

Social criteria in public procurement

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Finland November 2019



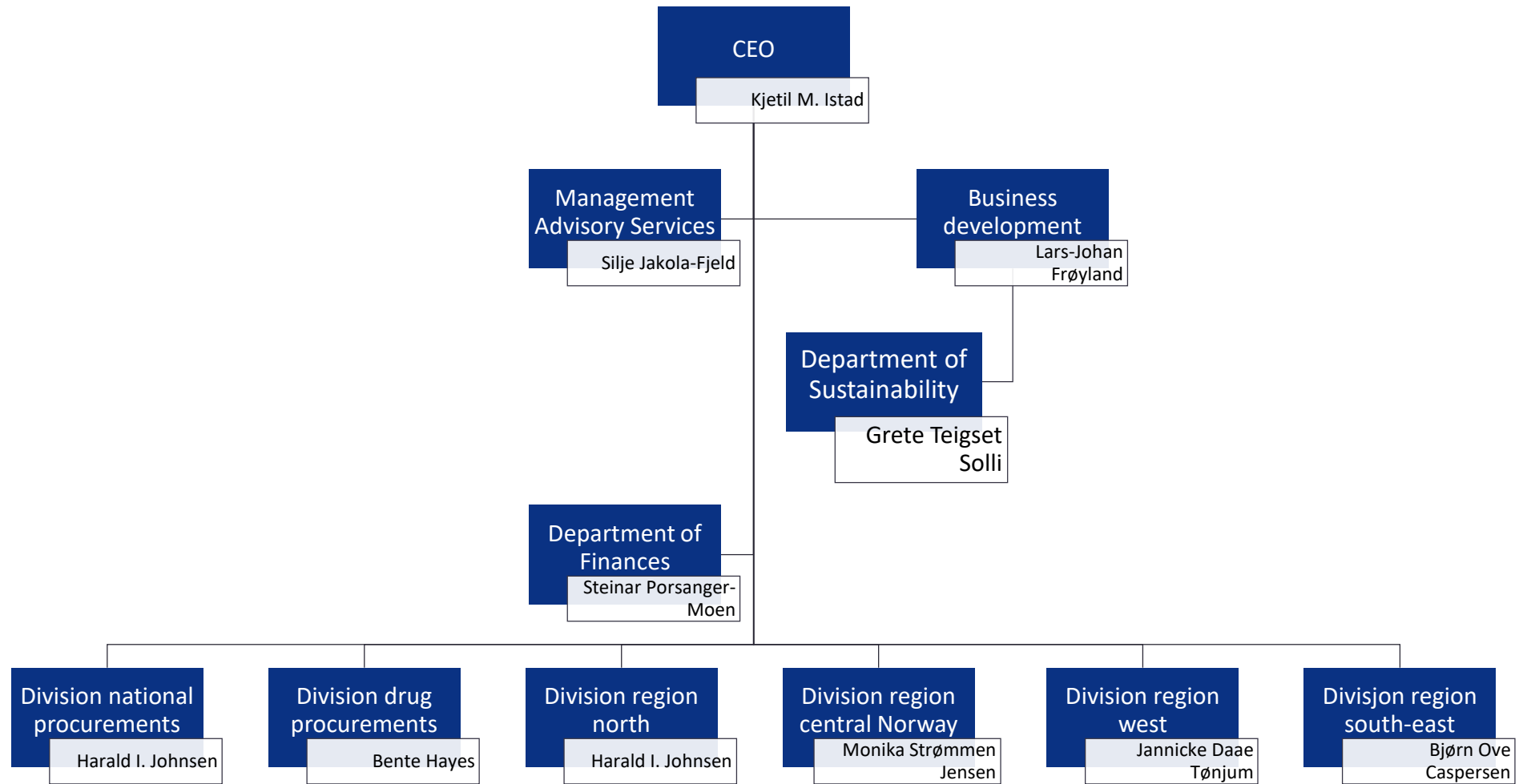
Sykehusinnkjøp Norwegian Hospital Procurement

