ICT market through a pilot project on smartphone compensation*

C. Increasing commitment

In the run-up to a new plan, various authorities have asked for increased commitment regarding SPP. With a view to the future, the evaluation of CE Delft mostly demands a political agenda, administrative agreements and making the application of SPP mandatory across the board. The Manifesto is appreciated in the stakeholder analysis, but at the same time states that it lacks the necessary commitment. In the context of the SPP Manifesto, government agencies determine their own objectives based on their respective ambitions. Parties to the Manifesto have their own responsibility in respect of their commissioning practice and purchasing policy; central government therefore does not check whether the ambitions from the SPP action plans are being realised. Implementing parties of the SPP action plans indicate that this gives them little room for manoeuvre within their own organisations to achieve the objectives.

The evaluation by the IOB expresses this in even stronger terms and outlines the lack of a mandatory system of action plans, measurable goals and monitoring based on a solid overarching strategy, as the biggest obstacle to the success of SPP in the Netherlands. The lack of commitment creates insufficient strength and consistency in government demand, as a result of which the market cannot change. A shift towards increased commitment can also be seen at a European level. The European Circular Economy Action Plan refers to mandatory SPP goals and criteria for relevant sectors.

This plan gives substance to increased commitment by making new administrative agreements as a follow-up to the SPP Manifesto. The basic principle therein will be that signatories will apply Sustainable Public Procurement as the standard, not as the exception, to achieve their policy objectives. This includes transparent reporting and, if possible, the application of the ‘comply or explain’ principle. The application of this principle in other areas has been studied²⁴ and the insights obtained will be included in the further elaboration. The rest of this plan is aimed at supporting parties in this and helping them to overcome bottlenecks that stand in the way of SPP.

See also the practical example with this main outline:

- 3. Government agencies in the provinces of Gelderland and Overijssel are drawing up a joint approach towards social return*

D. Integrated approach to SPP

In the stakeholder analysis, various respondents indicate that they experience the seven SPP themes from the previous Action Plan as ‘fragmented and excessive’. The evaluation by the IOB refers to a patchwork of themes that is not based on an overarching vision and that appears to have emerged from a series of loose policy decisions and changing priorities. As an example, the current strong focus on climate is cited, which overshadows the work on ISCs, whereas both are important. Much of the process is left to individual buyers.

Ideally, in procurement, all themes are grouped in one consideration, in which the client and the buyer jointly determine (based on the policy ambitions and possibilities) which themes are relevant to their specific procurement and how heavily these should weigh. In practice, these are sometimes mutually enhancing themes and sometimes conflicting ones. To be able to use this effectively and to increase the strength of the SPP policy, this Action Plan focuses on an integrated approach and maximum. Where necessary, tools are developed to promote an integrated consideration between SPP themes.

See also the practical example with this main outline:

- 4. Emergis creates multiple value by using materials from a donor building for new construction*

Increasing commitment – Practical example 3:

Government agencies in the provinces of Gelderland and Overijssel are drawing up a joint approach towards social return

By pursuing a single social return policy in a work region, the provincial authorities of Gelderland and Overijssel meet the demands of companies. Social return has long been included in tenders within the framework of SPP. Yet there is no national agreement in place for the requirements, target groups and scoring that government agencies can set to social return in their tenders. This meant there were many differences between assignments, which

sometimes made it difficult for companies to conform to the requirements for each assignment. Following the example of other labour market regions, this region too showed a need to align the rules, both in policy and in the implementation processes.

The [Social Return East Netherlands Covenant](#) has been signed by 55 government agencies and a Water Authority in the two provinces and



is made up of a building block model. This contains all forms of measures and target groups that can be described within social return and are linked to the annual SROI values to guide jobseekers into work. The Corporate Social Responsibility Performance Ladder (PSO ladder), which more and more governments and companies are using, has been included as a building block as well. The responses from participating parties since the covenant was put into use have been very positive. There are already examples of contractors who offered more social return than was requested and who were rewarded accordingly. So aligning policy really promotes *more* social return in the region.

A uniform guideline for social return is better for all parties, including the government agencies themselves. It makes requesting social return in the procurement process easier and at the same time provides more insight into the impact that is made. Differences are now easier to compare with each other, because the criteria have been aligned. For companies in the labour market region, the advantages of standardisation include a fair chance for every company to meet the additional social return requirements and a reduced administrative burden. Companies themselves indicate that this

allows them to create more impact, for example, by setting up larger training programmes within the social return frameworks. Previously, such a training programme was not always recognised by every government agency as social return, which made it too much of a risk for companies to invest in.

Other labour market regions are already working with the standardisation of social return requirements, thus enabling companies to respond better to the tender demand. By comparing the different methods, a joint method can be determined. To embed the working method, it must be easy to use and clear to all participating parties and companies. Parties that have not yet signed the covenant can still join the collaboration at any time in the future.

“It is time to promote the same message and doing this regionally by applying the same Accountability”

