

UNICEF Implements Sustainable Procurement

UNICEF Supply Division

September 2018



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UNICEF provides information on its approach to Sustainable Procurement, leading it to have a bigger impact in achieving the Sustainable Development Goals. By applying a Sustainable Procurement framework to its procurement and supply operations, UNICEF will leverage its strategic procurement to address broad critical issues to advance, and attain, sustainable development by 2030.

Summary

- Sustainable Procurement (SP) is an approach to procurement that incorporates social, economic, and environmental impact considerations and sustainability. It goes beyond the more familiar “green” public procurement, to ensure that all products and services procured support local economic development, with the least environmental, and most positive social impact, with the best value for money (VfM).
- UNICEF’s procurement of goods and services reached a total annual value of USD 3.5 billion by 2017. UNICEF’s procurement represents 18 per cent of the total annual procurement through the United Nations (UN) system as a whole, excluding procurement supported through Programme Cooperation Agreements (PCAs) with partners.
- Considering the current scale of UNICEF’s supply operations, *how* UNICEF procures is as important as *what* it procures.
- To have a bigger impact on the Sustainable Development Goals, UNICEF seeks to apply a SP framework to its supply operations, to leverage its strategic procurement approach, and address the broad critical issues to advance and attain sustainable development.
- In February 2018, UNICEF released its Procedure on SP ([SUPPLY/PROCEDURE/2018/001](#)). The procedure constitutes UNICEF’s policy on SP, and is applicable across all UNICEF offices engaged in supply planning and procurement, wherever feasible and applicable, whether for goods or services, for programmes or office assets.
- UNICEF will undertake several steps over 2018-2030 to advance SP across UNICEF. It will revise its procurement procedures and approaches in consultation with industry (i.e. manufacturers, suppliers), and other development partners, to ensure UNICEF embeds SP in its procurement operations to serve as a leading practitioner of SP in the UN, and as a key contributor to sustainability overall.

1. Background and Introduction

In 2015, world leaders at the UN Sustainable Development Summit adopted the Sustainable Development Goals (SDGs).¹ Also known as the UN 2030 Agenda for Sustainable Development, it articulates a global plan to eradicate poverty in the context of ensuring a healthy planet.² Seventeen SDGs and 169 targets define the agenda that seeks to shape how actors engage in promoting sustainable development. The goals and targets integrate and balance several outcome areas, programme sectors, and dimensions the UN identified as necessary to achieve sustainable development, and which includes procurement. While the general procurement of goods and services can at times appear to some as a background activity in support of the SDGs and programme implementation, UNICEF’s strategic procurement of products and services in 2017 reached USD 3.5 billion, representing 18 per cent of total UN global spend reaching USD 18.6 billion,³ and excludes UNICEF procurement supported through PCAs with partners.

¹ United Nations, [Sustainable Development Goals](#), UN, New York, 2015.

² United Nations, [Transforming our world: the 2030 Agenda for Sustainable Development](#), UN, New York, 2015.

³ United Nations Global Marketplace, [Annual Statistical Report on UN Procurement](#), UNGM, New York, 2018.

This includes an increasing share of procurement done directly on behalf of governments through UNICEF’s [Procurement Services](#). Procurement Services is a transitional development mechanism to provide governments and partners access to UNICEF’s supply network, experience, and expertise to procure strategic and essential products for children.⁴ It procured USD 1.44 billion in 2017 on behalf of 85 self-financing governments and partners, representing 41 per cent of UNICEF’s annual procurement.⁵ Considering the current scale and trend of UNICEF’s procurement operations, which covers the entire supply and logistics management chain, the *manner* in which UNICEF procures is now as important as *what* it procures, especially considering the impact it can have in achieving the SDGs.

UNICEF published its Procedure on SP in February 2018 ([SUPPLY/PROCEDURE/2018/001](#)).⁶ It constitutes UNICEF’s policy on SP, and is applicable to all UNICEF offices engaged in supply planning and procurement, wherever feasible and applicable, whether for programmes, office assets, or services.

SP is an approach to ensure that all the products and services procured support local economic development, with the least environmental, and most positive social impact, as well as ensuring the best VfM. SP focuses on three pillars of sustainability: social, economic, and environmental considerations (Table 1), and goes beyond what is referred to as “green public procurement”.