OBJECT

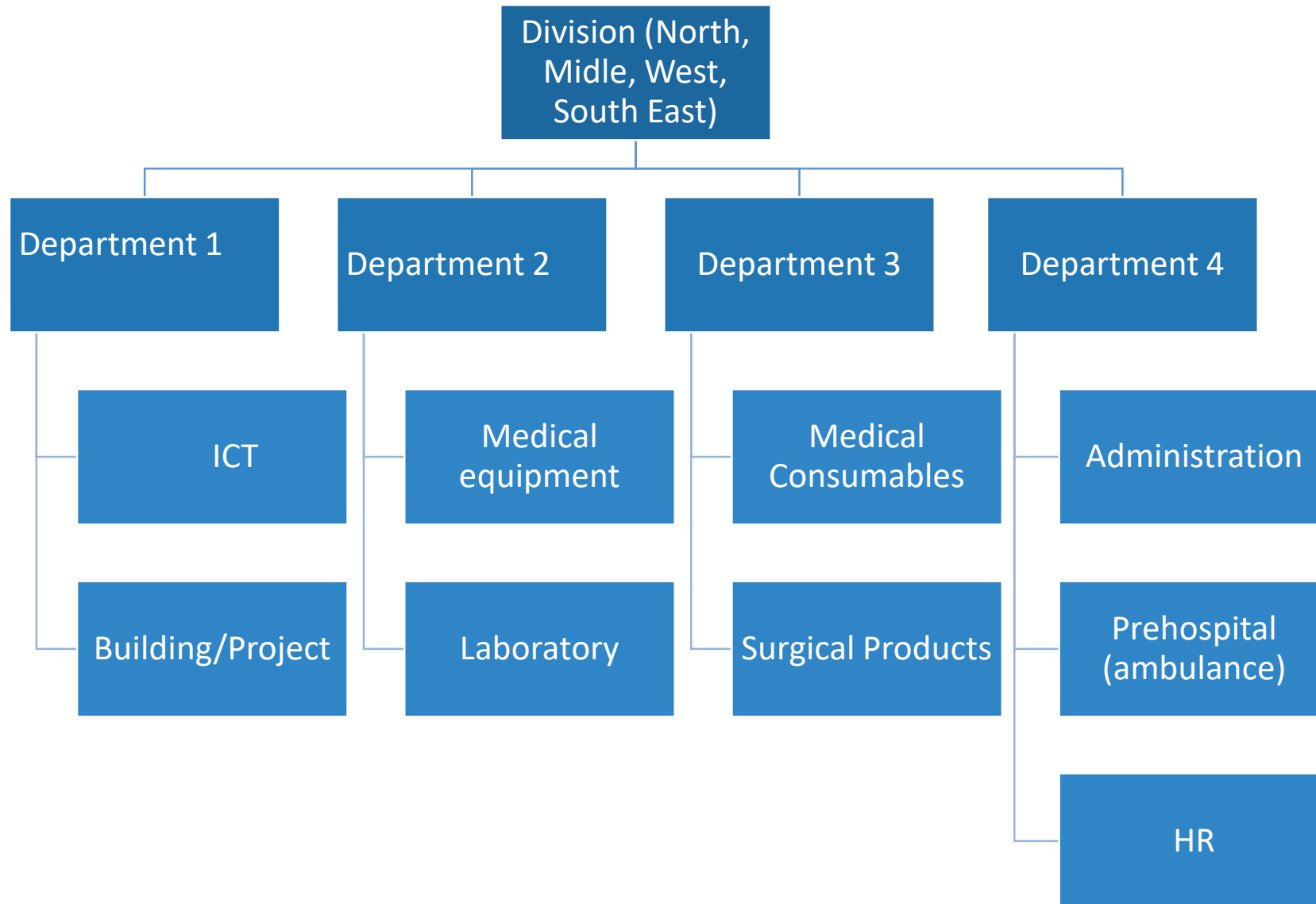
We shall contribute to increased value creation for the specialist healthcare service through national procurements and administration of national agreements.