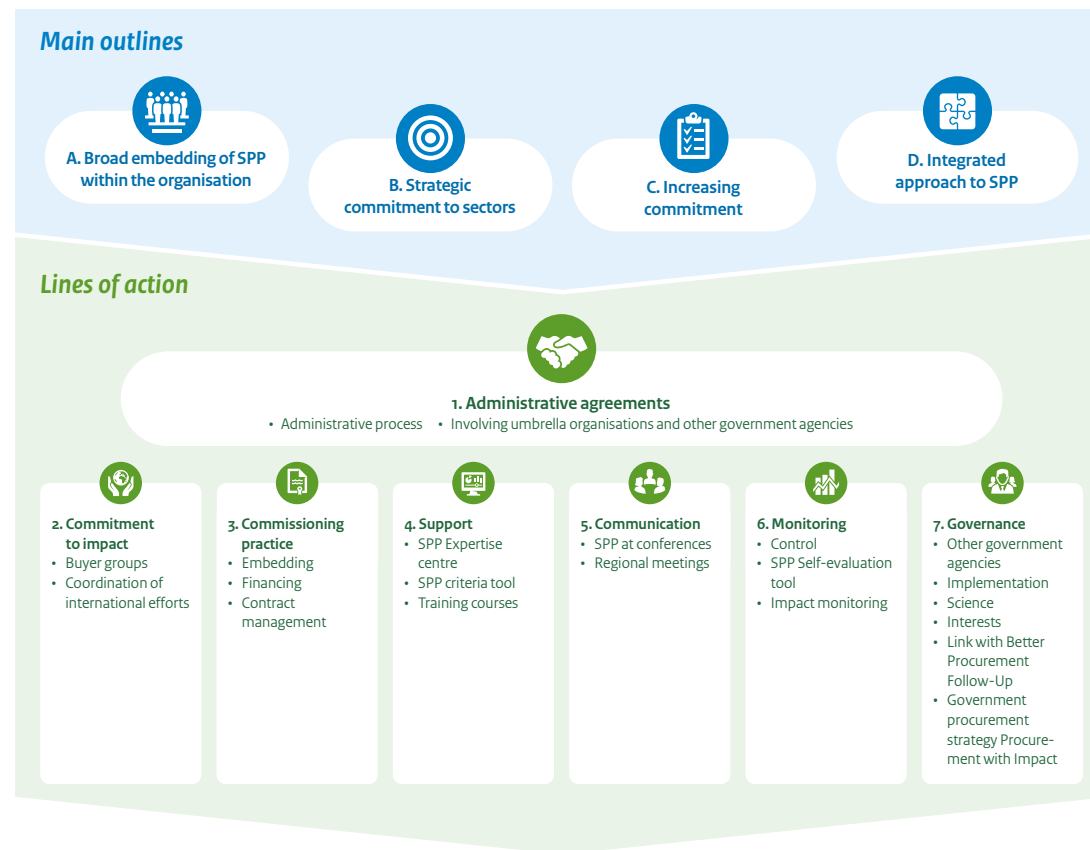
Toosje Hendriksen, Social Return Coordinator
Province of Gelderland

Concrete elaboration into lines of action

To give concrete form to the new SPP policy, the main outlines have been translated into seven concrete lines of action. A package of coherent and mutually enhancing initiatives has been built up, aimed

at all SPP themes. The new administrative agreements are central to this. The other lines of action enhance and support this.

The 4 main outlines and the 7 lines of action of the new National Plan on Sustainable Public Procurement for 2021-2025



Commissioning with ambition, procuring with impact
National Plan on Sustainable Public Procurement for 2021-2025

Line of action 1 - Making administrative agreements

The ambition is to reach new administrative agreements between the central government and the other levels of government and purchasing parties in 2021, with the aim of making a much stronger impact for our social goals, together. The approach of the new agreements will be different than in the SPP Manifesto, in which all organisations determined their own ambitions with no concrete exchange of results.

The intention is to make the new agreements widely accessible, both for front runners and beginners. To this end, a growth model is being developed that encourages all governments at their own level to take measurable steps. The proposed growth model starts with raising awareness and progresses to impact through embedding.

It is important for starting purchasing organisations to map out their own footprint and opportunities. So how much CO₂ do they emit and where, where are the largest flows of raw materials, where are the opportunities for social return or the promotion of diversity and inclusion, where are products purchased from high-risk chains with a view to ISCs, etc.

The second step is to draw up an action plan based on this insight, in which SPP is of course an important tool. The learning experiences from the current generation of plans can be used to update the guide²⁵ for the action plans. In the evaluation of the SPP Action Plan for 2015-2020 by CE Delft, nearly half of the organisations indicated that the process of developing an action plan alone already contributes to achieving results in the field of SPP. It is important to draw up this plan with the involvement of the major internal clients, buyers, contract managers, lawyers and the financial department. It is important to properly anchor the desired results in the organisation, for example in management agreements, in procurement forms and

dashboards, in making proper considerations and/or in applying criteria. The central government has a coordinating role in this, directs the implementation of the action plan and brings parties into contact with each other so they can find the best approach, together.

Acting at the highest level, the central government enters into agreements with government organisations about further increasing the impact. The Climate Agreement has already made a start on this with regard to making agreements about CO₂ goals²⁶. Furthermore, the Jobs Agreement contains²⁷ agreements regarding the creation of workplaces for people who are occupationally impaired. This is about the impact the organisation wants to achieve that year (based on their footprint and capabilities). (Effect) monitoring is conducted at this level. The parties are encouraged to commit to high ambitions and innovation, even if this should not yield any results.

At all levels, signatories must report annually on their progress and results to their own boards and to the central government. As part of the process, transparency at government agencies about non-financial performance is promoted. Within central government, a number of ministries are currently publishing a public sustainability report, which also reports on their own SPP performance.

Although participation in the administrative agreements of the new SPP manifesto is voluntary, it will no longer be without obligation. Whether the 'comply or explain' principle can be applied in this is being investigated. In it, participating government agencies commit themselves to working on self-imposed policy objectives and agreements, to report on these transparently and, where necessary, to explain why the intended effort and/or result was not achieved in the relevant cases. On the one hand, this should help to further raise sustainable purchasing to the required standard. On the other hand,

where necessary, it must also provide scope for flexibility and customisation, for taking into account the market and for the organisations' own local circumstances and spearheads.