Table 1 Sustainable Procurement Pillars

Social progress	Economic considerations	Environmental aspects
Human development; Education; Human-labour rights; Poverty and inequality reduction; Security; Social inclusion; Promotion of small and medium enterprises (SMEs).	Best VfM (price, quality, availability, functionality, and innovation); Life-cycle costing; Total cost of ownership; Economic development; Employment; Good governance.	Preservation of natural resources, ecosystems, and biodiversity; Reduction of ecological footprint; Reduction of greenhouse gas emissions; Waste management.

Source: UN Office for Project Services.

Besides clear links to the SDGs, SP is directly relevant to UNICEF’s Global Greening Strategy for UNICEF’s offices and operations.⁷ These three pillars apply to the whole procurement process for products and services, and includes suppliers, manufacturers, the entire transport, freight, and supply delivery chain, and covers pre-, during, and post-purchasing phases (Table 2).

SP seeks to integrate environmental and social considerations into traditional VfM procurement considerations and processes. In doing so, UNICEF expects procurement to significantly contribute to UN sustainable development, notably by:

- Generating long-term efficiency and savings,
- Using local resources more efficiently and effectively, including local production,
- Reducing the harmful impact of pollution and waste,
- Reducing hazardous substances and the impact on human health and the environment,
- Signalling to the market the need for sustainable products,
- Nurturing and helping product and service innovation.

⁴ UNICEF, [Procurement Services](#), UNICEF, Copenhagen, 2018.

⁵ UNICEF, [Supply Annual Report](#), UNICEF, Copenhagen, 2017, p. 47.

⁶ UNICEF, UNICEF [Procedure on Sustainable Procurement](#), UNICEF, Copenhagen, February 2018.

⁷ UNICEF, [Greening UNICEF](#), UNICEF, New York, January 2017.

Table 2 UNICEF’s Supply and Logistics Management Chain and Operations Rainbow

							
Definition of Need Planning supplies with programme specifications	Budget and Planning Developing procurement strategies	Procurement Sourcing, solicitation, tender evaluation, awarding contracts	Delivery and Clearance Shipping, freight forwarding, contract management	Inspection Quality assurance, <i>social</i> audits	Warehousing And Distribution Secondary in-country deliveries	End-user Utilization Fit for purpose Impact	Monitoring and Evaluation Cost-efficiency and effectiveness

Source: UNICEF Supply Division

2. UNICEF and Sustainable Procurement

3.1. UNICEF Mapping of Existing Sustainable Procurement Practices

UNICEF’s existing guiding principles and policies governing UNICEF procurement already reflect many aspects considered under SP’s different pillars (Table 3).

Table 3 Guiding Principles and Policies for UNICEF Procurement – Continued overleaf

Value for Money	One of UNICEF’s four procurement guiding principles to optimally meet the needs of end-users. Considers the best return on investment, not the lowest cost. Other principles include: promoting UNICEF’s objectives of fairness, integrity, and transparency through competition; economy, and effectiveness. ⁸
Global Compact	A voluntary international corporate network to advance universal social, and environmental principles. The UN encourages all suppliers to adhere to the ten principles covering <i>human rights, labour, environment, and anti-corruption</i> . More information on the Global Compact can be found here: www.unglobalcompact.org . ⁹
UN Supplier Code of Conduct	UN Supplier Code of Conduct encompasses the values of the UN Charter: <i>respect for fundamental human rights, social justice, human dignity, and respect for the equal rights of men and women</i> , which serve as overarching values for the Global Compact (see above), together with the International Labour Organization’s (ILO) international labour standards: <i>freedom of association and collective bargaining, the prohibition of forced or compulsory labour, the prohibition of child labour, discrimination on grounds of race, colour, sex, gender, religion, political opinion, national extraction, or social origin, as well as wages, working hours, and conditions</i> . ¹⁰
UN Security Council Resolutions	UNICEF does not work with suppliers included on the UN Security Council Resolution 1267 list, ¹¹ as well as manufacturers of land mines, among others.
Children’s Rights and Business Principles	A set of principles offering concrete guidance for businesses to respect and support children’s rights; eliminate child labour; support young workers, parents, and caregivers; ensure child protection and safety; provide safe products and services; ethical marketing and advertising; environmental considerations; security arrangements; protect children in emergencies; support community and government efforts. ¹²
UNICEF’s General Terms and Conditions	Compliance with UNICEF general terms and conditions for goods and services and related standard contractual texts. ¹³
Training	UNICEF staff can take UN training each year on how to implement SP procurement practices.