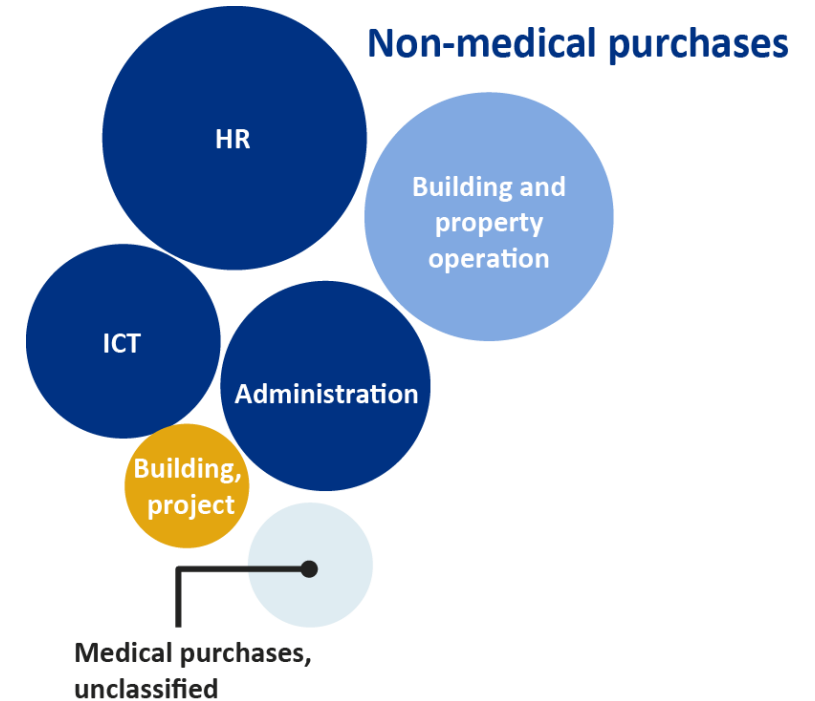
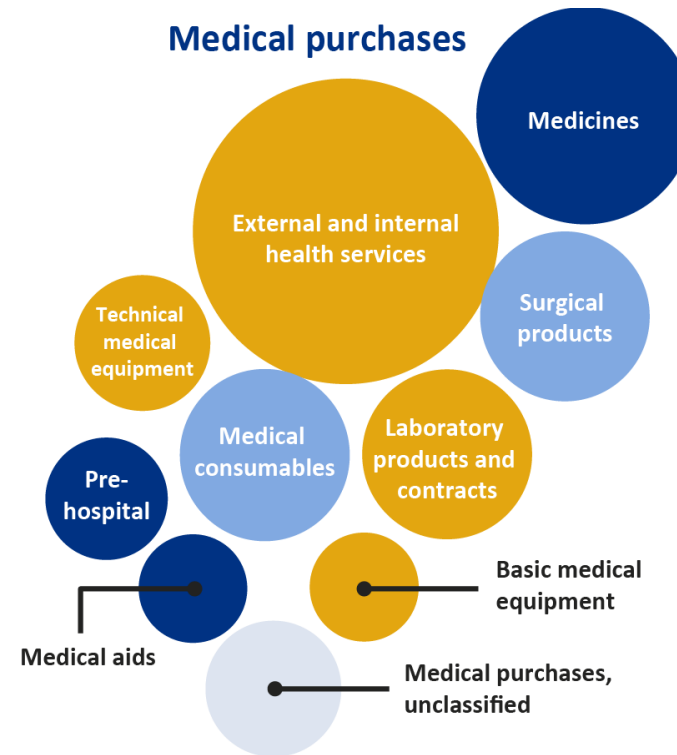
Organization



Similar organized within categories



- Major share nationally
- Some national
- Small share nationally
- Unclassified



National category structure



Etichal trade – How and why!

1. What is etichal trade in public procurement?
2. Why is this important?
3. Which responsibility do we have?
4. How can we do it?



Offentlig etikkløshet

Om mangel på etiske retningslinjer i offentlige anskaffelser

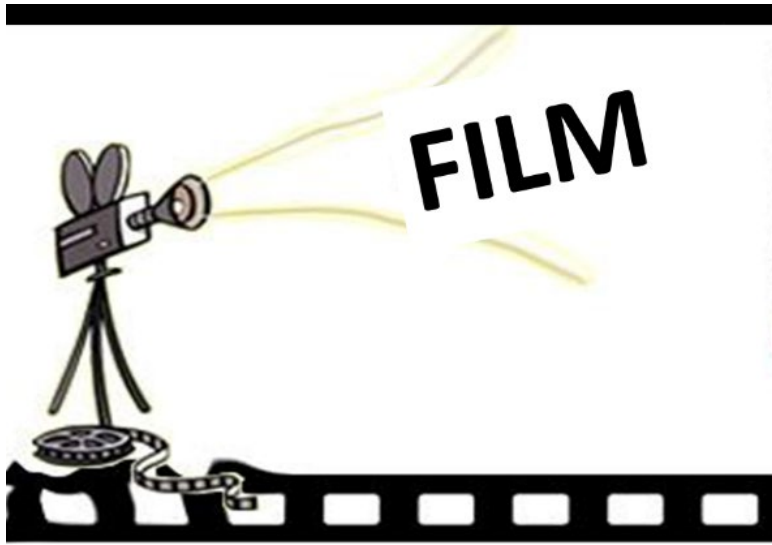
Rapport nr.2/2008

Av Eirik Hovland Steindal

Don't waste a good scandale

Norwegian news 2008

- Norwegian army
- Norwegian police
- Norwegian hospital



Film

Modern Slavery in construction

- Countless people are working on it
- Drill down into the details – modern slavery hides in the most unexpected places
- A door hinge – small metal parts from a factory in China. 12 hours workdays, no pay
- Stones – child labour in India
- LED lights – rare metal from forced labour in mines in Kongo

(Examples)



Is it our responsibility?

