



# Social Entrepreneurship, Empowerment and Cohesion Project (SEECO)

# Increasing Social Benefit: The Rise of Social Procurement and Good Practices

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#### About Social Entrepreneurship, Empowerment and Cohesion Project (SEECO)

The SEECO project is implemented by the General Directorate of Development Agencies of the Ministry of Industry and Technology in coordination with the World Bank and financed by the European Union's Facility for Refugees in Turkey (FRIT). At the local level, cooperation is made with Development Agencies with high institutional implementation capacity. The project covers 11 provinces under the jurisdiction of 5 Development Agencies. Development Agencies and provinces involved in the project: İpekyolu Development Agency (Gaziantep, Adıyaman, Kilis), Eastern Mediterranean Development Agency (Hatay, Osmaniye, Kahramanmaraş), Karacadağ Development Agency (Şanlıurfa, Diyarbakır), Çukurova Development Agency (Adana, Mersin), Dicle Development Agency (Mardin).









#### **Abbreviations**

EU	European Union
UN	United Nations
ESG	Environmental, Social, and Corporate Governance
GRI	Global Reporting Initiative
ILO	International Labour Organization
ISO 20400	International Standard for Sustainable Sourcing Guidelines
SME	Small and Medium Enterprises
OECD	Organisation for Economic Co-operation and Development
RBC	Responsible Business Conduct
RREUSE	Re-use and Recycling European Union Social Enterprises Network
SEECO	Social Entrepreneurship, Empowerment and Cohesion Project
SDG	Sustainable Development Goals
SRPP	Socially Responsible Public Procurement
NGO	Non-governmental Organisation
UNDP	United Nations Development Programme
UN Global Compact	United Nations Global Compact
UNGPs	United Nations Guiding Principles on Business and Human Rights









#### **Purpose and Context of the Report**

In the 21st century, economic activities have transcended the sole pursuit of profitability and efficiency, integrating multidimensional objectives such as social impact, environmental sustainability, fair labor conditions, ethical governance, and human rights into business strategies.

At the heart of this transformation lies the social procurement approach, which seeks to embed social, environmental, and ethical values into supply chains. It underscores that procurement in both the public and private sectors should extend beyond mere cost-benefit analysis, fostering long-term societal and environmental impact.

This report sets out the basic principles of social procurement, examines international frameworks, legal regulations, and reporting standards, and outlines practical steps for implementation. Additionally, it provides an in-depth analysis of Turkey-specific opportunities, challenges, and policy recommendations.

The report aims to provide guidance in building a procurement ecosystem aligned with Sustainable Development Goals (SDGs). It seeks to foster long-term value creation, enhance resilience to crises, promote decent work opportunities, strengthen local economies, empower women and young entrepreneurs, increase workforce participation among disadvantaged groups, and advance the sustainable management of environmental resources.

#### Methodology

The analyses in the report have been shaped by literature reviews, review of international guidelines, evaluation of relevant legal and regulatory frameworks, analysis of public sector-oriented strategic policy documents, review of good practice examples, research reports and publications, evaluation of private sector reports, case studies and review of the results of pilot projects. In this process:

 Data Sources: Guidelines, reports, manuals and checklists published by institutions and networks such as the European Commission, International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD), United Nations Development Programme (UNDP), United Nations Global Compact (UN Global Compact), European Union Reuse and Recycling Social Enterprises Network

(RREUSE), Buy Social Europe B2B Project, Global Reporting Initiative (GRI), Supplier Diversity Europe, Social Enterprise UK, Yunus Social Business & Türkiye Social Entrepreneurship Network.









- Framework and Theoretical Approach: The concept of social procurement is addressed in a multi-disciplinary and multi-stakeholder paradigm by associating it with themes such as sustainable development, human rights, fair labour conditions, environmental responsibility, gender equality, circular economy, local development, fair trade.
- 3. Comparative Review and Good Practices: Selected practices from different geographies (UK, Canada, EU member states) were analysed to examine how social procurement strategies were implemented in practice, what challenges were faced, what opportunities were seized and what outcomes were achieved.
- 4. **Policy Recommendations and the Turkish Context:** The recommendations that emerged as a result of the studies conducted within the report's scope are summarised in the last section to support the evaluation of future studies.

