Environmentally Sustainable Procurement

An Introductory Guide

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Why this document?

As procurement staff in the humanitarian sector, your purchasing decisions not only impact organizational operations but also affect local communities and the environment. Recognizing the critical role of green procurement in today's environmentally conscious era, this guide aims to provide practical strategies for more environmentally sustainable practices. This isn't about added complexity, but rather about leveraging your influential role for more responsible procurement and a healthier planet. Surveys by WREC in 2022 and 2023 highlight the growing significance and necessity of embedding environmental considerations in procurement, with many organizations prioritizing it for environmental and organizational benefits. However, there's a clear need for further awareness, as many organizations still struggle to confirm the eco-friendliness of their purchases. This guide serves as a beacon towards resilient supply chains, ethical labor practices, and a greener humanitarian sector.

Target Audience

This quick guide on green procurement targets Procurement Officers, Buyers, Logistics and Supply Chain Managers. These roles, encompassing sourcing, purchasing, and supply chain management, are pivotal for implementing sustainable procurement practices. The guide provides practical advice on identifying sustainable suppliers, understanding sustainability certifications, making sustainable choices, and minimizing waste and emissions, while promoting fair labor practices. It acts as an essential resource to integrate sustainability into their respective responsibilities, facilitating a broader shift towards 'green' practices in their organizations.

The requestor (the party initiating the procurement request) holds a key role in implementing sustainable practices. They have the power to influence green procurement through their specific requirements and choices. By incorporating sustainability criteria into their requests, they actively promote environmentally responsible procurement. This guide aims to arm requestors with the knowledge to leverage this influential position effectively.
What is Green Procurement?

The term ‘green procurement’ as represented below depicts the WREC Project’s understanding of green and environmentally sustainable procurement applied to humanitarian supply chains. The Logistics Cluster maintain complete impartiality and are not in a position to endorse, comment on any company's suitability as a reputable service provider, nor to supersede existing definitions of Green and Sustainable Public Procurement.

**Green Procurement** is considered as a strategic approach that emphasizes environmental responsibility in purchasing decisions. This approach supports purchasing of goods and services from suppliers that are committed to minimizing environmental impact, particularly in terms of reducing energy consumption and waste generation.

**Sustainable Procurement** incorporates broader ESG (Environmental, Social, and Governance) aspects and builds upon the principles of Green Procurement.

Emergency situations often require humanitarian aid supply chains to be highly responsive, prioritizing speed and efficiency to save lives. In these circumstances, purchasing decisions can be made hastily, favoring immediate availability and low costs, which may overshadow long-term environmental sustainability considerations.

For instance, environmentally sustainable (or ‘green’) products or services may not be available in the affected region, or obtaining them may be too time-consuming or costly. These challenges can drive organizations towards the most accessible and affordable options, even if they are not the most environmentally sound.

Moreover, organizations may lack the expertise and resources to integrate sustainability into their procurement processes. Without sufficient training, understanding, and mechanisms to assess the sustainability of products or suppliers, making informed and environmentally responsible purchasing decisions can be difficult.

Lastly, organizations may face internal resistance to adopting more sustainable practices. If perceived as more complicated or expensive, even when long-term benefits are recognized, sustainable practices may meet with reluctance, impeding their implementation.

Utilizing simple green procurement practices can alleviate some of these concerns by raising awareness of the issue and also sharing simple strategies to mainstream environmental sustainability across humanitarian organization’s purchasing and supply.

Why is it relevant to the humanitarian sector?

Green procurement is highly relevant to the humanitarian sector for several reasons mentioned below in (table 1):

<table>
<thead>
<tr>
<th>Neglecting Green Procurement</th>
<th>Embracing Green Procurement</th>
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<tbody>
<tr>
<td>Contributes to environmental degradation</td>
<td>Promotes environmental preservation</td>
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Neglecting Green Procurement

- Drives long-term environmental cost-efficiency and builds a positive public image
- Stimulates market trends towards eco-friendly practices
- Enhances community resilience and minimizes waste