- He works 12 hours a day in intense heat and with a bad ventilation
- He sleeps in a bunk bed in a huge room together with 50 other migrant workers from Bangladesh?
- He doesn't have access to his passport and can not leave the production site
- He's not allowed to join a trade union
- He gets paid 0.25 Euro per hour

Norwegian legislation §



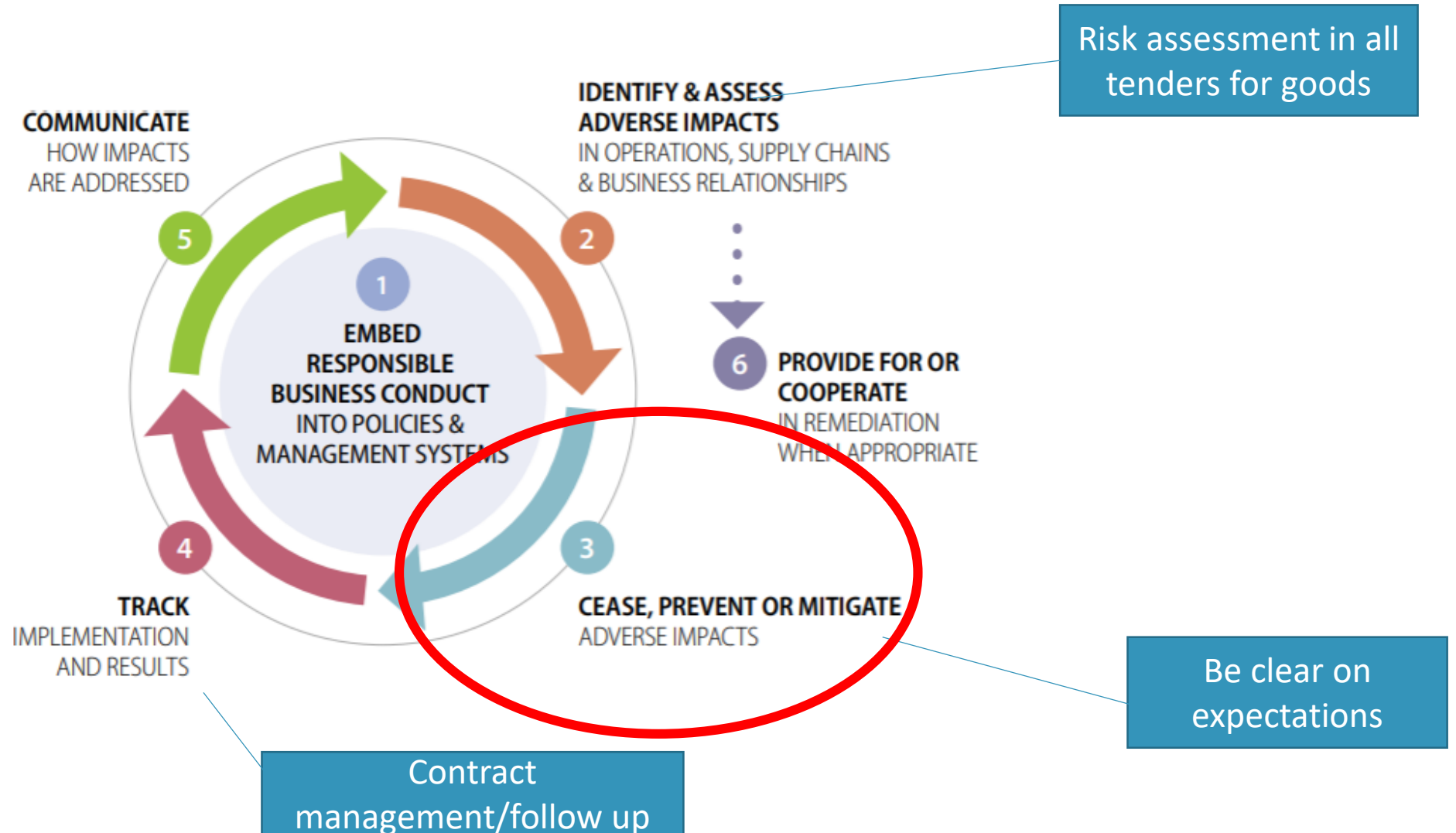
...Public buyers must have appropriate procedures to promote respect for basic human rights in public tenders where there is a risk of breaching such rights... »

The blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

SUSTAINABLE DEVELOPMENT GOALS



OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct



Higher risks – higher requirements



Contractual requirements in all tenders
(for goods)



Qualification criteria in medium/high risk
tenders



Award criteria in very high risk tenders
where having mature suppliers and root
causes are known



Higher demands
require more dialogue
with suppliers

Development of
maturity



Our experiences

Purchasing products from low cost countries

Textiles



Bandages



Medical equipment



Furniture



...is taking a high risk

Rana Plaza, Bangladesh



Textile industry

NHS admits doctors may be using tools made by children in Pakistan

Closer scrutiny demanded as NHS supplier concedes surgical instruments in routine use could be product of child labour



Public procurements



Electronics – Foxconn...



