

EXECUTIVE SUMMARY OF THE REPORT: 'SUSTAINABLE PUBLIC PROCUREMENT IN CHILE'

This is a summary of key findings from the report *Compras Públicas Sustentables en Chile*. The report was written based on government data such as dossiers, presentations, manuals, laws and directives. These were complemented by information collected in meetings with Chilean policy makers involved with sustainable public procurement.

The first part of the report describes how the system of public procurement works in Chile from the point of view of the main actors involved (public procurement system administrators, buyers, suppliers, and the public). This is followed by an analysis of the sustainability-related criteria adopted by the system and the main difficulties faced in the process.

We concluded that despite the significant advances made by the government and in particular by the *Chilecompra* organisation towards sustainable procurement, there are still significant challenges to overcome. A number of limitations have been identified for this process of change, related both to the procurement system itself and the general political context of the country, which have hindered the full development of an effective public sustainable procurement policy.

One of the limitations identified is the lack of knowledge from the general population about the public purchasing system, its functioning and implications. Maybe this one of the reasons why sustainable procurement has not consistently been regarded as a priority by politicians, instead being left to specific implementation organisations like *Chilecompra* who themselves have limited power over setting criteria. This has limited the impact that such sustainable public procurement policy could have had.

This report was developed as part of the international Project called '*Leveraging Buying Power for Development: Ethical Consumption and Public Procurement in Chile and Brazil*' financed by the ESRC and DFID, both from the UK. In Chile, the Project was carried out by a team of researchers from the Universidad Diego Portales (Chile) and the Chilean NGO Fundación Ciudadano Responsable. The other project partners were: Royal Holloway, University of London; the NGO Ethical Consumer Research Association (ECRA); Universidade Federal do Rio de Janeiro and the Brazilian NGO Instituto Akatu.

One of the core challenges is that *Chilecompra* does not have the democratic legitimacy or the power to make the use of ethical criteria in public procurement compulsory. Its role is limited to informing government officials responsible for buying decisions through non-binding directives and encouraging them to abide by these guidelines.

In principle, sustainable public procurement criteria would offer the opportunity for a systematic application of environmental and labour standards in the wider business environment in Chile. In many instances, this might enable Chilean export businesses of all sizes to deliver goods and services to international standards. Sustainable public purchasing could work in a coordinated manner across public institutions. In order for this to happen, both representatives of the state and the general public would have to be informed and convinced of the benefits of public sustainable procurement policies in Chile.

From a broader and more practical perspective, Chile does not yet have the appropriate infrastructure and the necessary productive conditions to make it possible to prescribe compulsory ethical criteria in public procurement. To impose these criteria too fast at this point would run the risk of excluding small companies that do not have the resources to fully meet certain formal environmental and labour standards. Thus, a staged approach will be necessary.

The full report can be downloaded from the ERSC-DFID Choices website:
<http://sustainablechoices.info>