In this process, organisations need to work together with the administrative umbrella organisations VNG (Association of Netherlands Municipalities), IPO (Association of Provincial Authorities) and UvW (Dutch Water Authorities) as much as possible. They can play an important role in further promoting and supporting the implementation of SPP by their followers. The possibilities for this are being explored with the umbrella organisations. The signatories of the current SPP Manifesto will very much be included in the process as well. The central government supports the implementation (see lines of action 2, 3 and 4), communicates about this (line of action 5) and is involved in the monitoring and governance (see lines of action 6 and 7). As such, all action lines form one coherent package.

Line of action 2 - Achieving impact in promising sectors

Much more impact can be achieved by focusing the use of SPP on a number of promising sectors. This involves sectors in which public procurement can create real momentum, because of the Dutch government's exemplary function or its purchasing power, such as in construction. Our efforts will focus on networking and knowledge sharing in buyer groups and international networks. This knowledge can then be widely shared through the PIANOo centre of expertise.

Buyer groups

In 2020, a total of thirteen buyer groups²⁸ were set up, largely financed through the Climate Budget. They connect leading buyers and clients in specific sectors: polymers in wastewater treatment, new construction of schools, renovation of social housing, ICT hardware and data centres, textiles, building materials, wood construction/wood renovation, new-build homes, zero-emission construction materials, mobility, low-carbon concrete, durable road surfacing and signage.



The buyer groups are an important reinforcement for purchasing in specific sectors. From 2020, all buyer groups will include the social themes with a view to the integrated approach. This way, the buyer groups can also pave the way for the 'transition platforms' proposed in the government procurement strategy to facilitate dialogue and collaboration between the parties involved.

The buyer groups follow up on the previous learning networks and enhance these in two ways. Firstly, because it is not just about listening, but above all about doing. Participants actively conduct pilots themselves, draw up a joint market strategy, hold market consultations together and widely share learning experiences with each other. Secondly, the developed knowledge and tools can be actively shared more widely and followed as good practices for other buyers (there is a strong need for this).²⁹

If so desired, new buyer groups can be added in the future.

Coordination of international efforts

The European and broader international context are of great importance to SPP. Firstly, an (increasing) part of the strategic purchasing policy is determined at a European or international level. This includes criteria, standards, eco-labels and anchoring in regulations, but also the frameworks in the new European Green Deal, the Sustainable Development Goals and OECD guidelines. In the coming period, the standards in the field of social goals will be tightened as well. The ISO 20400 standard will be expanded with more social goals and an ISO standard for diversity and inclusion will be introduced, in which many social goals can be included such as emancipation, anti-discrimination and combating unemployment among young people, the elderly and people with a migrant background.



Secondly, the Netherlands is a front runner, but certainly not the only country pursuing an SPP policy. An increasing number of countries are taking bigger steps, which provides more and more opportunities to learn from each other. Finally, many markets are international, such as textiles, ICT, concrete or mobile equipment. This requires cross-border collaboration and helping boost SPP in other European countries. Driven by an unambiguous European sustainability and SPP policy, parties in international chains will be more inclined to innovate sustainably rather than through the expenditure of Dutch government agencies alone.

To increase mutual effectiveness, the ministries involved will work more closely together with the various European advisory groups, consultations and organisations. For example, around ICT or textiles, where international social conditions and circular procurement are both important. To this end, an integrated international SPP strategy is being set up.

Line of action 3 - Boosting sustainable commissioning

To support the proper realisation and implementation of the new administrative agreements, it is crucial that achieving the agreed sustainable and social goals does not start with purchasing, but that it is already structurally included by clients and other stakeholders. This is one of the four main outlines and the step identified as crucial in all evaluations. This organisational transition is also the core of the government procurement strategy 'Procuring with Impact' and a key focus area in the follow-up to Better Procurement.

Promoting and supporting sustainable commissioning

The ambition is to not only focus on administrators (via administrative agreements) and buyers, but also on the crucial 'intermediary links' at government agencies, such as budget holders, clients, lawyers, sustainability coordinators and financial staff, as indicated by the stakeholder analysis.³⁰ In the first place, this involves setting the agenda, raising awareness (on ICSR covenants, among other things) and actively propagating good practices within this target group. The administrative umbrella organisations, RWS Leefomgeving and PIANOo can play an important role in this on the basis of the new administrative agreements.

Sustainability coordinators play an important role as drivers and organisers of the desired change in the field of sustainability and climate. It is proposed to set up a community of practice, following the positive experiences with this in, among other things, the learning networks based on the Climate Budget and the Circular Procurement Green Deal. By learning from each other, the desired transition can be accelerated. They can also help each other to ensure proper embedding in their own set of tools and procedures, so SPP becomes a 'standard' part of the process.

Lastly, a number of tools have already been developed and are available to support parties. This includes the ISO20400 web tool, which was developed by NEN and NEVI (Dutch Association for Purchasing Management) in 2018 and which helps parties with organisational embedding. The Diversity Charter of Diversity in Business too can help organisations to set goals and map out the path to realisation. Finally, the Ambition Web was previously developed by RWS. Furthermore, management systems such as the CO2 performance ladder can play a positive role as well.

Improving SPP funding

An important bottleneck for the application of SPP is the availability of funding. At the end of last year, consultancy firm Rebel conducted research into this on behalf of the Dutch Ministry of the Interior and Kingdom Relations³¹. This shows that the procurement budget itself is often not even the problem, but rather the fact that SPP entails extra work and can lead to additional complexity and uncertain outcomes and therefore a greater risk of complaints and proceedings by tenderers. Rebel issues recommendations on how to deal with this. The aim is to start working with these recommendations in a separate Community of Practice.

Improving contract management and audits

Proper contract management is the concluding part in SPP. Without proper embedding in the contract and monitoring compliance, the incentive to really work on the promised sustainability and social goals evaporates for many companies. RIVM concludes in the CE monitor that this is a very influential factor in whether or not impact is made. At the same time, the evaluation by CE Delft shows that SPP is incorporated in contract management only marginally. Contract management has been subject to cuts for years, which has put compliance under pressure. Recent research into the procurement

process at municipalities shows that contract management is often non-existent. Hence the need to structurally improve the procurement practice at municipalities.