This methodological approach aims to increase the versatility and practical applicability of the information presented in the report. In addition, it should be noted that social procurement is a developing field where strategies are continuously updated with feedback from stakeholders, new research and pilot projects. The report is intended both to both deepen the existing knowledge of stakeholders and to provide a point of reference for future works.









#### **Executive Summary**

In the 21st century, economic activities have moved beyond profitability and efficiency alone, integrating multidimensional objectives such as social impact, environmental sustainability, fair labor conditions, ethical governance, and human rights into business strategies. As a key driver of this transformation, social procurement enhances not only economic efficiency in public and private sector procurement but also social value, environmental responsibility, and ethical standards.

This report aims to support public organizations in leveraging social procurement as a strategic tool. It examines the theoretical framework of social procurement, international guidelines and standards, best practice examples, policy instruments, the regulatory frameworks, capacity-building strategies, and Türkiye-specific recommendations. Social procurement plays a pivotal role in fostering a fair, inclusive, resilient, and environmentally sustainable economy, aligning with the SDGs.

In this context, the report illustrates how social procurement can serve as a powerful mechanism for integrating disadvantaged groups into the workforce, empowering women and young entrepreneurs, supporting local producers, fostering circular economy practices, reducing carbon footprints, and reinforcing fair trade principles.

The report recommends key strategic steps, including integrating social criteria into public procurement, strengthening capacity building through intermediary organizations, scaling pilot projects and best practice examples, enhancing stakeholder engagement, and improving performance measurement mechanisms. These steps will raise awareness of social procurement in Turkey and facilitate knowledge-sharing through legislative reforms, training programs, guide publications, and digital platforms, ultimately strengthening social solidarity and increasing the private sector's contribution to sustainable development.

In summary, this report presents an analysis of social procurement as a long-term, measurable, and continuously evolving strategic investment, particularly for the public sector.









#### Introduction

In recent decades, the role of social, environmental and ethical values in business and public policies has been redefined. Traditional models focused solely on cost and profitability are being replaced by approaches that prioritize multidimensional objectives, including sustainable development, human rights, fair labor conditions, gender equality, local development, climate crisis mitigation, and ethical principles. At the heart of this transformation lies the concept of social procurement, which serves as a powerful lever by harnessing the managerial capacity, regulatory authority, and large-scale procurement power of public institutions. <sup>3</sup>

Social procurement ensures that both the public and private sectors integrate not only economic considerations but also social impact, environmental responsibility, and ethical standards into their supply chains. By doing so, it strengthens a resilient, inclusive, and equitable economic structure aligned with the SDGs. <sup>45</sup>

#### What is Social Procurement?

Social procurement is the process of sourcing products and services from social enterprises whose main purpose is social, environmental and/or cultural impact through a strategic procurement decision. This approach allows public institutions and private enterprises to incorporate social value, environmental sustainability, ethical standards, and fair business practices into their purchasing processes—moving beyond traditional parameters such as cost, quality, and speed. <sup>67</sup>

Social enterprises are enterprises who carry out economic/commercial activities primarily with the purpose of creating social, environmental or cultural impact. With this purpose they use their surplus revenue in line with their main purpose instead of sole financial gain <sup>8 9</sup>

<sup>9</sup> The State of Social Enterprises in Turkey. British Council. (2019)





<sup>1 &</sup>lt;u>Buying Social - A guide to taking account of social considerations in public procurement (2nd edition). Publications Office of the European Union, European Commission (2020, 2021)</u>

<sup>2</sup> Social Procurement Guidelines, ILO (2022)

<sup>3</sup> Strengthening Government Procurement for Positive Outcomes in Aotearoa New Zealand. The Impact Initiative. (2021)

<sup>4</sup> The Future of Procurement for Social Development, UNDP (2022)

<sup>5</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)

<sup>6</sup> Advancing Climate, Environmental and Social Goals Through Public Procurement, RREUSE (2022)

<sup>7</sup> Strengthening Government Procurement for Positive Outcomes in Aotearoa New Zealand, The Impact Initiative, (2021)

<sup>8</sup> Social Economy and Social Enterprises, Yekpare Social Enterprise Association





As an important stakeholder in economic and social development, social enterprises can collaborate with the public, private and third sectors in different ways. One of these forms of collaboration is the procurement of products and services from social enterprises by integrating social, environmental and/or cultural impact objectives into the supply chain and existing budget expenditure.

