



Environment and Spatial Planning  
*Ministry of Housing, Spatial Planning and  
the Environment*

# Social Public Procurement

Experiences in The Netherlands

Jos Huber

Policy advisor,  
Directorate of International  
Affairs  
Ministry of Social Affairs and  
Employment



# Content of the presentation

1. Dutch policy on Sustainable Public Procurement
2. Social criteria
  - a. Political context
  - b. Process and pitfalls
  - c. Policy choices
  - d. Legal approach
  - e. Roles for different actors in procurement





## Dutch policy on Sustainable Public Procurement

Statement by the Dutch Parliament in 2005, initiated by center-rightwing political parties:

**All procurement (100%) by the national government should be sustainable by 2010.**

Statement confirmed in cabinet political program



## Implementation of policy target

Policy applies to **federal government**.

Total purchases federal government: over € 50 bln every year. (16% GDP)

Municipalities and provinces also set targets.

Education and health sector might follow.

Environmental criteria came first, social criteria followed later. Different approach.



## Long process with many pitfalls

- Different interests between ministries
- Different stakeholder interests (business, trade unions, NGO's)
- Reconcile CSR and procurement interests
- Legal consent: 'EU / WTO proof'
- Procedure for verification and enforcement
- Limit administrative burden for buyers and suppliers
- Balance between proportionate and disproportionate action
- Unknown territory/cold feet



## Choice of standards and products

**Focus on labour rights in global supply chain  
(not for ILO convention 94, not for labour market policy)**

1. General contract clause for **all purchases**:
  - ILO Core Labour Standards and UN Human Rights
2. For **certain products** extra standards apply:
  - Occupational health and safety, working hours, living wage/living income or fair trade
  - Selected products: coffee, tea, cocoa, textiles, natural stone and flowers

Why these? Because of existing supply chain initiatives.



## Policy approach

Primary **responsibility** lies with **supplier**

**Best effort obligation** for supply chain responsibility

**Process approach**, no guarantees required

**Transparency** through public report:  
trade unions and NGOs are **watchdog**

Key role for **supply chain initiatives** that  
meet quality conditions (i.e. multi stakeholder)



## Legal approach

NL has to comply with **EU procurement rules**.

NL made safe choice to include social standards in **Contract Performance Conditions**

Approach needs to be:

- Proportional > therefore financial threshold, simple reporting format
- Non discriminatory > no selection of suppliers beforehand
- Indicated in the procurement notice

Financial threshold: norm for EU public procurement (circa 135.000 euro)



## Role supplier: supply chain responsibility

Process based approach:

- endorse social standards
- assess risks
- roll out in supply chain through contract
- monitor and improve
- public report, either to buyer or in CSR paragraph of annual report



## Verification

### **Light regime, if no risk foreseen**

1. "No risk" declaration by supplier > high trust  
or
2. Membership qualified social initiative/label

### **Heavy regime, if risk foreseen or uncertain**

1. Risk assessment, plan of action, public report  
or
2. Membership qualified social initiative/label



## Supply chain initiatives

Government set conditions for initiatives to qualify:

- multi stakeholder
- CLS in line with ILO interpretation
- reliable verification procedure
- annual public report

Government will consult with social partners and NGOs in procedure for qualification.



## Role purchasing officer (buyer)

- Include policy on social procurement in the procurement notice
- Attach contract performance conditions on social standards
- Central publication of all contracts, transparent for civil society
- Monitor and assess the suppliers' public report
- Refer signals from civil society to suppliers, ask for reaction
- Enforce in case of alleged violation



## Milestones in policy development

- **May 2008 political agreement on policy framework**
- **October 2009 political agreement on implementation**
- **February 2010 parliamentary consent**
- Finalising contract clauses
- Recognition of supply chain initiatives
- Helpdesk and training for purchasing officers
  
- Summer 2010: social procurement in action
- 2012: evaluation



## Intended market response

- Higher awareness among suppliers, i.e. risk assessment
- Higher awareness among government buyers
- More suppliers join chain initiatives
- More and better chain initiatives, i.e. multistake holder
- More effort for working out social standards, i.e. “living wage”
- More effort for compliance, i.e. from watchdogs



**Thank you!**

Jos Huber  
ahuber@minszw.nl  
0031 (0)70 3335392

