

Community Resilience through Social Procurement (CO-RESP) Grant Agreement No. 101074089 — CO-RESP — SMP-COSME-2021-RESILIENCE

Declaration on Socially Responsible Public Procurement

Public Procurement is an organisational process through which public authorities purchase work goods and services. Adding the Socially Responsible dimension means considering and addressing social and ethical factors in such procedures. It goes beyond traditional procurement practices that primarily focus on cost, quality, and delivery, and considers broader societal and environmental impacts. The aim of socially responsible procurement is to promote positive social, environmental, and economic outcomes throughout the supply chain. It involves assessing suppliers not only based on their ability to meet the organisation's requirements but also on their adherence to ethical labour practices, human rights standards, environmental sustainability, and community engagement.

Co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Commission. Neither the European Union nor European Commission can be held responsible for them.



Co-funded by the European Union



The European Commission has been actively promoting socially responsible public procurement (SRPP) through various initiatives. The primary objectives they aim to achieve with these initiatives include Sustainable Development, Ethical Supply Chains, Market Opportunities for companies that align with sustainability and social responsibility criteria, stimulate innovation and support businesses that offer sustainable and ethically produced goods and services, Circular Economy, Social Inclusion and Diversity and a coordinated approach across the EU.

CO-RESP is a 2-year project co-funded by the European Commission through the Single Market Programme (SMP COSME). Its rationale is to help public authorities create new jobs for persons with disabilities and other disadvantaged groups through the use of 'Socially Responsible Public Procurement' (SRPP) by supporting the exchange of good practices & enhancing the inter-regional collaboration between social economy actors and regional/local authorities at the European level, specifically on SRPP. With CO-RESP the project partners want to promote social inclusion and an inclusive labour market.

This Declaration is a result of a series of discussions, research, workshops and conferences around how to promote the use of SRPP for when it comes to promoting the employment of persons with disabilities. It thus results from multi-sectoral and cross-European expertise and knowhow about this issue. This Declaration seeks to support public authorities in making the most of public procurement to achieve the aforementioned objective.





The Legal Framework

The provisions of the EU Public Procurement Directive (2014/24/EU) promote a fairer, more accessible and inclusive labour market for people with disabilities and disadvantaged groups, in general. In particular, the directive envisages three main entry points:

1. The first one aims to facilitate participation of economic operators and sheltered workshops with specific characteristics via:

a. **Article. 20**, reserved contracts. The article provides for the possibility of restricting competition to economic operators and sheltered workshops whose main mission is the social and professional integration of disadvantaged workers with disabilities for any type of contract.

b. **Article 77**, reservation for social and health services. This article narrows down the potential bidders in the sector by limiting the participation to those that have a public service mission and which meet conditions regarding their governance.

2. The second one supports the participation of SMEs and Social Economic Enterprises by

a. **Article 46**, division into lots. Multiple organisations can benefit from the division into lots of public procurement contracts. Such instruments can be used in parallel with the reserved contracts foreseen in Article 20.

b. **Article 71**, subcontracting: has a great potential to facilitate the participation of small-medium enterprises (SMEs) and social economy enterprises (SEEs) in procurement contracts.





3. The third envisages instruments that apply to all economic operators.

a. **Article 67**, awarding criteria. The article defines the awarded tender as "the most economically advantageous tender from the point of view of the contracting authority [...] using a cost-effectiveness approach, [...] which shall be assessed on the basis of criteria, including qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question. Such criteria may comprise, for instance: [...] quality, including technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading and its conditions".

b. **Article 70**, performance clauses. The article foresees that "contracting authorities may lay down special conditions relating to the performance of a contract, provided that they are linked to the subject-matter of the contract".

c. Article 74-76, light regime for social and health service. The articles state that "Public contracts for social and other specific services listed [...] shall be awarded in accordance with this Chapter, where the value of the contracts is equal to or greater than [a certain] threshold". At the same time, "Member States shall ensure that contracting authorities may consider the need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services, the specific needs of different categories of users, including disadvantaged vulnerable groups, and and the involvement empowerment of users and innovation. Member States may also provide that the choice of the service provider shall be made on the basis of the tender presenting the best price/quality ratio, taking into account quality and sustainability criteria for social services".





Creating Employment Opportunities

The competitive nature of economies, labour markets and business in Europe requires fair competition between operators. It is therefore important for public authorities to create conditions for fair competition and not disadvantage those organisations who employ persons with disabilities. This can be done for instance through state aid subsidies covering training or reduced productivity. It can also be done by creating more "market opportunities" for inclusive employers of the types referred to above. It is exactly there where socially responsible public procurement can play a fundamental role.