Benefits of Green Procurement

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<tr>
<th>Field</th>
<th>How to Practically Embed in the Humanitarian Sector?</th>
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</thead>
<tbody>
<tr>
<td>Environmental Protection</td>
<td>An organization may opt to invest in renewable energy sources like solar power for their operations, rather than continuing to rely on traditional fossil fuel generators. While the initial expenditure for renewable energy systems might be greater, the Total Cost of Ownership (TCO), including maintenance, fuel, and repairs, is often less. This choice not only allows significant energy cost savings in the long run but also substantially reduce carbon emissions.</td>
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<td>Waste Generation</td>
<td>Recognizing the operational necessity of addressing single-use plastics (SUPs) in response to the 2017 wholesale SUPs ban in Kenya, and the significance of plastic reduction for environmental impact, ShelterBox1 decided to initiate the formation of working groups, consisting of members from various teams such as procurement, logistics, operations, communications, and fundraising. This collaborative approach aimed to leverage diverse perspectives and skills to take a proactive stance toward waste management and environmental sustainability.</td>
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<td>Long Term Efficiency</td>
<td>Rather than buying low-quality medical equipment that may break down frequently, an organization might invest in higher-quality, durable equipment. Despite a higher upfront cost, this can lead to reduced maintenance and replacement costs over time, freeing up funds for other humanitarian needs. For example, incinerators are frequently utilized by medical humanitarian organizations like ICRC to manage medical waste generated in the field. It is crucial to invest in high-quality equipment, even if it requires a higher initial investment because inferior-quality incinerators can emit toxic substances and air pollutants, fail to fully sterilize the contents, and result in detrimental effects on both the environment and the well-being of individuals involved. To ensure proper waste management and safeguard lives, it is essential to employ incinerators that surpass 900 °C and possess dual chambers2.</td>
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<td>Resilience</td>
<td>An organization might choose to procure food supplies from local farmers instead of importing them from overseas. This can enhance local economic development and resilience, reduce carbon emissions related to transportation, and align with the sector’s long-term development goals, despite potentially higher initial costs programmes integrating local production in their sourcing strategy can, and often do, have multiple long term environmental and social benefits.</td>
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<tr>
<td>Reputation and Public Trust</td>
<td>During emergencies, vulnerable population are targeted for life saving programmes and delivery of goods. However, the waste and pollution generated because of emergency activities quickly begins to accumulate and can have long term negative environmental impacts (deforestation, plastic pollution in waterways, hazardous oils, air pollution). When organizations mainstream environmental sustainability into their procurement practices, waste is reduced at source (ex. Reduction in packaging) and emissions can be reduced. Populations of concern therefore can benefit from the emergency support and participate in ‘green’ practices that minimize harm to their environment.</td>
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Table 1. The benefits of adopting green procurement

Implementing green procurement into the humanitarian sector involves integrating environmental considerations into procurement decisions, right from the planning stage through to the disposal stage of the procurement cycle. This promotes a

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1 Shelter Box: Managing Packaging Waste Sustainability-Lessons Learned
2 IFRC – Managing solid waste: sector-specific guidelines for the Red Cross Red Crescent
circular economy approach, emphasizing waste reduction and resource efficiency, while simultaneously aiming for social improvements and economic inclusivity. See table 3 for an illustration.

Diagram 1: Procurement Cycle and how to embed sustainability in each step

<table>
<thead>
<tr>
<th>Steps</th>
<th>Concrete Example</th>
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<tr>
<td>Identifying Needs: Before any procurement activity, a thorough assessment of the actual needs should be conducted by Procurement and Technical Unit. Ask questions such as:</td>
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<td>• Are there alternatives that could serve the same purpose but have a lower environmental impact?</td>
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<td>• Could we refurbish existing resources instead of buying new ones?</td>
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<tr>
<td>• Can we select items that can be recycled locally at the country of operation?</td>
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<tr>
<td>• Do we need specific or additional budget to manage the item at the end of its life cycle?</td>
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<tr>
<td>Long-lasting insecticidal nets (LLINs) are essential for malaria prevention and control. In the period from 2021 to 2022, UNICEF delivered 60 million LLINs, establishing itself as one of the largest procurers of LLINs. To prioritize sustainability in their procurement practices, UNICEF identified two key areas of focus: efficient shipping to communities and reducing the environmental impact at the end of the product’s life cycle. To address these concerns, UNICEF introduced bulk packing as an alternative to individual plastic bags, resulting in reduced plastic waste during LLIN deliveries. This solution not only minimized environmental impact but also led to cost savings of US$317,000 in LLIN procurement and enabled the shipment of an additional 160,000 items due to freed container space, which otherwise would have been hindered by funding limitations.</td>
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3 WREC Waste management facilities mapping (logcluster.org)
**Steps**

- Can we apply reverse logistic schemes to relief items at the end-of-life cycle?

**Concrete Example**

**Market Research:** Understand what ‘green’ options are available in the market. Are there suppliers who emphasize sustainability in their production process? Look for suppliers who are certified by recognized eco-labels such as ISO 9001, ISO 20400 and Fairtrade International or those who demonstrate commitment to sustainability in their business practices.

To identify ‘green’ options in the market that align with donors’ requirements, the International Committee of the Red Cross (ICRC) incorporates green procurement into its sustainable development policy. The focus is on both the manufacturing conditions and the usage of purchased products. To evaluate manufacturing conditions, the ICRC conducts visits to selected suppliers’ factories, assessing criteria including health and safety, working conditions, environment, and child labour. Only approved suppliers are eligible for tender participation, and this thorough process is rewarded with long-term contracts. To ensure product quality, the ICRC utilizes small testing laboratories and integrates sustainability considerations into product specifications, such as opting for steel instead of aluminium to minimize health risks and energy consumption.

