

# SHiPP

The Sustainable Health  
in Procurement Project  
2018-2021



## Health Care's Environmental Footprint

The health sector's mandate is to prevent and cure disease. Yet the delivery of health care services can inadvertently contribute to human and environmental health problems.

**Health systems generate significant environmental impacts both up and downstream.**



Photo credit: UNDP

Health systems generate significant environmental impacts both up and downstream. These range from service delivery, to the natural resources and products health systems procure and consume, to the waste they generate. This in turn contributes to climate change, chemical contamination, resource depletion, biodiversity loss, air and water pollution.

A major point of impact in health care delivery is along the supply chain. The health sector purchases a broad array of products including chemicals, electronics, plastics, medical devices, energy generation technologies, laboratory reagents, anesthetic gases, pharmaceuticals and food. The production, packaging, transportation, use and disposal of these products has significant impact on the health of people and the environment.

Creating and implementing sustainable and ethical procurement policies can positively impact the global health care supply chain in many ways. Sustainable procurement also plays a central role in aligning health care with the Sustainable Development Goals, the Paris Agreement on climate change and other multilateral environmental conventions.

## Sustainable Procurement Evolves

Sustainable procurement is a strategy that the world's governments recognized as an important approach

for achieving sustainable development at the 1992 Rio Earth Summit.

Since that time, a number of UN conferences and agreements have recognized the value of sustainable procurement in fostering sustainable production and consumption, and have promoted action to implement it.



Sustainable procurement strategies can help implement many of the Sustainable Development Goals, particularly SDG 12 on Sustainable Production and Consumption.

**Governments on every continent have also developed or are in the process of developing policies, regulation, legislation and strategies to foster sustainable public procurement as a means for tackling climate change, chemical pollution, biodiversity loss and more.**

Despite this evolution, until recently the health sector—both public and private—had not been engaged in sustainable procurement even though the health care supply chain plays a major role in many economies and has a significant impact on human health and the environment.

## The Health Sector Gets On Board

Today the movement is growing for sustainable procurement in the health sector. Sweden played an early leadership role in fostering this movement. Organizations like the Region Stockholm, which manages a major health care system, were pioneers. The National Health Service of UK and Scotland along with several private health care systems in the United States have also helped lead the way.

## Today there is a growing movement for sustainable procurement in the health sector.

Sustainable procurement in health care became a global trend in the lead up to the Minamata Convention on Mercury, when Health Care Without Harm (HCWH) together with the World Health Organization and UNDP



Building on the growing momentum in the sector, the UN established the Informal Interagency Task Team on Sustainable Procurement in the Health Sector (SPHS) in May 2012.

worked with hospitals, health systems and governments to substitute mercury-based thermometers and blood pressure devices by purchasing affordable, accurate alternatives.

Building on the growing momentum in the sector, the United Nations established the Informal Interagency Task Team on Sustainable Procurement in the Health Sector (SPHS) in May 2012. SPHS, which is currently hosted by UNDP's Istanbul Regional Hub, brings together seven United Nations agencies and three multilateral health financing institutions committed to introducing sustainable procurement in the global health sector and beyond. These agencies' annual cumulative purchasing power is around USD 5 billion, which represents a sizable portion of some segments of the global pharmaceutical and other health products markets.

## SHiPP Sets Sail

Inspired by a small UNDP-HCWH pilot funded by the Skoll and UN Foundations in 2015, the Sustainable Health in Procurement Project (SHiPP) set sail as a four-year global project powered by support from the Swedish International Development Cooperation Agency (Sida).

Launched in 2018, SHiPP's aim is to reduce greenhouse gasses, resource depletion and chemical pollution by working with health ministries, hospitals and health systems in



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ten countries, via two regional components, and across the UN system to develop innovative procurement strategies.

SHiPP's focus is on a group of lower- and middle-income countries where UNDP and HCWH are developing and piloting a set of sustainable health procurement practices and policies. Project countries include India, China and Brazil, among the world's leading manufacturers of health commodities, as well as Argentina, Moldova, South Africa, Ukraine, Tanzania, Vietnam, and Zambia.

Drawing on HCWH's Global Green and Healthy Hospitals Network, the project also has two collaborative

regional components that span multiple countries in Latin America (Colombia, Chile, Argentina, Brazil and Costa Rica) and South-East Asia (Philippines, Republic of South Korea, Vietnam and Indonesia). HCWH's network is also drawing on the experiences and technical expertise of HCWH staff and member health systems that have implemented sustainable procurement policies and practices in Europe and the United States.

UNDP is leveraging its presence in every project country. UNDP is also developing synergies between SHiPP and its role as the Secretariat for the UN system-wide SPHS task force.