As everybody else, persons with a disability have the right to employment. Also, in light of a rights-based approach, society, the context and the general environment around persons with disabilities play the key role in guaranteeing the fulfilment of such rights. So do quality education and training and social security systems, which have to be responsive to prevent poverty traps. The "inability to work" label should be eliminated.

To achieve that, persons with disabilities also need tailor-made support, flexible pathways to the labour market and sufficient and long term supported employment services and in-house support.





Persons with disabilities should be given the same employment conditions equal to others. This means:

- Employment on the open Labour market with or without support, individual placements with support or with personal assistance;
- Fair and equal remuneration for work of equal value, including all the legal benefits;
- Labour and trade union rights on equal basis with other workers;
- Fair and equal working conditions on equal basis with other workers and inclusion by ensuring that persons with disabilities have work relations with co-workers and clients without disabilities;
- Persons with disabilities are not excluded from promotion and opportunities for career progress.

Nowadays, with the numerous job vacancies in the labour market, there are several factors that could foster the transition from sheltered to regular labour market of persons with disabilities. For instance, partnerships with employers are increasingly important as they would allow more inclusive job design and working environments, while giving employers the opportunity to understand and provide ad hoc reasonable accommodations.





Key Messages for Public Authorities:

1. In light of the current European demographic trends characterised by ageing population and a contraction in the births, a progressive reduction in the available workforce is expected in the coming years. This, alongside the ongoing environmental crisis and the economic difficulties on the continent, poses significant challenges in Europe's growth and prosperity. To this extent, Socially Responsible Public Procurement represents a powerful instrument with a high potential to reverse the situation by boosting a change in the labour market dynamics to include individuals with disabilities or from disadvantaged groups in general, while making use of other social considerations and environmental clauses to mitigate the economic and climate threats.

2. In the context of labour markets, Socially Responsible Public Procurement represents a useful tool for the employment for persons with disabilities and other disadvantaged groups. Good practices on the topic, legal provisions and relevant outcomes should be publicly discussed at a high level among countries. This would ensure significant dissemination and the chance to exchange ideas and procedures to further enhance national frameworks.

3. The European Union Public Procurement Directive 2014/24/EU offers the legal basis for the Socially Responsible Public Procurement to be transposed into national legal frameworks by Member States. As the Directive entails minimum standards only, governments and relevant authorities should be pushed to enhance the provision at national level by - for instance - increasing the percentage of tendering procedures that embed social clauses or creating a Public Procurement monitoring system.





Also, governments and authorities should develop guidelines on the implementation of the Socially Responsible Public Procurement principles at local, regional and national level.

4. In accordance with the provisions of the directive, the criterion of the cheapest bidder should be progressively eliminated except in emergency circumstances and when bidders need to comply with quality standards before the call. The new MEAT paradigm - Most Economically Advantageous Tender - envisages several criteria that include, among others, social and environmental clauses, the quality performance in the procurement delivery, the technical merit and the price-quality ratio.

5. Facilitating and actively encouraging the creation of jobs for people with disabilities and other vulnerable groups in the open labour market, by using socially responsible public procurement.

6. Setting ambitious targets in the procurement contracts assigned for the pursue of the social outcomes. This would make the Socially Responsible Public Procurement more compelling and incisive in its purpose.

7. Creating positive synergies and leading broad stakeholder dialogue with disabled person organisations, social economy organisations and mainstream business employing persons with disabilities, and other public authorities and institutions.

8. Accelerating the upskill and re-skill of public authorities in charge of public procurement processes and Ensuring the compliance of the principles of the public procurement outlined in the Directive 2014/24/EU.





9. Indicators on the outcomes of enterprises involved in Public Procurement contracts should be collected. The lack of statistics makes it difficult to gauge the effective impact such organisations have on local communities. Implementing formal systems to gather data would serve the purpose of having reliable and significant evidence on this.

10. In order to make Socially Responsible Public Procurement a valuable and efficient tool, intermediary organisations supporting enterprises in the inclusion of social criteria in their procurements are crucial. This would also increase businesses' capacity building, enhancing market competition. Such organisations could help businesses comply with the contract's requirements at an early-stage while being in direct contact with the contracting authorities in the role of facilitator.

Contact: miguel.buitrago(@)easpd.eu





Co-funded by the European Union