The aim is to better communicate the necessity of contract management and to start a community of practice among contract managers. This creates a collection of knowledge and good practices that demonstrate the importance of proper contract management.

A far-reaching option is the 'Swedish model'. Sweden has several years of experience with a joint approach of monitoring and audits by government agencies. Joining forces and focusing together on vulnerable sectors creates far more room for monitoring than individual organisations ever could. Support for the application of this 'Swedish model' can be further explored in the context of the administrative agreements. However, in the short term, this option would still be a step too far for the Dutch situation. Although incentives for further collaboration can arise through the proposed community of practice.

Line of action 4 - Support

Up to and including 2020, a number of tools have been developed to support buyers in the application of SPP. It is necessary to maintain this basic infrastructure for the support of buyers and to build on this towards clients. After all, even in the event of a sustainable and social assignment, the buyer having up-to-date knowledge to ask the market the right questions remains a necessity. The central government is committed to supporting the application of SPP and building up knowledge and expertise, so parties with less knowledge or expertise can still comply with the agreements made.

Centre of expertise

PIANOO's current SPP desk will be continued as a procurement centre of expertise. It serves as a central source of information and knowledge base for buyers and budget holders, with an increasing focus on clients. Parties can contact the desk for criteria, guidelines, practical knowledge, advice, news and practical examples. In the evaluation, 84% of respondents firmly stated that the SPP desk should remain. PIANOO also organises meetings and wider communication.

Where possible, work on SPP in the centre of expertise will be better bundled with adjacent and partly overlapping activities for innovation-oriented purchasing and the follow-up to Better Procurement. In this instance too, an important link with the support of the government procurement strategy 'Procuring with Impact' can be seen.

SPP criteria

This is an existing activity, which is highly rated in the evaluation by CE Delft. The SPP criteria tool is an online tool that contains up-to-date requirements and award criteria for 46 relevant product groups. The set-up offers three levels of ambition, thereby providing guidance to organisations that want to apply SPP.

The criteria are assessed and updated annually, based on what the market can deliver and the EU green public procurement criteria³², among other things.

The criteria were originally developed for sustainable procurement (environment and climate). Relatively new themes such as circular procurement, social return and ISCs are included in the criteria as well and in the coming years will be expanded step by step with larger revisions of product groups. The theme of diversity and inclusion will



also be included, where possible. Companies being transparent about their own sustainable and social commitment as a selection criterion during the tendering process is being examined in more detail as well.

The government procurement strategy includes the requirement that the government applies sustainable procurement criteria to all tenders in the approximately 45 relevant product groups and, from 2020, for at least 50% at a significant or ambitious level. In addition, many other government agencies use the criteria as well (also outside the Netherlands: an English version is available). In the evaluation, stakeholders do ask to take more account of smaller government agencies by making the SPP criteria as simple as possible. This is taken into account when drawing up the criteria at level 1.

Training for buyers

The evaluation shows that sufficient knowledge is crucial in the application of SPP, as well as useful, new ways of tendering, such as functional requests. There is a strong need for knowledge at government agencies to which the SPP policy responds in all kinds of ways, including meetings and knowledge sharing in networks. Various SPP courses are already available through the NEVI and private agencies and various universities (of applied sciences) too are active in the field of public procurement and SPP. Finally, the 'circular procurement academy' and the 'ISC academy' are successfully organised through PIANOo each year (commissioned by the Dutch Ministry of Infrastructure and Water Management and the Dutch Ministry of Foreign Affairs/Dutch Ministry of Social Affairs and Employment respectively). The aim is to continue this for the time being.

Line of action 5 - Communication

Many channels of communication, meetings and networks are already in place. In the context of the new administrative agreements, a communication strategy will be drawn up for SPP, which will also pay explicit attention to broadening the focus towards clients. In addition, a lot of communication is conducted within the programme via the centre of expertise referred to earlier, via networks such as the buyer groups, etc.

SPP at conferences

Recent years have seen the organisation of annual national SPP conferences. These conferences draw around 300 visitors each year. These involve networking, knowledge sharing about new developments and incentivising through, among other things, the presentation of the BuyWisePrice. A parallel part is often organised for administrators. The conference scores high in the evaluation and is deemed as positive support from the central government.

Nevertheless, the aim is not to continue with this separate conference, but to focus broadly on linking up with (the many) other conferences on related topics, such as the PIANOo conference for buyers and all kinds of thematic conferences. It is expected that a broader audience can be reached by stepping outside our own 'bubble', including clients, lawyers, contract managers and administrators.

Commitment to regional meetings

In the evaluation by CE Delft, it was requested to organise more regional meetings where policy is translated into procurement practice. More regional efforts are in line with the further roll-out of SPP and with the new administrative agreements, in which the central government is actively promoting the process and providing feedback

on the basis of the reports. It at the same time provides the opportunity to devote more attention to more complex SPP themes such as ISCs or circular procurement.

The aim is not to form an(other) separate network, but to focus on the input of SPP in existing regional networks, such as the network that will be formed in the follow-up to Better Procurement and networks around specific themes such as regional energy strategies, the regional structures that have been set up around the sustainability of social property, etc.

Line of action 6 - Monitoring

Monitoring and reporting are crucial to show administrators and clients where and how SPP is effective, so they can actively manage this with concrete objectives. In addition, annual monitoring and reporting are required in the context of the administrative agreements, both towards the organisations' own political line (for example, as part of the non-financial part of the annual report) and to central government. This transparency means that the necessary political pressure to embed SPP in the organisation and to apply it in purchasing continues to exist. The form and content of the report will be worked out in more detail when the administrative agreements are made.