## SHiPP's Key Objectives

- Develop universally applicable criteria and standards for sustainable manufacturing, distribution and content of products procured by the health sector
- Strengthen capacity for sustainable procurement in the health sector in ten project countries
- Strengthen capacity for sustainable production, supply and disposal of health care products in at least ten project countries
- Strengthen the understanding and application of appropriate indicators and monitoring and evaluation processes that help promote accountability for sustainable procurement in the health sector

## SHiPP's Success to Date

In its first 18 exciting months, SHiPP has put in place the building blocks for a successful project and even achieved some early victories. Initial successes include:

- SHiPP-organized inception workshops in Argentina, Brazil, Colombia (Latin America regional), China, India, the Philippines, Ukraine, Vietnam and Zambia. By the end of 2019 all 10 SHiPP countries and both regional components will have held inception workshops convening key health and environment ministry officials, national procurement authorities, health systems and international actors.
- Through the project's Latin America regional component, the Secretary of Public Health of the city of Cali, Valle del Cauca, Colombia, issued a new policy

- to implement sustainable procurement requiring re-usable instead of disposable products and recycling.
- UN Environment invited UNDP and HCWH to co-chair the Health Working Group of its One Planet Initiative, setting the stage for the integration of health procurement into UN Environment's world-wide sustainable public procurement initiatives.
- In June 2018 SHiPP organized the global "Saving Lives Sustainably," health suppliers and manufacturers forum. This first in a series of annual forums took place in Manila and was hosted by the Asian Development Bank.
- The second Saving Lives Sustainably Forum, was held in Tanzania in July 2019. It was organized jointly with the Medical Stores Department (MSD), the host institution of the 16-member-state South-

ern Africa Development Community (SADC) Pooled Procurement Service.

- SHiPP has supported SADC and MSD to embed environmental and social sustainability in operational guidelines for member states that pool their procurement of health commodities.
- SHiPP is building synergies with several other global initiatives, including:
  - **A UNDP/WHO/HCWHP model health care waste management and mercury elimination project** funded by the Global Environment Facility in four African countries. Together both projects are building capacity with the national ministries for procurement of non-mercury devices in compliance with the Minamata Convention on Mercury.
  - **The Kigali Cooling Efficiency Program (K-CEP).** HCWH is developing a set of strategies in a K-CEP project for hospital cooling that will help SHiPP develop purchasing criteria for cooling technology.
  - **The Reduction of Emissions for Antibiotics Production (REAP).** In partnership with the Swedish International Water Institute (SIWI), UNDP is adapting a resource efficiency methodology successfully piloted in the textile industry to help reduce emissions from antibiotics manufacturing in order to stem anti-microbial resistance. The aim is for procurers to engage with their manufacturers to implement measures that will limit pharmaceuticals in the environment.

- **UNDP's Solar for Health Project.** UNDP's Solar for Health Initiative is supporting governments to install solar systems in health centers and clinics in rural areas to reach underserved communities in Zimbabwe, Zambia and other countries. This initiative is contributing to the development of SHiPP's criteria for solar procurement.

- HCWH has produced a set of health sector sustainable procurement case studies from Europe and the United States that share best practices and lessons learned, which can be replicated by SHiPP countries. Similarly, UNDP project countries such as Moldova and Ukraine have produced case studies on ethical procurement highlighted in first health sector report by the Global Network on Anti-corruption and Transparency in 2019.

## Scanning the Horizon

As SHiPP evolves, the project partners expect it to yield many exciting results. These will include:

- A Sustainable Procurement Index that provides policy makers and procurement officers around the world with clear, consistent guidance on purchasing choices.
- A map of carbon hotspots in the global health care supply chain and an action plan to reduce them that includes procurement of efficient, low global warming potential cooling technology, anesthetic gasses, and energy generation.
- A global Guidance Document on implementing sustainable procurement in a health care setting.

- Model policy and tender documents to integrate sustainability into health procurement.



Photo credit: HCWH

- Hospitals and health systems in multiple countries implementing sustainable procurement regulations, policies, strategies and practices for climate-smart, toxics-free, zero waste health care.
- A strong innovation agenda that brings university teaching hospitals in SHiPP countries on board and engages their medical students.

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UNDP and HCWH have designed SHiPP so that in a future phase of the project it can both scale its impact in project countries, and replicate success in neighboring countries through South-South and North-South exchanges.

## A vision for the future

By harnessing its tremendous purchasing power in many countries, the health sector can impact the supply chain, compelling manufacturers to provide safer, more environmentally sustainable products, produced under

ethical and healthy working conditions. Health systems can also manage health care waste disposal in an environmentally sustainable way by considering the whole product life cycle.



As SHiPP evolves, the project partners expect it to yield many exciting results. Photo credit: HCWH



**The health sector can help shift markets so that sustainably produced health commodities—as well as thousands of related products—are more widely available, not only to hospitals, but to all consumers, helping achieve the Sustainable Development Goals by promoting greater health, environmental and social sustainability.**

**Sustainable procurement can help align health care with the SDGs, the Paris Agreement and other environmental conventions.**



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