⁸ UNICEF, [Procurement Policies](#), UNICEF, Copenhagen, February 2018.

⁹ United Nations, [The Ten Principles of the UN Global Compact](#), UN, New York, 2018.

¹⁰ United Nations Global Market Place, [Code of Conduct](#), UN, New York, 2018.

¹¹ United Nations Security Council, [Security Council Committee Pursuant to Resolutions 1267 \(1999\), 1989 \(2011\), and 2253 \(2015\) Concerning ISIL \(DA’ESH\) Al-Qaida and Associated Individuals Groups Undertakings and Entities](#), UN, New York, 2018.

¹² UNICEF, [Child Rights and Business](#), UNICEF, New York, 3013.

¹³ UNICEF, [Procurement Policies](#).

Information Exchange	UNICEF is part of the UN-wide SP working group, the cross-sectoral High-Level Committee on Management Procurement Network (HLCM-PN); a Health sector-specific group; and a working level peer-to-peer exchange with SP specialists with other UN agencies and some suppliers.
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Source: UNICEF Supply Division

In addition, UNICEF already applies many SP considerations in its procurement, and already has several pertinent examples achieving concrete and tangible results (Table 4).

Table 4 UNICEF Sustainable Procurement Actions by Pillar – Continued overleaf

Sustainability Pillars Commodity Service	Environmental	Economic	Social
Safety Injection Equipment)	30% of its commercial evaluation dedicated to environmental criteria, i.e. ↓ packaging, shipping, freight volumes = ↓ CO2 emissions and waste.	VfM optimized by landed cost evaluation + product bundling = ↓ freight costs.	Target: 20% of awards to new programme country suppliers by 2021.
Ready-to-use Therapeutic Food	↓ CO ² emission by ↑ local supplier procurement.	UNICEF, partners, suppliers to ↑ local production, reference standards: ↓ imported material reliance + pricing.	↑ Diversify supplier base + production to programme countries: ↑ production, supply chain knowledge, skills transfer = ↑ jobs.
Cold Chain Equipment	↓ CO ² emission and ↓ waste with ↑ solar power, battery / freeze-free tech: ↑ optimized cold chain, ↓ energy use, ↓ hazardous waste + chlorofluorocarbon (CFH) free.	↑ VfM by ending old tech., using total cost of ownership / whole-life costing, bundled with service delivery, installation. + mnt.	↑ Jobs creation with local sales, service + delivery industry development, and supplier base expansion.
School Furniture	Use of local materials for local production + sustainable / legal source of timber + Forest Stewardship Council (FSC) certification.	↑ VfM through products made fit for purpose, ↑ quality, specifications, reference standards: ↑ usability, durability, and ↓ costs.	↑ Local production and capacity building + local knowledge, and skills transfer + business development = ↑ jobs.
Mosquito Nets		↑ VfM by considering landed cost evaluation criteria, not only USD unit price.	↑ Local production, skills, and knowledge transfer = ↑ jobs.
Pharmaceuticals	↓ Packaging; ↓ shipping volume + weight = ↓ waste, ↓ freights costs + ↓ CO2 emissions e.g.: New Artemether Lumefantrine tablets and packaging = 20% ↓ shipping volume and weight.		
Education Kits	↓ 100 metric tons (MT) CO ² emission by ↑ use of post-consumer waste / i.e. recycled aluminium for education kit boxes, ↑ FSC / PEFC wood, paper products; EcoTex standard materials; ISO 14000 tender evaluation, certified waste management, + consolidating shipping from warehouses.		UNICEF has introduced using SA8000 certification (Social Accountability International) for high-risk products (e.g. footballs).
Vaccines	↑ Product / cold chain optimization by ↑ combination vaccines, ↓ doses, ↓ schedules + optimal vial size, open vial policy, vaccine vial monitors, country stock inventory monitoring, new vaccine delivery tech + waste rates ↓ to 10-15%.	↑ VfM by healthy markets framework, cost / price reductions, supplier base diversity, geographic regional sourcing.	↑ Child vaccination: ↑ child protection from disease = survival, and prosperity.

