



NIRN
Rethink - Reuse - Repair

Northern Ireland Resources Network (NIRN) Position Paper Social Value and Green Public Procurement April 2021

Northern Ireland Resources Network (NIRN) promotes sustainable reuse and repair as a practical and effective way of tackling Northern Ireland's waste generation and supports the growth of the reuse and repair sector and the development of the Circular Economy (CE). NIRN is comprised of social value organisations, including social enterprise and community organisations who have clear social purposes and deliver positive impacts in the community.

Social Value organisations are those who consider the wider economic, social and environmental effect of their activities. Organisations which make a conscious effort to ensure that these effects are positive can be seen as adding social value by contributing to the long-term wellbeing and resilience of individuals, communities and society in general. [1]

Green Public Procurement (GPP) is a process where public authorities seek to source goods, services or works with a reduced environmental impact.

The COVID-19 pandemic has highlighted the ability of today's leaders to tackle major global challenges by taking decisive action with widespread societal impacts and urgently investing in scientific progress to prevent or mitigate risk. This same determination needs to be applied to taking action on climate change and moving towards a more Circular Economy (CE). Scientists have been warning about the challenges of climate change, biodiversity loss and plastic pollution and the resulting social and economic impacts of ignoring these issues. The circular and low-carbon agendas are complementary and mutually supportive and a 2020 report by Circularity Gap Reporting Initiative highlights that doubling global circularity could reduce greenhouse gas emissions by 39% by 2032 [2]

Setting policy which incorporates a programme of quality green jobs and social value can kickstart economic mobilisation in the CE whilst also guaranteeing the basic needs of everyone.

The pandemic has exacerbated economic injustices and created an unemployment

crisis. For example, FareShare NI, a NIRN member who distributes surplus food to charities to support vulnerable people across NI, has experienced an over 60% increase in demand since March 2020.

GAIAs *Zero Waste and Economic Recovery* report highlights that reuse, a key element of the CE, creates 200 times as many jobs than those in landfill and incinerator activities.[3] To ensure these opportunities are realised, skills and training need to be developed.

One policy that can support green and social values through encouraging demand for more sustainable goods and services which would otherwise struggle in the market is GPP. GPP is being adopted across EU Member States as it is recognised that it will lead to a greater resource-efficient and CE. It will encourage demand for more sustainable goods and services which otherwise would struggle to get onto the market. It will also enhance the eco-friendly and sustainable reputation of EU Member States as a forward-looking place to do business. Nationally & internationally, sustainability is recognised as a key requirement for future market and employment opportunities and it is estimated that one in ten jobs is at risk without green reskilling [4]. For NI to compete, GPP needs to be developed and this will also deliver the benefits of future job creation and business opportunities.

There have been some recent positive developments in this area. In December 2020 the UK government published its *Transforming Public Procurement Consultation*. This consultation states that ‘The Government’s goal is to speed up and simplify our procurement processes, place value for money at their heart, and unleash opportunities for small businesses, charities and social enterprises to innovate in public service delivery’. [5] The Northern Ireland Finance Minister, Conor Murphy, restructured the Procurement Board in December 2020 and announced “Among the first items I will be asking the new Board to explore are Security of Supply and Social Value. A stronger focus on security of supply will benefit local businesses and help increase employment levels while factoring social value into contracts can contribute to social good.” [6] The Chief Executive of The Chartered Institute of Public Finance and Accountancy (CIPFA), Richard Hallowell, recently stated with regard to the UK Government’s procurement green paper that “Any reform in this area should support the function’s ability to help tackle climate change and enable public bodies to procure the best services and solutions for the job” [7]

NI’s public procurement budget is £3 billion annually and the public sector has a responsibility to promote GPP to support NI’s environmental, Circular Economy and sustainable objectives. Through growing and supporting Social Value and GPP, goods purchased on behalf of NI citizens can have minimal harmful effects on the environment and society.

Key Recommendations

NIRN and its members propose the following recommendations to support the development and growth of Social Value and Green Public Procurement in NI.

- **Map the environmental impact of public sector procurement spending.** This will provide a baseline to understand Carbon Emissions, waste production, Circularity and other environmental impacts from current procurement activity. Set targets to then reduce impacts, with annual measurement and monitoring.
- **Agreed percentage of Public Procurement allocated to GPP.** Setting a required percentage of procurement that must be green would drive increased public spend in this sector. An annual increase of this percentage will support its future growth.
- **Weighted targets for Social Enterprise in public procurement.** Including a weighted target in the scoring system in tenders to Social Enterprises will support increased awards of public money to these organisations.
- **Weighted targets for GPP activity.** Certain activities have greater environmental impact and therefore specific and weighted targets should be applied to activities with the lowest impact (e.g., reuse and repair should be weighted and prioritised over recycling to maintain the most value from existing products).
- **Life cycle cost methodology used.** Calculate cost of asset or service during its entire life-cycle, not just the cost at the time the contract is awarded. This allows public procurement to include the social and environmental costs of the use, repair, recycling and disposal of a product or service and not only the cost of its acquisition.
- **Representation of Sustainable Organisations on Public Procurement Board** Sustainability experts can bring knowledge and insight into evaluating suppliers and products, highlight opportunities for increased green procurement and identify risks including 'greenwashing' to maximise environmental benefits from procurement
- **Communication and awareness campaigns.** Communication to public procurement officers to highlight the opportunities for social value and GPP and benefits including local job creation and improved social cohesion by adopting this approach.
- **Accelerated Training for Local Authorities and Public Bodies.** Training to support the public sector in drafting tenders for sustainable products and services and support for market dialogue to identify suitable products and suppliers in these sectors.

- **Recognise and reward Social Enterprises and Community Groups.** These organisations have history, expertise and innovation in delivering social value and operating in environmentally sustainable sectors, especially the CE. A study undertaken by Community Resources Network Ireland (CRNI) found that approximately 50 percent of organisations operating in this space were social enterprises, charities or community groups. To support their future growth, procurement contracts need to be made available specifically to these sectors.
- **GPP awarded to organisations to develop skills and training.** Tenders and awards should include suppliers retraining and upskilling staff so a growing workforce is created with the ability to meet increasing demand for new jobs in this sector. “A shift to a greener economy could create 24 million new jobs globally by 2030 if the right policies are put in place”, according to the International Labour Organization (ILO).[8]

The current pandemic has heightened existing social inequalities in our society. Moving into a post-pandemic environment provides the opportunity to adopt new ways of working and embedding Social Value and GPP as a key construct in public sector procurement. With an increased focus on environmental issues, including climate change, Circular Economy, biodiversity loss, limited and scarce virgin raw materials and disposal of waste, NIRN and its members are taking action and driving awareness to tackle these challenges whilst also having positive impacts for the communities where these organisations operate.

1. <https://socialvalueportal.com/what-is-social-value/>
2. <https://www.circularity-gap.world/2020>
3. <https://zerowasteworld.org/wp-content/uploads/Jobs-Report-ENGLISH-2.pdf>
4. <https://www.edie.net/news/7/One-in-ten-jobs-at-risk-without--green--reskilling--Mayors-warn-Treasury>
5. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Transforming_public_procurement.pdf
6. <https://www.finance-ni.gov.uk/news/murphy-restructures-procurement-board>
7. https://www.publicfinance.co.uk/opinion/2021/03/procurement-consultation-sparks-green-opportunities?utm_source=Adestra&utm_medium=email&utm_term=
8. <https://www.un.org/sustainabledevelopment/blog/2019/04/green-economy-could-create-24-million-new-jobs/>

NIRN Members



British Heart
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