The central government will annually summarise all reports in a manageable report and letter to parliament. In it, the progress of all signatories in the field of SPP, aggregated at national level, will be reported combined with insight into the effect of the SPP policy. This promotes compliance with the agreements made, which is relevant in the context of 'comply or explain'.

Control over monitoring

Monitoring and reporting on the basis of the new administrative agreements require clear agreements about key performance indicators (KPIs) linked to the ambitions, as recommended by the IOB. Organisations can include these in their own accountability and



standard requests in procurement and contracts. This requires direction from central government to realise a harmonised approach. Also, it is important to bundle the reports well and make them accessible, so that central government can use this as management information for the SPP policy.

KPIs need to provide information on purchasing numbers, as well as effect. In the evaluation, tools are requested that make the effect of SPP visible. Impact monitoring, however, is knowledge-intensive and not easy to realise. Much knowledge is held on a national level, at RIVM and PBL. Many parties are therefore now looking for a positive local approach. The aim is for central government to take on a directing role to realise a positive approach together with the local parties. This at the same time creates more clarity towards the market.

Finally, (effect) monitoring is given the necessary consideration at a European level as well. As a front runner, it is important to be closely involved in this, both to acquire knowledge and to join forces with regard to effect measurement.

SPP Self-evaluation tool

The intention is for organisations to report annually on the basis of the new administrative agreements. To this end, the SPP Self-evaluation tool has been developed as a monitoring tool under the SPP Manifesto. This also gives substance to a parliamentary motion to realise a benchmark³³. The tool provides basic insight into one's own efforts in the procurement and contract phase and also leads to a useful national overall picture. Application of the SPP-ZET is mandatory for Manifesto parties, although it is not strictly controlled. This is currently also required by all government parties as regards the accountability of the Dutch Ministry of the Interior and Kingdom Relations to parliament

about public procurement in the context of the Government Procurement Strategy 'Procuring with Impact'. The tool was only rolled out in 2018 and has not been widely adopted yet, partly because clients and administrators are not asking for the results yet. The tool does not show the effects in terms of CO₂ or jobs. That would require a much more complex and expensive tool, if at all possible. The aim is to also link the tool to the new administrative agreements, provided that the other government agencies want to use the tool more widely.

Impact monitoring RIVM

The impact monitor shows, on a national scale, the effect of SPP by government agencies on the environment, climate, circularity and social themes, insofar as data is available. The monitor tracks sixteen relevant product groups from 2015/2016. The measurements can now also show progress/trends. This provides input for policy choices at a national level, for example, for sectors where a lot of impact can be achieved. It also builds up a knowledge base for showing effects at a local level, which is in great demand. For example, by clarifying which basic information companies need during purchasing in order to show the effects. With this monitor, the Netherlands is leading internationally. The monitor also provides input to the CE Monitor through the PBL, among other things.

Line of action 7 - Governance

Under the previous Plan of Action, the direction of the national SPP policy was the responsibility of the policy directors of the ministries involved. This involved monthly coordination in the interministerial SPP working group. Lastly, coordination took place with the administrative umbrella organisations and a number of relevant social organisations at workshop level a few times a year. This limited

governance no longer relates well to the next phase of the SPP policy, in which a rapid increase in scale is central.

New guiding administrative agreements require a stronger involvement of the other government agencies in the SPP policy, both at managerial and workshop levels. Closer collaboration with the administrative umbrella organisations and other government agencies increases the possibilities for securing the SPP policy with administrators and in the organisations. This joint governance is further elaborated in consultation with the administrative umbrella organisations. To this end, a study has been initiated by the Inter-Administrative Programme (IBP). This examines governance at three levels: at administrative/political level, at client level within the relevant ministries and other government agencies and at implementation level. In addition, coherence with other programmes is looked at, such as the follow-up to Better Procurement and to bringing signals from outside to inside. Examples include social organisations, implementing organisations and science.

The input from implementing organisations and science is new. To pursue policy as effectively as possible, we must be able to actively adjust the SPP policy in the coming years on the basis of advancing practical knowledge and scientific insights. A great deal of knowledge and experience is built up in implementing organisations such as Rijkswaterstaat (Directorate-General for Public Works and Water Management), the Central Government Real Estate Agency and in category management, but also in other government agencies. In science, various professors are active in the field of procurement. Structural feedback to policy will be organised with these parties to provide critical advice based on the latest knowledge.

Integrated approach to SPP – Practical example 4:

Emergis creates multiple value by using materials from a donor building for new construction

Creating social impact was at the very core of the new construction of the Emergis children's and youth clinic in Kloetinge, in the province of Zeeland. When Emergis decided to merge separate buildings, the parties involved wanted the renovation and new construction to be as circular as possible. At the same time, there were plans to demolish the former district office of Rijkswaterstaat in Terneuzen. This was a young, sustainable building from 2000 that had to make way for Nieuwe Sluis. Fortunately, it was decided in time that it was a shame to demolish a relatively new, sustainably built office.

The two projects came together and Emergis decided to focus on reuse. The former RWS office became a donor building for Emergis. A total of 80% of materials from the donor building have been reused, such as exterior window frames, interior doors, wall cladding and wooden beams.

One of the many challenges in the project was the different timelines in dismantling the donor building and the construction of the new Emergis building. The materials had to be stored somewhere. That



was to be a warehouse next to the De Ambachten, a work experience company in Middelburg, which is one of the work experience companies under management of Emergis. Here again, two things came together: the employees in this work experience company, rehabilitating at the company on account of psychiatric complaints in preparation of a return to the labour market, were focused on woodworking. While wooden posts, frames and doors were stored, the company's employees were able to repair the materials and prepare them for a new life in the care facility. This brought together the two main factors of positive impact: building the new children's and youth clinic as circularly as possible using recycled materials and at the same time helping young people with profiles similar to those of patients of the clinic itself further into the labour market.