#### <u>Definition of social economy and legal forms for social enterprises</u>

**Social economy**<sup>10</sup> is an ecosystem that includes cooperatives, associations, foundations, social enterprises and similar entities that carry out economic activities within the framework of the principles of social benefit, solidarity, democratic participation and sustainability, and whose primary objective is to create social value rather than profit maximisation.

There is no legal form or status for social enterprises in Turkey. Social enterprises prefer one or more of the following legal forms: company (joint stock, limited liability, real person), association, foundation or cooperative, in accordance with their impact and business models.

In the traditional procurement approach,the focus is on a good price and good quality, i.e. economic parameters. For social procurement, in addition to the expectation of good quality and good price, factors such as 'good outcomes', i.e. social benefit, social and environmental sustainability, respect for human rights, gender equality, increasing the employment of disabled people, strengthening local economies, adopting green and circular production models, reducing carbon footprint and fair trade practices become decisive in making the decision. This multidimensional approach transforms the supply chain from a purely economic efficiency axis to a dynamic ecosystem that creates social and environmental value. <sup>12</sup> 13

#### The Difference Between Social Sourcing and Social Purchasing

While 'social procurement' and 'social purchasing' are often used interchangeably, they have distinct strategic and operational applications. While social procurement refers to long-term policies and goals, social purchasing is the realization of this strategy at the operational level. Social procurement prioritises the holistic integration of social enterprises' products and services into the supply chain, the establishment of lasting collaborations and impact-oriented strategic

<sup>13</sup> Advancing Climate. Environmental and Social Goals Through Public Procurement, RREUSE. (2022)





<sup>10</sup> The Social Economy in the European Union, European Commission (2021)

<sup>11</sup> The State of Social Enterprises in Turkey, British Council, (2019)

<sup>12</sup> The Future of Procurement for Social Development, UNDP. (2022)





planning. On the other hand, social purchasing refers to the process by which organisations procure their short-term needs for goods and services from social enterprises by considering social, environmental and cultural impact. <sup>14</sup>

Several approaches overlap or intersect with 'social procurement.' These include practices promoting socially responsible procurement, environmental sustainability, and inclusivity, often referred to by different terminologies such as <u>Socially Responsible Public Procurement</u>, <u>Green Procurement</u>, Responsible Procurement<sup>15</sup>, Gender Based Procurement<sup>16</sup>. Social procurement has both overlapping and divergent elements with these approaches. As it can be seen in the table below, responsible procurement, supplier diversity and social procurement strategies have overlapping objectives respectively.

Social Impact Responsible Social **Supplier Diversity Procurement Procurement** Procuring from suppliers Procurement aimed at creating The procurement of products with high ESG performance opportunities services underrepresented communities enterprises whose primary Characteristic (e.g., suppliers focused on human rights, inclusivity, working conditions, safety, in business (e.g., women-led enterprises, migrant and ethnic mission is to create **Features** environmental, and/or cultural and well-being) minority businesses, social impact, as a purchasing decision. economy enterprises) **Procurement** Volume

Figure 1 - Different Procurement Strategies

Source: Yunus Social Business

'Socially Responsible Public Procurement' (SRPP), which is used to refer to the procurement activities of the public sector, aims to ensure that procurement processes provide social benefits by taking into account the impact of the goods, services and works purchased by the public sector on society and to prevent or mitigate negative impacts during the implementation of procurement.