**Specification:** This is the stage where you can set the criteria for what you want to procure. You might include aspects such as the product’s lifecycle, energy efficiency, waste reduction, or whether it includes recycled materials or alternatives to plastics. CIPS suggests considering the “whole life cost” (i.e., ‘total cost of ownership’) of a product or service, including running costs (fuel, ink, spare parts, etc.), maintenance, and disposal, rather than just the initial price.

The **UNEP Sustainable Public Procurement Implementation Guidelines** provide guidance on designing and implementing Sustainable Public Procurement (SPP) policies, using the adaptable ‘SPP Approach’ based on real-world experiences and feedback. It serves as a step-by-step guide for countries to establish and enhance long-term SPP efforts, acting as a point of reference and inspiration for sustainable procurement overall. The second edition incorporates numerous best practices and case studies, reflecting lessons learned and including highlights of UNEP’s monitoring activities, fostering a common vision and framework for effective SPP implementation.

**Supplier Selection:** Prioritize suppliers that align with your environmental objectives. For example, you could consider the supplier’s carbon footprint, their use of fair-trade and labour practices, and their waste management policy. If you aren’t aware of your supplier’s waste management policy and knowledge of environmental sustainability, ask! Site visits to supplier warehouses, physical inspection of fleet and garages will often give you an idea of their handling of hazardous materials (fuel, oil, and lubricants, for example). Provide your suppliers with recommendations to improve their sustainability (waste separation, fuel disposal, recycling, etc.) and follow up.

In 2017, UNICEF responded to an unprecedented increase in demand for Ready to Use Therapeutic Food (RUTF) by encouraging local producers to enter the market, fostering economic development and knowledge transfer. They aimed to diversify their supplier base and increase global production capacity. As a result, UNICEF sourced 54% of its increased procurement volume of 53,000 MT from program countries in Africa and Asia, stimulating local markets and leading to capacity and employment growth. For example, two suppliers, located in Ethiopia and Kenya, increased their combined RUTF production capacity by 125 per cent, as compared to 2011. They increased their number of employees by 76%, and female employees by 5%. This procurement approach strengthens the vision of sustainability and enables long-term community development through increased local production and technical capacity.

**Contract Management:** After a contract is awarded, it’s important to manage and monitor the supplier’s performance in terms of environmental sustainability. This could include checking whether the product or service delivered meets the green specifications, or if the supplier is upholding their ‘green’ practices, and re-visiting their

As part of the Joint Initiative for Sustainable Humanitarian Packaging Waste Management, 5 organisations (DRC, Save the Children, HCR, ICRC, BHA) have been working on developing sustainability criteria for packaging which can be used by organisations when writing tender contract. These 25 criteria look at the composition, type, size

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4 **UNICEF** – UNICEF implements sustainable procurement
5 **WREC** - Green Procurement: Tendering Criteria for packaging presentation by DRC
Steps | Concrete Example
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warehouses or garages to check if they have implemented more responsible waste management practices, etc. | of packaging and sub packaging as well as issues such as after use & transport.

Review: Continually review your procurement processes to look for areas of improvement. Share your successes and learnings with others in your industry and create a culture of sustainability.

The Sustainable Procurement (SP) working group of the United Nations’ High-Level Committee on Management (HLCM) Procurement Network has developed twelve indicators to systematically monitor, assess, and disclose environmentally sustainable procurement practices within the UN system. These indicators encompass areas such as pollution prevention, sustainable resource utilization, and climate change mitigation and adaptation. Additionally, the working group has established a methodology for identifying environmentally sustainable tenders, which mandates the inclusion of at least three criteria aligned with the three pillars of sustainable development: environmental, social, and economic considerations.

Common Problem and Solution

Commonly, procurement professionals encounter issues initiating the preparation process early due to inadequate planning from the requesting units or an absence of detailed specifications. This often prevents them from effectively embedding sustainability into their procurement practices.

However, it is crucial that early preparation and engagement become a primary focus. Engage with key stakeholders, the supply market, and end users/contract managers early on to establish a common understanding of sustainability objectives within your contractual agreements. This proactive approach allows you to evaluate your organization’s unique challenges, priorities, and risks, and set practical goals to address these.

Ideally, environmental sustainability considerations should be incorporated from the very beginning of the pre-procurement or project development phase. This allows you to explicitly convey the environmental sustainability aspects you want prospective partners to focus. Clearly articulate the environmental sustainability outcomes you aim for and the internal standards your suppliers should adhere. Early engagement and planning are instrumental in ensuring these details are established and communicated effectively, allowing for a smoother and more ‘green’ procurement process.

WREC Help Desk

The WREC project includes Environmental Specialists who are there to support humanitarian partners with access to information and guidance in support of a more environmentally sustainable humanitarian logistics response. As such, please get in touch if you have questions, comments, or concerns that you’d like support with or if you simply have a story to share. Reach out to: Global.WREC@wfp.org.

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6 United Nations Global Marketplace – Sustainable Procurement Indicators