Sustainability Pillars / Commodity Service	Environmental	Economic	Social
Water & Sanitation	<p>↘ 100 MT CO² emission by ↗ regional sourcing, use of recycled / compostable materials, improved product tech specs = ↘ harmful impact on health + environment, e.g.: use of recycled paper for education supplies, recycled plastic for latrine slabs, ↘ packaging volume through working with suppliers (chlorine tablet packaging).</p>		
Freight Forwarding Services	<p>Service providers to incorporate environmental policy ISO 14001:2015 and report on CO² emissions.¹⁴</p>		
Emergency Response	<p>↗ Phased use of emergency response modalities (land + sea) = ↘ air transport + ↘ CO² emissions.</p>	<p>↗ VfM response optimization through phased emergency response modalities + ↗ cost-saving.</p>	<p>Comparing 2011 and 2017 Horn of Africa famine response: ↗ RUTF local procurement, ↘ lead delivery time, ↗ expenditure = ↗ local economies and jobs.</p>

Source: UNICEF Supply Division

UNICEF also mapped many of its procurement practises falling under SP and created a reference library, **only accessible by UNICEF staff** via the intranet [here](#).¹⁵ UNICEF will continue to compile this information to establish a 'baseline' of SP procurement examples as far as possible, and capture similar approaches and efforts planned by country and regional offices. UNICEF also show cases some examples in education (Table 5).

Table 5 SP Approaches in UNICEF's Education Procurement

EXAMPLES - EDUCATION
<p>UNICEF has been active in applying SP approaches to product adaptation, development, and procurement to education supplies:</p> <ul style="list-style-type: none"> • UNICEF sources more than 6,000 MT of paper annually, using recycled paper pulp from Forest Stewardship Council (FSC) certified managed sources with a clear chain of custody. • It procures more than 300 MT of recycled aluminium to produce metal boxes for emergency education kits; • It procures around 100 MT of FSC certified and Programme for the Endorsement of Forest Certification (PEFC) well managed wood for the production of pencils; • It also established long-term arrangements (LTAs) with suppliers for bio-compostable bags for health and education kits. <p>Bio-compostable bags can replace traditional plastic bags, and it now includes in the school-in-a-box, and Early Child Development (ECD) kits, which will save an estimated 200 MT of plastic annually. UNICEF adapted new product specifications to reflect the regulatory changes made by some countries, as well as to push for continuous changes in favour of sustainable alternatives. Despite the cost of kits increasing by approximately 7-10 per cent (USD 12.00, depending on the type of education kit, which can range in price from USD 114.00 to 172.00), the cost-benefit to the environment far outweighs the increase in unit cost. However, even though the increase is well justified, UNICEF retained the option for countries to use standard plastic bags should they not have the funding available to cover the cost-difference. Stay tuned for more sustainable solutions...</p>

Source: UNICEF Supply Division - Education Bulletin April 2018

Below, UNICEF provides a case study of how SP can affect and have an impact on sustainable development and VfM in an emergency (Table 6).

¹⁴ ISO standard [ISO 14001:2015](#) specifies organizational environmental management systems and requirements to enhance environmental performance. For organizations seeking to systematically manage their environmental responsibilities, certification, and carbon dioxide emission reporting.

¹⁵ UNICEF, [Sustainable Procurement Mapping](#), UNICEF, Copenhagen, 2018.

Table 6 Case Study on UNICEF’s Procurement of Ready-to-Use Therapeutic Food

CASE STUDY – NUTRITION

In 2017, UNICEF procured an unprecedented volume of Ready-to-Use Therapeutic Food (RUTF). RUTF is an energy dense, micronutrient paste, based on a mixture of peanuts (or alternative ingredients) with sugar, oil, and milk powder. It is primarily used in emergencies to treat children suffering from severe acute malnutrition (SAM).

From 2000-2007, the RUTF market only had a single qualified international supplier producing RUTF for export, from which UNICEF sole-sourced supply to meet demand. UNICEF faced growing country programme demands and programme preferences for locally produced RUTF for in-country use. UNICEF wanted to nurture economic development, and foster greater supply efficiencies to meet the increasing demand from a growing number of countries.