2013:

- Not access to passport
- Extreme low salary
- Very hot
- Extreme overtime

2017:

- Access to passport
- Regulated working hours and salary
- Aircondition

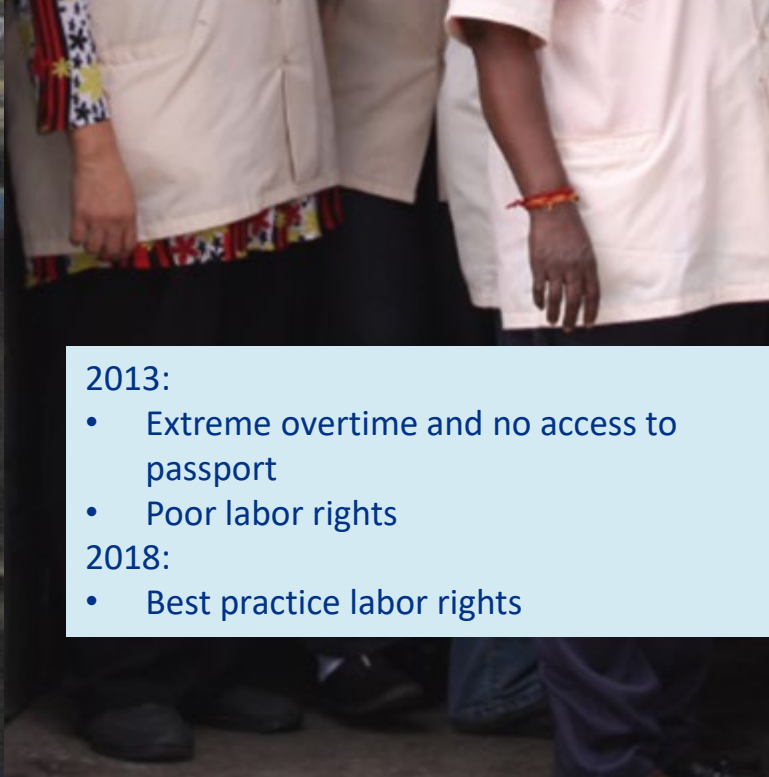


2013:

- Extreme overtime and no access to passport
- Poor labor rights

2018:

- Best practice labor rights



2012:

- Human slavery, debts

2015:

- Regulated contracts and remedy for debt bondage



2012:

- Discriminated contracts

2014:

- Regulated contracts – possibility to personal development in the company



News
2014

Helse Sør-Øst bedret hverdagen til migrasjonsarbeidere

05. mai 2014

Helse Sør-Øst måtte utestenge halvparten av tilbyderne fra en konkurranse om å levere kirurgiske instrument. De klarte ikke å dokumentere sin vilje og system for

Exclusive: firms supplying health service allegedly exploit thousands of migrants



▲ Workers at Top Glove and WRP in Malaysia claim they are subjected to forced overtime, debt bondage and withheld wages. Photograph: Teh Eng Koon/AP



- but there is still a long way to go....





How to do it

1. Mapping the supply chain
2. Doing risk analysis
3. Identify and prioritize risks
4. Dialogue with our suppliers

Risk analysis

- Which country?
- Manuel work?
- International reports and different indexes
- Talking to / ask the suppliers
- Own experience
- Volume



2018 ITUC GLOBAL RIGHTS INDEX

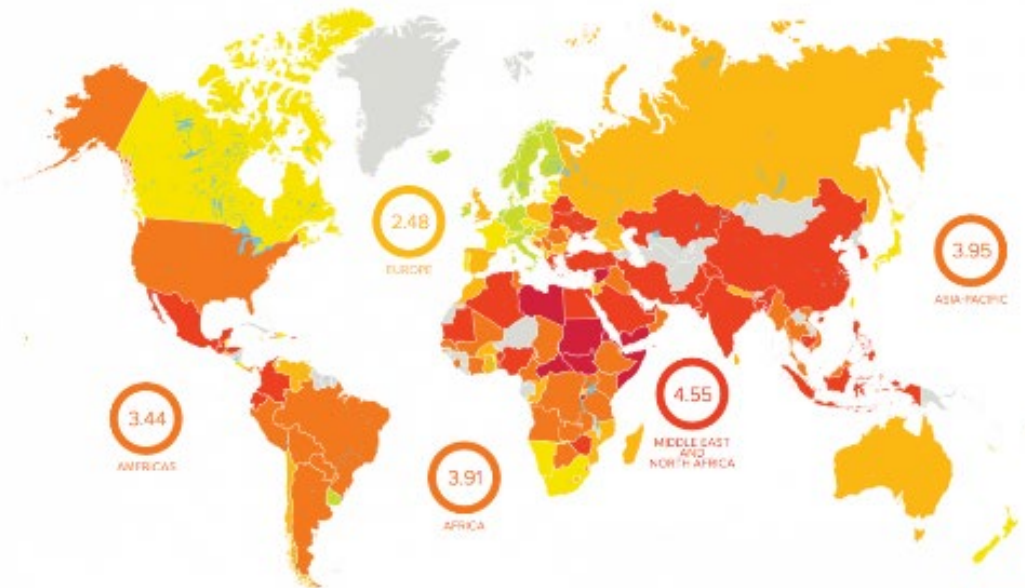
Ten worst countries in the world for working people