<sup>16</sup> Gender Responsive Purchasing Summit, UN Women Turkey (2022)





<sup>14</sup> The Future of Procurement for Social Development, UNDP (2022)

<sup>15 &</sup>lt;u>Development of Social Entrepreneurship in Turkey and Institutionalisation Suggestions, Hüzeyme Gül Efeoğlu Journal of Regional Development (2023)</u>





#### Stakeholders, Value and Supply Areas of Social Procurement

Social procurement creates value by leveraging the purchasing power of organizations to benefit both businesses and society. These value areas also show the reasons why the public, private and third sectors should engage in social procurement. Among the social benefit objectives that can be achieved through social procurement, the following points should be emphasized: 17 18

- Promoting social inclusion and employability of people with disabilities
- Improving working conditions, especially in low-paid and low-skilled sectors
- Promoting gender equality
- Promoting transparent supply chains
- Supporting decent work and working conditions
- Applying the principles of accessibility and inclusive design for all
- Providing high quality social, health, educational and cultural services
- Providing accessible social services and empowering different groups
- Promoting fair trade and environmentally friendly products/services
- Stimulating the market and investment in environmental, social and corporate governance (ESG)
- Supporting public organisations and social enterprises facing tight budgetary constraints and increasing efficiency in public spending
- Utilising public resources more strategically to achieve societal goals.

'Public sector social procurement' can use public budget spending as an important opportunity to meet social policy objectives, while 'third sector social procurement' can use it as an opportunity for collaboration to strengthen the financial resilience of businesses working to

address social issues. For private sector organisations, there may be priority value areas such as ESG objectives, improving supply chains with a focus on social impact, and enabling vulnerable groups to access livelihoods through procurement.

<sup>18 &</sup>lt;u>Buying Social - A guide to taking account of social considerations in public procurement (2nd edition). Publications Office of the European Union European Commission (2020, 2021)</u>





<sup>17</sup> WeBuySocialEU, European Union





Figure 2 - Organisations in the Social Procurement Process



By fostering diversity, inclusion, and innovation, social procurement creates opportunities for large corporations as well as small and medium-sized enterprises (SMEs) and micro-enterprises. Social enterprises, NGOs and SMEs can also use their purchasing power in favour of social enterprises.

Social procurement creates significant impacts for implementing organisations with its strategic and non-financial benefits. In a survey conducted by Yunus Social Business with private sector executives<sup>20</sup>, it was highlighted that social procurement practices provide internal culture change, increase corporate transformation, create space for brand differentiation by external stakeholders, increase employee engagement, improve employee competencies and help achieve ESG goals.

#### **Application Areas of Social Procurement**

Social procurement can be implemented in a variety of purchasing categories. From raw material procurement to processed products, from packaging to logistics, from labour and human resources services to distribution, from recycling solutions to computer technologies, from marketing to office management.<sup>21</sup> This diversity enables organisations to generate social and environmental benefits in line with their strategic objectives.

<sup>21</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)





<sup>19</sup> Social Procurement Guidelines, ILO (2022)

<sup>20</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)





### Case 1: Municipality of Paris and the Strategy for Socially Responsible Public Procurement (SPASER)<sup>22</sup>

#### **Objective**

In France, under the Social and Solidarity Economy Act of 31 July 2014, public buyers reaching a certain financial volume (€100 million per year excluding VAT) are required to adopt a strategy called SPASER (Socially Responsible Public Procurement) to promote SRPP. From 2015 onwards, environmental protection measures were added to these strategies. While the law gives local governments flexibility on the period and scope of implementation of the strategy, the Municipality of Paris adopted a regulation in 2016 and started to integrate social and environmental objectives into public procurement starting in 2019.

#### Implementation and Objectives

The Municipality of Paris aimed to increase the integration of people at risk of social exclusion into the labour force and to facilitate access to public procurement by small-scale social economy enterprises (cooperatives, ateliers, etc.). In this context, by adopting social procurement, the following actions have been taken:

- Adding social provisions to tender documents,
- Fragmentation of tenders to encourage small social economy enterprises,
- Introducing special conditions for the employment of disadvantaged groups in tenders,
- Informing and training future contractors and supporting them with training.