UNICEF encouraged local producers to develop local supply availability and enter the market to support broader economic and development goals, provide employment, as well as promote the transfer of technical, production and supply chain knowledge and expertise. It wanted to ultimately increase and diversify global production capacity, diversify its supplier base, and encourage independent quality suppliers, particularly in programme countries. To measure this progress, in 2014, UNICEF adopted a supply outcome target to source 50 per cent of its RUTF procurement from suppliers located in programme countries by 2016.

In 2017, UNICEF increased its procurement volume by 50 per cent from an annual average of 35,000 MT to reach 53,000 MT, sourcing it from 20 different suppliers, of which it sourced 54 per cent from programme countries based in Africa and Asia, which also now sell for export to other countries in those regions. The combined global production capacity for RUTF is now more than sufficient to meet the sudden increased demand from emergencies, from what was in 2007, a life-saving product dependent on a single source.

UNICEF has regularly responded to reoccurring cycles of acute malnutrition in the **Horn of Africa**. UNICEF compared two of its recent peak periods of demand and emergency response covering April to September in 2011 and the same period in 2017. In 2011, UNICEF sourced all its supply (8,335 MT) internationally, and had to use international air freight. By contrast, in 2017, during its peak, UNICEF sourced 48 per cent of its RUTF from manufacturers in neighbouring programme countries. As it sourced a greater share of its total 6,372 MT supply nearer the delivery destination in 2017, it contributed to a 21 per cent USD cost-reduction per MT, averaging a cost per MT reduction of USD 830.30, from USD 4,003 (2011) to USD 3,173 (2017), as supply relied on cheaper freight costs using over land means and sea, rather than far more expensive international air freight, as compared to 2011. The reduction in average freight cost per MT was USD 556.00 (78 per cent), from USD 710.00 (2011) to USD 154.00 (2017), which in turn, contributed to an 87 per cent reduction in carbon emissions.

But that is not all... UNICEF could see the effects of sourcing an increasing share of supply from local manufacturers in response to the emergency, and how this local supply stimulated local markets. Two suppliers, one each 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 per cent, and female employees by five per cent. The social and economic impact and benefit of relying on local production strengthened a wider vision and understanding of sustainability through UNICEF’s supply function.

Growing local production and technical capacity during humanitarian responses will further leverage procurement and supplies as a key programme input and enable long-term community development. Looking ahead, UNICEF will also seek sustainable sources of products using alternative locally produced ingredients.

Source: UNICEF Supply Division

3.2. Sustainable Procurement Framework

UNICEF seeks to adopt a SP framework for its procurement operations, and use it to leverage its procurement and mechanisms to address broader issues to advance and attain greater sustainability. Several opportunities and benefits exist for UNICEF to increasingly adopt, commit, and improve SP, and build on what it has already achieved (Table 4). UNICEF describes other opportunities in Table 7 and Table 8 below.

Table 7 Opportunities for UNICEF To Consider Sustainable Procurement – Continued overleaf

Influencing corporate behaviour for social benefit
Procurement is a lever that can directly influence corporate behaviour, and be more effective than communication; advocacy; or seeking voluntary compliance through agreements. UNICEF can influence some markets, especially those where products have a direct impact and are essential to meet the programmatic needs of women and