Algeria • State repression • Mass arrests and dismissals • Suppression of protests	Bangladesh • Violence • Mass arrests • Discrimination	Cambodia • Intimidation and reprisals • Repressive laws • Police violence	Colombia • Murders • Collective bargaining undermined • Discrimination	Egypt • State repression • Discrimination • Mass arrests
Guatemala • Violence and murder • Discrimination • Lack of due process	Kazakhstan • Arrest of union leaders • State repression • Discrimination	Philippines • Intimidation and dismissals • Violence • Repressive laws	Saudi Arabia • Migrant worker abuse • State repression • Forced labour	Turkey • Arrest of union leaders • Discrimination and dismissals

The 2018 ITUC Global Rights Index depicts the world's worst countries for workers by rating 142 countries on a scale from 1-5 based on the degree of respect for workers' rights with 1 being the best rating and 5 the worst rating.

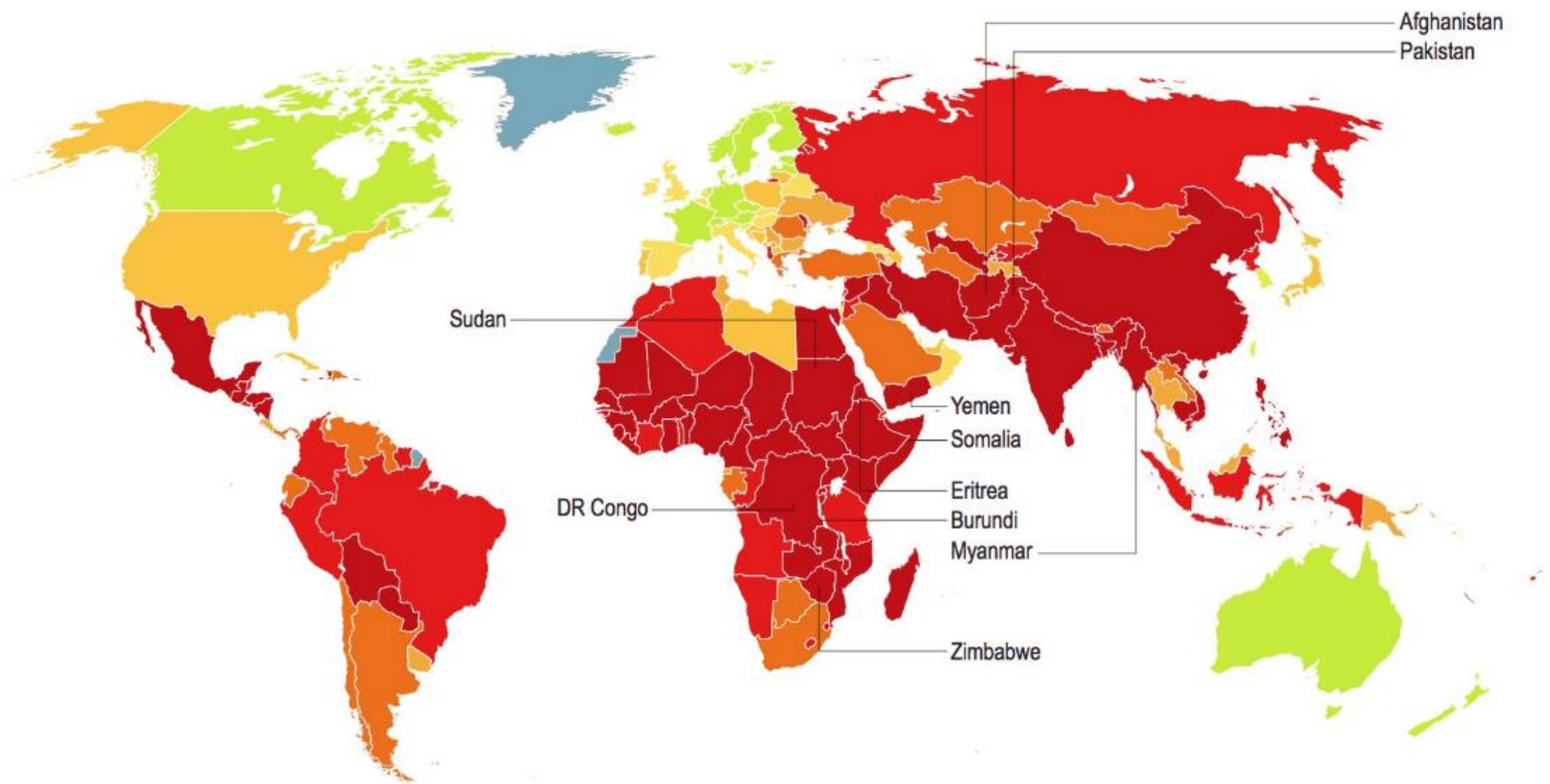
Violations are recorded each year from April to March. Each country is analysed against a list of 97 indicators derived from ILO conventions and jurisprudence and represents violations of workers' rights in law and practice.