The renovation and new construction of the children's and youth clinic of Emergis brought the project back to basics: the well-being of people. The involvement of the work experience company added a strong social component to this project. In addition, the project created a boost to local design, construction and installation companies in the province of Zeeland: not only had a building to be built, one had to be dismantled too.

The success of the project was a fast and equal collaboration agreement between the Province of Zeeland, Rijkswaterstaat Sea and Delta, the Nieuwe Sluis Terneuzen (NST) project and Emergis. The project proceeded organically through experimentation, as there were many last-minute developments, the most obvious one being the convergence of the two buildings. As regards the implementing parties, the experience has led them to look closer and more consciously at the sustainability of their own processes, materials and business operations.



“You are much more engaged with the design of a building compared to a regular design. This is because your design depends on the materials that are available.”

Taco Tuinhof, Architect at Rothuizen

Appendix 1. Additional activities per Sustainable Public Procurement theme

This appendix provides a brief overview of the additional procurement-related activities that the six ministries are carrying out, focusing on their own policy themes. These activities are additional to the joint SPP approach in this plan.

Diversity and inclusion

An inclusive employer is an organisation that makes the best possible use of the various talents and capabilities on the labour market.

Within an inclusive work environment, all (future) employees come into their own, regardless of their ability to work, age, stage of life, length of service in a position, gender, sexual preference, cultural background or origin. Differences are appreciated and even actively



pursued to utilise for work. The end result of a labour market that embraces diversity and inclusion is that workers are recruited on the basis of knowledge and skills and that they can develop in an organisation on an equal basis.

The subject extends beyond the personnel policy of an organisation. It is about the overall functioning of the organisation, such as communication, marketing, management styles and organisational philosophy. For example, how does the organisation address its contacts? How does the company position itself in social debates around diversity and inclusion?

The Dutch Ministry of Education, Culture and Science is already pursuing this change among contractors with regard to diversity and inclusion through its own procurement. Award criteria in tenders ask about the commitment, policy and results of contractors on the theme of diversity and inclusion. The Diversity Charter of Diversity in Business is used as an example for policy on this theme. If a contractor does not yet pursue a policy on this subject, it will be asked to starting doing so in the short term and to report on this. Within the collaboration of the 2021-2025 SPP National Plan, it is being examined

whether and how this method can be extended to central government as a whole, local authorities and implementing bodies. In addition, a manageable and more verifiable tool will be sought to demonstrate the policy and commitment of contractors to diversity and inclusion.

Social return

Social procurement is an important tool for governments agencies to offer people with poor job prospects the prospect of work. This requires customisation to take into account the conditions on the labour market. As part thereof, government agencies need expert support, the sharing of experiences, monitoring and tools such as an assessment framework.

Vice versa, there is a need for harmonisation of the social return policy between, for example, regional municipalities, water boards, provincial authorities, housing associations and hospitals. This can lead to the desired increase in scale and uniformity in the application towards the

market. Integrating the social aspect into SPP is important, so sustainable and social aspects can reinforce each other as much as possible. There is increasing attention for this integrated approach.

Purchasing is also growing in importance among social entrepreneurs or impact entrepreneurs. For example, government agencies can promote employment and participation of vulnerable groups, because social entrepreneurs offer a lot of sheltered work to this target group. For example, since the abolition of sheltered workshops (SW), many of these SW companies have been converted into social enterprises. These enterprises are very active in the field of sustainability. This requires sufficient knowledge among buyers and clients to make use of this. The Dutch Ministry of the Interior and Kingdom Relations and the G40 city network are working together on the City Deal Impact Entrepreneurship to strengthen these enterprises in a wide variety of ways and thus contribute to the sustainable development goals.



In January 2018, the central government started the Customisation for People project to achieve more social benefits through purchasing and tendering. By creating customisation in the field of social return and looking at the possibilities differently, more people with poor(er) job prospects are helped to find work and gain work experience. Within the central government, Procurement, Policy and HR work together with suppliers to this end. Space for this is offered and experimented with in test beds, for example by creating work experience places for people from the Job Agreement or, on the other hand, for candidates outside the target group register. This way, the central government aims to contribute to a diverse and inclusive society. www.maatwerkvoormensen.nl contains various examples of test beds.

Circular and climate-friendly procurement

Circular procurement is an important tool for boosting the circular economy. In doing so, it contributes to the 2020-2023 Circular Economy Implementation Programme³⁴. By purchasing circular products (which contain recycled materials, are repairable, etc.) and paying attention to the use phase (longer lifespan, repair) and the end-of-life phase (reuse, recycling), reduction in the use of primary raw materials and CO₂ emissions can be significant. Many circular products are still in their infancy or under development. Increasing demand from government agencies and companies means that this supply can grow rapidly.

Some products are not circular, but do not harm the climate either, such as sustainable energy, electric transport or replacing animal protein with vegetable protein in catering. The commitment to this is referred to as climate-friendly procurement.

The Dutch Ministry of Infrastructure and Water Management promotes the application of circular and climate-friendly

procurement by purchasing organisations. For this purpose, an annual amount has been made available from the Climate Budget, among other things. The buyer groups are funded mostly from this budget, among other things, with supplier groups being set up as a follow-up to the second Circular Procurement Green Deal.

The application of internal CO₂ pricing tools is rolled out further among government agencies through the IPO, VNG and UvW. This concerns further awareness-raising (mainly through certification of government agencies on the CO₂ performance ladder) and the specific implementation of this tool in suitable product groups.

