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## UNICEF PROCEDURE ON SUSTAINABLE PROCUREMENT

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### RATIONALE

1. UNICEF is one of the largest procurers of supplies and services in the United Nations. These supplies and services have a wide-ranging impact on children, their environment, health, learning, protection and inclusion. Given the scale of UNICEF's supply operations and the importance of 'leading by example', how UNICEF pursues procurement is important in its own right but also in relation to [the Sustainable Development Goals \(SDGs\)](#), particularly Goal 12 – “Ensure Sustainable Consumption and Production Patterns” and its target 12.7 – “promote public procurement practices that are sustainable, in accordance with national policies and priorities”.

### APPLICABILITY / SCOPE

2. UNICEF's Sustainable Procurement Procedure (hereafter referred to as “the Procedure”) is applicable for all UNICEF offices and encourages UNICEF staff to consider environmental, social, and economic issues in supply planning, procurement strategies and decisions wherever feasible and as applicable, whether they are for the procurement for UNICEF's programmes, office assets and services or other procurement modalities supported by UNICEF, taking into consideration the full supply chain cycle, from requirements definition through to use by the end users, monitoring and evaluation, and disposal or decommissioning.

### PROCEDURE STATEMENTS

3. The Procedure is one of the key elements of UNICEF's supply and logistic operations response to the SDGs and their targets to end poverty and hunger, ensure prosperity for all and protect the environment. The Procedure builds on UNICEF's existing sustainable procurement activities and sets a path towards sustainable procurement embedded, as and when applicable, in the different stages of its global supply operations. By working closely with industries, partners, governments, civil society organizations and UN agencies, UNICEF is committed to make a measurable contribution to the achievement of the SDGs through sustainable procurement.
4. A number of existing UN and UNICEF conventions, directives and policies including [the UN Convention on the Rights of the Child](#), [the UN Supplier Code of Conduct](#), [the Framework for Advancing Environmental and Social Sustainability in the UN system](#) and [the UNICEF Executive Directive on addressing the impact of climate change on children \(CF/EXD/2016-002\)](#), among others, inform the Procedure.
5. Through a strategic approach to procurement, with the engagement of relevant stakeholders, each UNICEF office is responsible to define “how” and “what” aspects of sustainable procurement should

be implemented based on the general considerations and the guiding principles stated in this Procedure, as well any guidance made available by UNICEF Supply Division.

## Procedure Elements

### ***UNICEF's Vision on Sustainable Procurement***

6. UNICEF is committed to achieve the following goals:
  - 6.1 By 2019, UNICEF will have a clear and widely communicated strategic approach and framework for sustainable procurement. UNICEF will actively promote sustainable procurement in its engagement with partners, practitioners, suppliers and donors.
  - 6.2 By 2023, UNICEF will become a leading practitioner and contributor to the UN sustainable procurement. Sustainable procurement will become a fundamental approach to UNICEF's supply and logistics operations.
  - 6.3 By 2030, UNICEF sustainable procurement will demonstrate measurable contributions to achieving the SDGs.

### ***Guiding Principles***

7. The Procedure builds on the UN common procurement principles<sup>1</sup>, namely:
  - 7.1 **Promotion of UN:** The purpose of the UN procurement is to fulfil the goals and objectives defined by its mandate and includes safeguarding UN's reputation as a standard of reference.
  - 7.2 **Fairness, integrity and transparency:** The UN conducts competitive procurement in a fair, open, and transparent manner by consistently applying clear policies, regulations and procedures throughout all stages of transactions.
  - 7.3 **Best value for money:** The selected offers from a competitive tender should display the optimum combination of quality, whole life cost, effectiveness, and other factors such as social, environmental and other strategic objectives, to meet end-user needs.
  - 7.4 **Economy and effectiveness:** Economy and effectiveness mean conducting an efficient supply operation to ensure end-user needs are met.
8. Sustainable procurement aligns with and complements the UN common procurement principles – it *“integrates requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimising costs”*<sup>2</sup>. Sustainable procurement encompasses three pillars – **economic, environmental and social**:

<sup>1</sup> The Secretary-General's Bulletin ST/SGB/2013/4 Financial Regulations and Rules of the United Nations

<sup>2</sup> United Nations High-Level Committee on Management Procurement Network (HLCM-PN)

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- 8.1. **Economic pillar:** Strives for best value for money and, in particular, the whole life costs (WLC)<sup>3</sup> of a product or service as well as wider support for economic development.
  - 8.2. **Environmental pillar:** Strives for reduction of the negative environmental impact a product or service has over its whole life-cycle, including issues such as greenhouse gas emissions, preservation of natural ecosystems, waste reduction and management, and air and water pollution.
  - 8.3. **Social pillar:** Strives for the promotion of human rights, elimination of child labour, the promotion of local markets, fair labour conditions and wider ethical issues in supply chain.
9. There is no prescriptive ‘one size fits all’ approach to sustainable procurement. Sustainable procurement should be implemented progressively and considered on a case by case basis. Sustainable procurement interventions should reflect the specific industry’s capability and capacity to respond (globally and at the local level, as appropriate), the applicable national and international legislation, as well as UNICEF’s programmatic needs. UNICEF acknowledges there will be circumstances whereby trade-offs between the economic, environmental and social pillars will be necessary.

***Sustainability in UNICEF’s Programme-Supply Continuum***

- 10. To address sustainability seamlessly and effectively, it is vital to apply sustainability considerations throughout the programme-supply continuum – a coherent whole between Programme and Supply, the two major functions that work together to ensure programmatic needs are effectively reflected in procurement requirements, definitions, and supply planning.
- 11. Early supply planning, undertaken in a collaborative manner with the relevant stakeholders, has proven to be one of the most important leverage points to successful supply operations. To achieve an effective and timely programme implementation, UNICEF offices should incorporate the planning and review of supply components in the key stages of programme design, budgeting and implementation as well as monitoring and evaluation; as such, the active and early involvement of Supply Staff is an integral part of programme planning processes. UNICEF’s offices should actively promote sustainable procurement considerations as early as during programme designing stage and throughout the supply chain cycle:
  - 11.1. **Pre-procurement:** For full impact, sustainable procurement considerations should be incorporated right from the definition of need and be part of the dialogue with programme partners. This focus on sustainability should then continue into the supply planning and procurement strategy phases through to developing the detailed technical specifications, sourcing suppliers.

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<sup>3</sup> WLC is synonymous with Life Cycle Cost (LCC), a costing methodology that considers the total cost of a product or service over its lifetime, from concept through to disposal, including procurement, hiring or leasing, transportation, maintenance, operations, utilities, training, and waste management.

11.2. **Procurement:** Solicitation documents should explicitly state any sustainability measures included as part of the evaluation criteria. Wherever applicable and feasible, requirements for environmental and social sustainability will be added to solicitation documents by referring to, e.g., international standards or equivalent in a country and a region. Proven compliance to these requirements will form part of the basis of the technical evaluation of prospective bidders. Financial evaluation will, wherever feasible, be based upon an analysis of whole life costs. Finally, as and when applicable, resulting contracts may include clauses on minimum expected social and environmental operational practices.

11.3. **Post-procurement:** UNICEF's offices must plan logistics in a way that minimises its environmental and financial costs. Furthermore, UNICEF's offices should monitor supplier environmental and social performance in executing the contract to continuously improve quality of supplies and services and strengthen supply chains.