5+	No guarantee of rights due to the breakdown of the law
5	No guarantee of rights
4	Systematic violations of rights
3	Regular violations of rights
2	Repeated violations of rights
1	Spontaneous violations of rights
	No data

www.ituc-csi.org #rightsindex

The ITUC Global Rights Index 2018 ranks 145 countries against 97 internationally recognised indicators to assess where workers' rights are best protected in law and in practice.

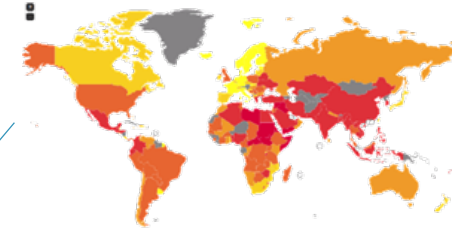


Child Labour Index 2014



Risk analysis - tools

International recognized references

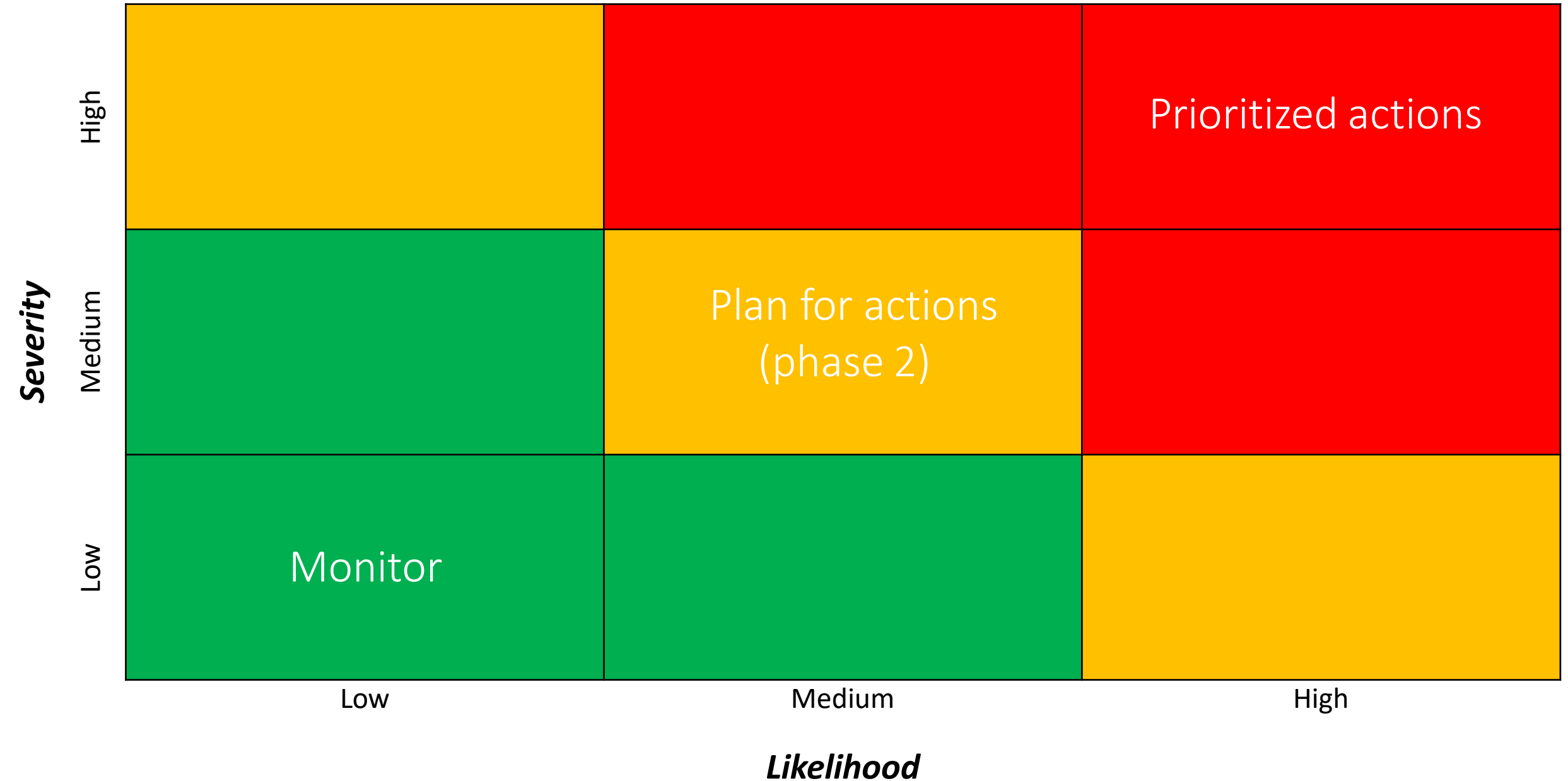


- <https://www.ituc-csi.org/ituc-global-rights-index-2018>
- <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>
- <https://2009-2017.state.gov/j/drl/rls/hrrpt/humanrightsreport//index.htm#wrapper>