<p>children, and advance UNICEF’s young people’s agenda to reach #EVERYCHILD,¹⁶ and safeguarding child protection,¹⁷ using the USD 3.5 billion of goods and services it procures a year. UNICEF can lead in demanding a higher level of sustainable production from its suppliers. Even though there is a general perception that demanding higher standards will result in higher operating costs, standards also drive supplier efficiencies and improved performance (e.g. through development of new technologies, improved labour, and driving increased productivity).</p>
<p style="text-align: center;">Contribute to tackling climate change</p> <p>UNICEF issued its Executive Directive (CF/EXD/2016-002) in March 2016. It outlines UNICEF’s priorities, in partnership with governments, communities, civil society, and the private sector, to systematically address the impacts of climate change on children. It puts tackling climate change at the heart of UNICEF’s work, highlighting that children are most at risk from the impacts of climate change, and that the scale and frequency of humanitarian disasters, or health emergencies, may well increase and expand with climate warming beyond known or associated geographic areas. Climate change-linked conflict may also likely become a growing phenomenon, where changes in climatic conditions precipitate conflicts over scarce resources.</p>
<p style="text-align: center;">Drive to ensure fit for purpose quality improvements and innovation</p> <p>Rigorous quality standards already govern health products (e.g. vaccines, health equipment), and as such, SP would not have any negative impact from a quality standpoint. Rather, SP may improve quality over the long-term, for example if time-to-failure and durability become higher valued selection criteria, if necessary as part of a solution, and not just based on a reassessment of standards and specifications.</p>
<p style="text-align: center;">Risk mitigation</p> <p>By demanding exemplary higher ethical standards from its suppliers and sub-contractors, UNICEF can avert any negative perceptions as a consequence should any supplier or procurement agent unethical malpractice be uncovered. The negative perceptions from any unethical malpractice can severely impact UNICEF’s ability to mobilize resources and undermine its credibility in advocacy. By mitigating any risks, UNICEF can focus on its mission. UNICEF, suppliers and sub-contractors would avert most risks should suppliers and contractors adhere to the guiding principles and policies governing UNICEF procurement (Table 3): UNICEF’s procurement policies, the ten principles of the UN Global Compact, and the UN global market place code of conduct, and compliance with social audits.</p>
<p style="text-align: center;">To help ‘future proof’ UNICEF’s supply operations</p> <p>It is possible that donors may start making funding conditional on SP practices, just as donors have done with VfM, which was previously pushed to positive effect.</p>
<p style="text-align: center;">UNICEF’s commitment to SP</p> <p>UNICEF has the capacity to be at the forefront of UN efforts on SP. UNICEF will strive to be a UN leader on SP practices, and/or the ‘go to’ agency when a commodity ought to be purchased in a sustainable manner.</p>
<p style="text-align: center;">To do it, because we should, and because we can...</p> <p>There is now a growing sense of climate urgency. Given the breadth and depth of UNICEF’s supply function, UNICEF will assess the application of SP in its procurement process as relevant (Table 8).</p>

Source: UNICEF Supply Division

Table 8 Stages of UNICEF’s Procurement Process

<p>Pre-purchasing</p>	<ul style="list-style-type: none"> Plan market research for sustainable alternatives, Assess the sustainability risks of services and products, Arrange supplier conferences to discuss sustainability issues, options, and ideas, Rethink / define requirements and what technical, functional, and performance standard options are necessary, Source and assess supplier social and environmental policies and impacts.
<p>Purchasing</p>	<ul style="list-style-type: none"> Where applicable and/or relevant in solicitations, include sustainability aspects, criteria, points in solicitation notices and documents, Evaluations could reflect a life-cycle cost approach, and weighted scoring, which could reflect sustainability points, Transport and logistics should consider minimizing environmental impact, And optimize packaging.
<p>Post purchasing</p>	<ul style="list-style-type: none"> Contract management may include monitoring sustainability key performance indicators, and the assessment of environmental and social performance, Product evaluation should confirm if the ‘green’ product is working as well as the less environmentally friendly product.

Source: UNICEF Supply Division

¹⁶ UNICEF, [An Agenda for #EVERYCHILD 2015](#), New York, August 2016.

¹⁷ UNICEF, [Child Protection from Violence, Exploitation, and Abuse](#), UNICEF, New York, November 2017.

3. Issues and Areas Requiring Additional Consideration

Even though UNICEF already applies some ad hoc aspects of SP by default, and has the opportunity to apply its potential benefits more widely, UNICEF will face some challenges it will need to consider (Table 9).