The Municipality of Paris aimed to integrate social clauses into 20 per cent of its public procurement by the end of 2020 and provide 1 million hours of employment integration by the end of 2020.. To this end, practices such as simplified tender specifications, feedback to unsuccessful tenderers, and annual reporting of social clauses and integration hours were put in place. The Responsible Procurement Approach of the Municipality of Paris continues under the latest SPASER adopted in December 2021 and it is part of the SPASER 2022-2025 National Sustainable Procurement Plan.

#### Results

In the Paris example, an increase in the participation of social economy enterprises working on reuse (recycling, food waste reduction, etc.) in tenders was expected. By dividing tenders

<sup>22</sup> Buying for social impact: Good practice from around the EU, European Commission (2019)









into smaller parts, the aim was to make it easier for social enterprises with limited financial capacity to compete. Additionally, a commission established by the municipality monitored the implementation of social criteria and integration targets each year, contributing to the improvement of practices.

#### The Rise of Social Procurement in the World

The development of the social economy has led to an increase in the number, sectoral diversity and capacity of social enterprises, one of the important actors in this field. Social enterprises have begun integrating into supply chains by producing high-quality products and services in various sectors. The social procurement movement has gained momentum with the growing interest from the public and private sectors, advocacy efforts by intermediary organizations, and the increased visibility of best practices. <sup>23</sup>

Leading countries in social procurement base their policies on international frameworks such as the ILO Standards, the United Nations Guiding Principles on Business and Human Rights (UNGPs), ISO 20400 Sustainable Procurement Guidelines, and the SDGs. Reporting standards such as the Global Reporting Initiative (GRI) and Responsible Business Behaviour (RBC) guidelines enable organisations to measure, monitor and transparently report their procurement performance. Thus, social procurement becomes not just a goal, but a governance tool that can be measured, evaluated and continuously improved. <sup>24</sup>

The "Buy Social" campaign, which started in the UK in the early 2010s, laid the foundation of the social purchasing movement by encouraging individuals and organisations to purchase products and services from social benefit-oriented businesses. This approach soon spread to different countries such as Canada, the Netherlands, Ireland and Türkiye. It encouraged the public, private and civil society sectors to create social impact through the social procurement movement. According to a report published by BCG and Yunus Social Business in May 2022, the current market volume for social procurement exceeds USD 2.5 billion, and if this trend continues, the market volume could reach USD 506 billion in the next decade. The potential impact of this development will be particularly important for sectors that struggle to secure adequate funding, as it offers a means of empowerment through procurement.

<sup>25</sup> A \$500 Billion Market Opportunity for Real Impact at Scale, BCG (2022)





<sup>23</sup> The Buy Social Movement, Buy Social Europe B2B

<sup>24</sup> Consolidated Set of GRI Sustainability Reporting Standards, Global Reporting Initiative, GRI. (2021)





Social procurement campaigns educate both consumers and institutions on how every purchasing decision has social, economic, and environmental impact. They show that purchasing choices can be used as a strategic mechanism to generate social benefits and they provide tools such as catalogs, conferences, and matchmaking events to increase the visibility of companies that are able to achieve social impact.

With the development of the "social procurement" movement, local, regional and international steps have been taken, such as the integration of social enterprises into organisations' supply chains, the emergence of intermediary organisations that guide procurement processes, and the development of certification and verification solutions. These developments have paved the way for social procurement strategies to be embedded in a wider ecosystem.

In the widespread adoption of social procurement approaches in different geographies, the pioneering roles of intermediary organisations advocating this issue, private sector companies integrating social procurement into their strategies and local governments in developing social procurement policies are noteworthy.

The "Buy Social Corporate Challenge"<sup>26</sup>, led by Social Enterprise UK since 2016, has encouraged companies to procure from social enterprises. Which was through advocacy of the benefits that social enterprises can create in companies, events and matchmaking programmes that bring companies together with social enterprises, and award programmes for companies. In this context, corporate partners spent £477 million on social enterprises, creating employment opportunities and increasing social benefits. Similarly, the "People & Planet First" movement supports social procurement practices and seeks to promote strategies that place social and environmental benefits at the centre of the economy.