Which products made
by children or by
forced labour

Country reports

Identify and prioritize risks





Dialogue with our suppliers

- Dialogue
- Cooperation
- Capacity building
- Clear on expectations
- Reasonable time
- Demand
- Follow up

Cooperation with our suppliers

- Standards make it easier for all parts
- ILO conventions and national laws
- Awareness of audit fatigues
- Always starting by checking the suppliers systems, not a far-distant factory
- Demand improvements and cooperation, not guarantees
- Be reasonable and predictable
- Not "compliance or die", but "cooperation or no new contract..."
- Communicate the importance from the top level management
- Follow up ethical demands as a integrated part of generell contract management



Having requirements i tenders...

Textiles



Bandages



Medical
equipment



Furniture



...giving you the rights to do something.....

Rana Plaza, Bangladesh



Textile industry

NHS admits doctors may be using tools
made by children in Pakistan



Public procurements



Electronics – Foxconn...



This boy should go
to school, not
produce our
surgical instruments

Thank you

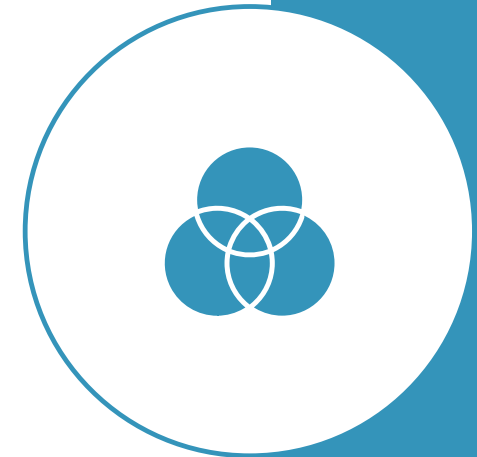
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Ethical/social criteria – contractual conditions

Ethical/social criteria – contractual conditions

- Our suppliers shall respect basic human rights, workers' rights and the environment, both in their own businesses and in their supply chains. Goods supplied to the contractor shall be produced under conditions that accord with the criteria listed in section 1 below. These criteria are based on key UN conventions, ILO conventions and national labour legislation at the place of production.
- The criteria describe minimum standards. Where conventions and national laws and regulations address the same issues, the highest standard shall always apply. If a supplier uses sub-suppliers to fulfil this contract, the supplier shall ensure compliance with the criteria by the sub-suppliers.



1. Ban on forced labour/slave labour (ILO Convention nos. 29 and 105)

No form of forced labour, slave labour or involuntary work shall be permitted.

Workers shall not be required to pay a deposit or surrender their identity papers to their employer, and shall be free to terminate their employment contracts upon reasonable notice.

2. Ban on discrimination (ILO Convention nos. 100 and 111)

No discrimination shall be permitted in working life on the basis of ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

3. The right to form trade unions and the right to collective bargaining (ILO Convention nos. 87 and 98)

Workers shall, without exception, have the right to join or form trade unions as they choose, and to bargain collectively.

If these rights are restricted or under development, the supplier shall facilitate meetings between the employees and management to discuss wage and working conditions, and the workers shall not suffer negative consequences as a result.



4. Provisions in national legislation

Suppliers shall ensure compliance with labour law and labour legislation, both in their own businesses and by the sub-suppliers who contribute to the performance of this contract. This means that compliance is required with laws and regulations relating to:

- 1) wage and working-time provisions;
- 2) occupational health and safety issues;
- 3) regular employment conditions;
- 4) inhumane and harsh treatment; and
- 5) relevant statutory social insurance.



2. Follow-up

- Suppliers shall ensure compliance with the workers' rights described in section 1, both in their own businesses and by the sub-suppliers who contribute to the performance of this contract. At the request of the contractor, such compliance shall be documented through:
- self-assessment; and/or
- follow-up meetings; and/or
- an audit by an independent party ; and/or
- third-party certification, for example SA8000 or equivalent.

3. Breaches

- Breaches of section 1 or section 2 will be regarded as breaches of contract. In the event of a contractual breach, the supplier is obliged to remedy the highlighted failings by the deadline set by the contractor, as long as this is not unreasonably short. The rectifications must be documented in writing and in the manner decided by the contractor. (If rectifications are not made, fines will be imposed (specify the amount in NOK, or alternatively delete this sentence)) Failure to remedy will be regarded as a serious breach, and the contractor will be entitled to terminate the contract.