Specifically for ICT, efforts are made in setting up international collaboration between buyers to significantly increase purchasing power towards the market. This joint purchasing power can then be used to realise more circular, sustainable and social laptops, smartphones and data centres, in dialogue with (global) ICT producers. As is the case with the buyer groups, there is ample room for exchanging learning experiences and best practices.

In addition to national attention for circular procurement, the Dutch Ministry of Infrastructure and Water Management, including its implementing organisation, Rijkswaterstaat, has been linking up with Europe and beyond for some time now to draw attention to this method of procurement. The Netherlands is considered a front runner in all this. Partly owing to this commitment, the subject has been put firmly on the agenda with Circular Procurement Green Deals currently having been initiated in Flanders, Wallonia, Finland, the Paris region and in Portugal.



Internationally, the link-up of the Green Deal with the Circular Economy Action Plan of the European Commission also plays an important role. This can also generate new incentives aimed at circular procurement, such as mandatory criteria or targets for specific product groups. Within this context, it will be examined in more detail what the possibilities of further standardisation or regulations are.

Environmentally-friendly procurement and biodiversity

In addition to climate, various other environmental themes such as air quality and biodiversity play a role in the SPP policy. These are mainly embedded in the SPP criteria. Many important environmental effects are also integrated in the Environmental Cost Indicator (MKI) in civil and hydraulic engineering and in the Environmental Performance of Buildings (MPG).

The Dutch Ministry of Agriculture, Nature and Food Quality is investigating how it can link up with the interministerial collaboration aimed at SPP with the theme of biodiversity. The aim is to improve the position of government agencies to increase biodiversity in their purchasing and tendering policy and to reduce the Dutch ecological footprint. In 2020, the government's objective of substantially reducing the footprint led to the set-up of the interministerial programme to increase biodiversity, which coordinates and promotes government efforts to increase biodiversity. As reported to parliament³⁵, the Dutch government recognises an important exemplary role for central government in this respect. That is why it is being investigated how the Dutch government itself can contribute (even more) through its own actions to enhancing biodiversity in the Netherlands and the world.

International social conditions (ISCs)/chain responsibility

Much of what the Dutch government buys originates from developing countries. These are countries where issues such as respect for human rights, proper working conditions and an environmentally-friendly production process cannot be taken for granted. A purchasing organisation can directly influence this by applying international social conditions (ISCs). International social conditions contribute to safeguarding labour standards, protecting human rights and preventing environmental pollution in international chains. Recently, the ISCs have been brought more into line with the OECD guidelines for multinational companies. This means that the current basic principle is to apply due diligence and that in addition to social aspects, the negative consequences for the environment must be considered also. This way, the ISCs are more in line with the policy for international corporate social responsibility (ICSR). Applying the international social conditions raises awareness and encourages suppliers to prevent and/or tackle conditions in their chain. Since 2017, the international social conditions have been mandatory for European tenders by the Dutch government in high-risk chains. In addition, pilots are running to investigate whether and how ISCs can be included in the award process, for example, within the ICT and natural stone procurement packages.

To increase the impact, efforts to apply ISCs in tenders must be intensified, both at a central and decentralised level. For example, by integrating the ISCs in circular and climate-neutral tenders and by paying sufficient attention to social and environmental conditions in international value chains at an early stage, when drawing up plans. Also, efforts must be made to ensure that sufficient capacity is available to support buyers and clients in applying the ISCs. Where relevant, lessons must be learned from national and international sector initiatives, such as the ICSR covenants and, more in particular, from the ISC Natural Stone pilot and other experiences from the ICSR policy.



Innovation-oriented procurement

The government can use its own purchasing power for the development and application of innovations that are necessary for solving social challenges. The best-known forms of innovation-oriented procurement are SBIR (Small Business Innovation Research) and the Innovation Partnership. With SBIR, the Dutch government challenges companies to come up with innovative products and services to solve social issues. The government itself is a potential customer (launching customer) of the developed products as well. With the innovation partnership, a contracting authority can develop

an innovative product together with one or more companies and, after a successful development phase, immediately proceed to purchase it as part of a single procedure.

During this government term, the Dutch Ministry of Economic Affairs has made 10 million euros available to promote innovation-oriented procurement by government agencies (e.g. by means of the SBIR method). This has been used to start innovation processes, among other things, that relate to the further development of circular flyovers, noise reduction on provincial roads, CO₂-neutralising of provincial waterways, securing platform edges and anti-infectious clothing for healthcare. Also, attention is paid to information and knowledge sharing via PIANOo and RVO (Netherlands Enterprise Agency). PIANOo advises government agencies across the board about the possibilities of innovation-oriented procurement through the Innovation-oriented procurement programme. RVO advises government agencies on the possibilities of the SBIR tool via the SBIR basic assignment and also monitors use of the tool. Finally, RVO and PIANOo, together with the Dutch Ministry of Economic Affairs, bring the importance of innovation-oriented procurement to the attention of interministerial matters, for example through bilateral contacts and the Government Innovation Community.

Dutch Public Procurement Act

The Dutch Public Procurement Act 2012 offers scope for SPP in various ways. For example, a contracting authority must achieve as much social value as possible for public funds through tenders (Section 1.4, subsection 2 of the Dutch Public Procurement Act). The contracting authority can stipulate special conditions and award criteria relating to social, environmental and innovative characteristics (Sections 2.80 and 2.115 of the Dutch Public Procurement Act). Moreover, since 2016, it has been possible to award contracts based on life-cycle costs

(Section 2.114 of the Dutch Public Procurement Act). As such, the law provides a framework for SPP.

Procuring with Impact

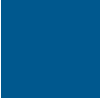
‘Procuring with Impact’ is the central government’s new procurement strategy. Sustainable, social and innovative purchasing is the ‘new normal’ in this set-up. The central government recognises the need and the opportunity to realise greater impact and wants to lead by example in this approach. The Dutch government wants to deploy the 10-12 billion euros that it spends annually on the purchase of works, goods and services as leverage to achieve social goals. Important goals in this strategy are a better climate, promoting the development towards a circular economy, working on more job opportunities for people with poor job prospects and improving the social conditions in international production chains.