Table 9 Additional Areas Requiring Some Consideration

<p>Broadening UNICEF's Engagement</p>	<p>UNICEF's Global Greening Strategy, led by UNICEF's Division of Finance and Administration (DFAM), seeks to systematically "green" UNICEF's offices. It can include SP's economic and social pillars, beyond only environmental considerations, and also ensure actions include programmes, in addition to its offices. As such, UNICEF could:</p> <ul style="list-style-type: none"> (i) Sensitize programme partners to the issues and trade-offs that will be made; (ii) Ensure (local) market influencing aligns with programme goals; (iii) Ensure UNICEF articulates a consistent message to the private sector [particularly to explain compliance in support of SP's social pillar].
<p>Making Trade-offs</p>	<p>UNICEF procurement decisions will face trade-offs between SP's three pillars. They will present key operational challenges, especially between environmental and social considerations, with the latter often being more difficult to quantify.</p> <p>The absence of evidence to make any informed trade-off decisions will be part of the challenge. The other challenge will be the difficulty to make value judgments to prioritise one pillar over the other. However, solutions will be situation specific and priorities based on readiness, market influence, and targeted objectives.</p>
<p>Mitigating Any Effects on Programme Country / Supplier Relationships</p>	<p>Some SP approaches may need gradual introduction in a phased manner to ensure suppliers can comply and remain competitive. UNICEF will give due consideration to market health and long-term competition, among other market objectives.</p>
<p>Limited Market Sustainable Product Availability / Alternatives</p>	<p>UNICEF procures many specialized products, for which few can be readily substitutable for more environmentally friendly alternatives. UNICEF will address these challenges by gradually introducing SP practices in a phased manner, and critically review specifications and price acceptability and evaluation methodology to encourage competition among suppliers able to produce suitable products if necessary, as part of a solution, and not just based on a reassessment of standards and specifications, as well as based on market research for sustainable alternatives and an assessment of sustainability risks to services and products.</p>
<p>Managing Cost Implications</p>	<p>Some SP elements, notably under the social pillar, may put some pressure on short-term costs that generate longer-term savings, such as investments in fairer employment working conditions, or health and safety, which would be offset by increased motivation, productivity, and reductions in work-related injury and absenteeism.</p> <p>Others, such as changing the approach from procurement to leasing to incorporate cost and waste considerations, may require a much smaller upfront investment, but shift the cost from assets to operations, and therefore require different stakeholder involvement.</p> <p>To achieve higher tangible economic benefits and VfM, UNICEF and industry will strive to manage procurement decisions based on longer-term perspectives, considering the advantages of environmentally, socially sound products and services, and better performing staff, bring in the long-term.</p>
<p>Short-termism Based on Time Horizons and Fragmented Funding Sources</p>	<p>Donor funding often results in aid agencies prioritizing short-term upfront product costs over longer-term cost of use/ownership, as well as over any environmental concerns.</p> <p>Countries may also struggle to take a longer-term perspective in procurement decision-making when going through some forms of transition (e.g. reduce donor support).</p>

Source: UNICEF Supply Division

4. Steps Forward

UNICEF plans to undertake several steps over 2018-2030, to move UNICEF's SP agenda forward:

- UNICEF has completed a mapping of its current SP practices (Table 4) and has created a reference library accessible [here](#).¹⁸ UNICEF will seek to complete the picture and establish a 'baseline' of SP procurement by mapping, as far as possible, similar approaches and efforts planned by country and regional offices.
- Following the release of its SP Procedure, UNICEF has been conducting introductory live webinars on SP for UNICEF country and regional offices, and will progress to more specialized training from 2019.
- UNICEF will also work with individual procurement centres to undertake product-based SP risk assessments to identify and prioritize SP step by step interventions appropriate for short, medium, and longer-term engagement based on cost, quality, speed, dependability, and flexibility.
- UNICEF will also collate information identifying emerging lessons learned on what has proven to work, what barriers or challenges it has faced, and how this information can help further enable UNICEF to advance SP.
- UNICEF will revise its written Quality Management System to incorporate SP in procurement approaches.
- UNICEF Supply Division will continue to offer SP training to UNICEF's Supply Community through webinars, and will develop an e-learning module option, as well as face to face training options for UNICEF staff and partners.
- UNICEF will formulate with individual procurement centres how to approach and gradually introduce social audits for suppliers as part of its quality assurance (QA) system and procedures.
- By 2019, UNICEF will have a clear and widely communicated strategic approach and framework for SP, and will have actively promoted SP in its engagement with partners, suppliers, and donors.
- By 2023, UNICEF will have become a leading practitioner and contributor to SP in the UN, and SP will be fundamental to UNICEF's supply and logistics operations.
- By 2030, UNICEF SP will demonstrate measurable contributions to achieving the SDGs.



[The 2030 Agenda for Sustainable Development](#)

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¹⁸ UNICEF, [Sustainable Procurement Mapping](#), UNICEF, Copenhagen, 2018.