



# Public Procurement: A Lever for Promoting Responsible Business Conduct

The OECD has launched a programme to advance the integration of Responsible Business Conduct (RBC) considerations and supply chain due diligence into public procurement policies and processes.

Governments are the largest buyers of goods, services and public works, with public procurement accounting for approximately 12% of GDP in OECD countries. It is critical to the delivery of public services such as infrastructure, health and education.

While ensuring value for money remains a fundamental principle of the public procurement process, the concept has evolved to encompass a wider range of considerations such as environmental, economic and social aspects.

This makes public procurement a strategic tool for achieving policy objectives such as the Sustainable Development Goals, and promoting responsible business practices.

Many products risk being produced while human and labour rights are violated, particularly in supply chains. There has been recent examples in some sectors that provide products to the public sector (including medical goods, ICT equipment and food).

The buying power of governments is a lever for promoting RBC. RBC principles and standards set out the expectation that all businesses – regardless of their legal status, size, ownership or sector – avoid and address negative impacts of their operations, while contributing to the sustainable and transparent development in the countries where they operate. RBC means that companies should integrate and consider environmental and social issues as part of core business activities, including in their supply chain and business relationships

Governments are expected to lead by example by incorporating RBC standards in their purchasing policies, to safeguard the public interest and ensure the accountability of public spending. While there are increasing international commitments to link public procurement and RBC, there is a lack of practical implementation.

## Timeline

- **November 2019** The surveys will be sent out to policymakers, practitioners, OECD Delegates and representatives from the working parties, business, trade unions and civil society
- **December 2019** Replies due in
- **5 March 2020** Meeting between public procurement practitioners and RBC policymakers
- **October 2020** Launch of the final report on good practices during the OECD Public Procurement Week

## The project: Objectives and Deliverables

The overall objective of the programme is to advance the integration of RBC considerations and supply chain due diligence in public procurement policies and processes.

1) The first work stream (2019-2020) involves carrying out a stocktaking to understand what countries are doing to integrate RBC considerations into public procurement policies and practices. The research and data collection will be a basis for the development of:

- a compendium of good practices on RBC and public procurement
- a policy brief on economic benefits for governments and suppliers to integrate RBC in public procurement
- a policy brief on lessons from other policy areas for the inclusion of social elements of RBC in public procurement.

2) The second work stream (expected for 2020-2021) involves setting up a platform to convene public procurement practitioners and policy makers to support collaboration in the effective implementation of RBC through supply chain due diligence in public procurement. Follow-up to this work is expected over 2021-2022, in particular the development of a pilot on RBC due diligence in the public procurement of garment, subject to funding.

### Surveys

As a first step, the OECD is conducting research and collecting data to map what OECD countries and Adherents to the OECD Guidelines for Multinational Enterprises are doing to integrate RBC considerations into public procurement in terms of policy, regulatory framework and government support.

Surveys are currently being developed and will be sent to public procurement policy makers, public procurement practitioners from Central Purchasing bodies - CPB, National Contact Points for RBC, business, trade unions and civil society.

### Governance

This programme is carried out under the auspices of the OECD's Working Party on Responsible Business Conduct (WPRBC) and the Working Party of the Leading Practitioners on Public Procurement (LPP).

The WPRBC is responsible for furthering the effectiveness of the OECD Guidelines for Multinational Enterprises and promoting RBC globally.

The LPP brings together leading procurement experts and policy makers and is responsible for setting the global standards in terms of public procurement frameworks including the achievement of different policy objectives.

## CONTACT

If you want to share good practices, engage or learn more about this project, please contact:

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