This exemplary role of the central government has also been laid down in the Climate Agreement, through the goal of climate-neutral business operations by 2030, among other things. To monitor the progress of this and to implement concrete actions, efforts are made, for example, to implement the CO₂ performance ladder. Several miniseries have already been certified on the ladder. The Dutch Ministry of the Interior and Kingdom Relations will start a process to include the other ministries in this as well.

Notes

1. www.rijksoverheid.nl/documenten/rapporten/2019/10/28/inkopen-met-impact
2. Confidence in the future, Governing Agreement 2017 - 2021
3. The purchasing volume of the Dutch government, Significant, 2016
4. Motion by MP Özütok (Parliamentary Papers II, 2019-20, 35 300 VII, no.15)
5. Completion of action agenda Better Procurement and follow-up (Parliamentary Papers II, 2018-19, 34 252, no. 14)
6. www.sdgnerland.nl/sdgs-2/doel-12-duurzame-consumptie-en-productie
7. Progress report on the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, 23 April 2020
8. <https://diversiteitinbedrijf.nl/charter-diversiteit-wat-is-het>
9. Evaluation of SPP Action Plan for 2015-2020, CE Delft, 2020
10. With the caveat that, in the stakeholder analysis by Schuttelaar & Partners (2020), the contribution to the ISC goals through own purchasing is still estimated to be very low by the respondents (3.7 out of 10), which is much lower than seen in other SPP themes.
11. Chances and Challenges for Sustainable Public Procurement - The Supplier's Experience, master thesis Else Edwards, 2020 conducted under the supervision of the Dutch Ministry of Infrastructure and Water Management and CSR Netherlands
12. Biennial Review of Implementation EU Environmental Policy 2019 (http://ec.europa.eu/environment/eir/country-reports/index2_en.htm)
13. As recently highlighted in 'Sustainability remains neglected in tenders in construction', an article in FD of 7 October 2019.
14. This is evident from all reports and studies that have been carried out, including the evaluation of the SPP Action Plan for 2015-2020, the evaluation of Better Procurement and the impact monitoring report by RIVM.
15. Stakeholder Analysis of Sustainable Public Procurement, Schuttelaar & Partners, 2020
16. The RIVM too reports in its impact monitoring that requirements and award criteria are not always formalised contractually. In addition, often no track is kept of how much is purchased on the basis of the contract.
17. <https://mvizet.nl>
18. 'Dutch connections: A review of sustainable procurement by the Dutch government, with a focus on procurement with potential impact in other countries through the supply chain', EcoValue, 2019
19. For example, one of the main lessons from the evaluation of the action plans based on the Manifesto: 'The SPP action plan does not originate from the purchasing department.' Budget holders and directors in particular play a decisive role.

20. For example, CSR Netherlands writes in its letter of 16 September 2019 to the State Secretary of Infrastructure and Water Management: 'Embedding in the organisation is the main thing'.
21. ABDTOPConsult, 2018. www.pianoo.nl/nl/document/16763/rapport-transitie-te-koop-beleid-opdrachtgever-en-inkoper-samen-aan-de-slag
22. The publication 'Circular Procurement in 8 steps - Guide for Residential and Non-Residential Building' contains a step-by-step plan that offers reference points for the implementation of good commissioning. See: <https://circulairebouweconomie.nl/wp-content/uploads/2020/10/Handreiking-Circulair-Inkopen-8-stappen-BenU.pdf>
23. www.pianoo.nl/nl/themas/maatschappelijk-verantwoord-inkopen-duurzaam-inkopen/ontwikkelingen/buyer-groups/onderwerpen
24. Rebel 2020, Comply or Explain, Exploration of the "Comply or Explain" principle and applicability in Social Responsible Commissioning and Procurement.
25. www.pianoo.nl/nl/document/14143/handreiking-manifest-mvi-2016-2020
26. Chapter D10(r) "The central government is taking the initiative with other government agencies to collaborate on setting CO2 reduction targets (1 megatonne of CO2 emission reduction per year from 2021) for the eight purchasing categories/product groups that have the biggest impact (including at least civil and hydraulic engineering, energy and transport).
27. www.rijksoverheid.nl/onderwerpen/werken-met-arbeidsbeperking/meer-banen-mensen-arbeidsbeperking
28. www.pianoo.nl/nl/themas/maatschappelijk-verantwoord-inkopen-duurzaam-inkopen/ontwikkelingen/buyer-groups
29. This is, among other things, a proven approach in the Circular Procurement Green Deal, which was set up by RWS (Dutch Directorate-General for Public Works and Water Management) and which has received various (international) prizes and which has also been adopted in various countries and regions.
30. Stakeholder Analysis of Sustainable Public Procurement, Schuttelaar & Partners, 2020
31. www.rijksoverheid.nl/documenten/rapporten/2019/12/20/bekostiging-en-financiering-van-transitiegericht-inkopen
32. www.pianoo.nl/nl/themas/maatschappelijk-verantwoord-inkopen-duurzaam-inkopen/productgroepen-mvi-criteria/onderhoud
33. www.tweedekamer.nl/kamerstukken/detail?id=2015Z11452&did=2015D23263
34. www.rijksoverheid.nl/documenten/rapporten/2020/09/25/uitvoeringsprogramma-2020-2023
35. Letter programme Increasing Biodiversity (Parliamentary Papers II, 2020-21, 26 407, no. 136)



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www.pianoo.nl/nl/themas/maatschappelijk-verantwoord-inkopen-mvi-duurzaam-inkopen

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