#### People & Planet First

<u>People & Planet First</u> is a verification system led by 32 local networks around the world under the coordination of <u>the Social Enterprise World Forum</u> for the inclusion of social economy enterprises such as social enterprises, fair trade enterprises, co-operatives in a global movement of shared values with the main goal of developing solutions for social and/or environmental issues.

The system, which covers five standards (Purpose, Operations, Income, Use of Profit, Organisational Structure) identified through international consultations, offers simple,

<sup>26</sup> Buy Social Corporate Challenge, Social Enterprise UK









cost-effective and accessible certification for social enterprises and access to suppliers from different sectors. This system is being integrated into existing programs, projects, and the work of local networks with the support of local network partners and sector stakeholders in different countries, and social procurement is an important part of this work.

The European Commission has published several reports on SRPP to encourage public servants and make good practices visible. The first of these reports is "Buying Social - a guide to taking account of social considerations in public procurement<sup>27</sup>, the first version of which was published in 2011 and updated in 2021. This report is important as it covers how the public sector can adopt the SRPP concept, how to integrate social procurement into the organisation's organisational strategy in eight steps and it includes recommendations on contracting processes. Following this report, the European Commission published a study in May 2020 detailing 71 examples of good practice in the areas of cleaning and facilities management, construction, food/catering, furniture, gardening, health services, social services, information and communication technologies and textiles, so that the public can examine social procurement practices by example.<sup>28</sup> The European Commission has created a Linkedin group to enable interaction between professionals, which has also been shared on the official website.<sup>29</sup>

In November 2020, Euclid Network established a community of practice focused on social procurement. In March 2021, the Social Enterprise World Forum (SEWF) launched a Social Procurement Community of Practice in collaboration with Euclid Network, where private sector, public institutions, social enterprises and support organisations can share experiences and engage with experts. All these initiatives demonstrate that, on a global scale, social procurement is gaining momentum through increased awareness, regulatory reforms, strengthening of the social enterprise ecosystem and the support of international networks. This highlights that social procurement is contributing to a new economic understanding by creating a transcontinental and transcultural impact. <sup>30 31 32</sup>

<sup>32</sup> Buy Social Europe B2B





<sup>27</sup> Buying Social - A guide to taking account of social considerations in public procurement (2nd edition). Publications Office of the European Union European Commission (2020, 2021)

<sup>28</sup> Making Socially Responsible Public Procurement Work, European Commission, 2020

<sup>29</sup> Socially Responsible Public Procurement, European Commission

<sup>30</sup> RREUSE. (2022). Advancing Climate, Environmental and Social Goals Through Public Procurement

<sup>31</sup> Social Procurement: Putting People & Planet First, Euclid Network Podcast, 2024





#### The Role and Importance of the Public Sector

The public sector is a critical actor in the implementation of social procurement practices. With their large-scale purchasing power, capacity-building and policy-making roles, public institutions can transform the market and mainstream social procurement. The public sector can play a variety of roles in the social procurement ecosystem, being a buyer, role model, regulator, supporter, funder, coordinator, and collaborator. This multifaceted distribution of roles enables public institutions to deepen, mainstream and institutionalise the social procurement approach.

Public institutions can drive the social procurement ecosystem through tools such as implementing pilot projects, developing guidelines, drafting legislation, building bridges between stakeholders and promoting certification systems. Public funds can be leveraged as a strategic tool to promote social benefits, environmental sustainability and ethical standards.<sup>33</sup>

#### The Role of the Public Sector in Social Procurement

Table 1 - Role of the Public Sector in Social Procurement		
	<b>Supplier / Buyer:</b> Procurement of products and services needed by the public sector.	
	Role Model: Creating good practice examples through its procurement activities.	
ؽؚٛڮؽؙ	Regulator: Creating legislation to support social procurement.	
AND THE PROPERTY OF THE PROPER	<b>Supporter:</b> Supporting the development of the field with non-financial support (programmes, guides, etc.).	

<sup>33</sup> The Future of Procurement for Social Development, UNDP, 2022









(S)	<b>Funder:</b> Providing resources through grants and financial support systems for stakeholders' efforts to strengthen social procurement.
	<b>Coordinator:</b> Coordination of inter-agency and inter-departmental activities or coordination of cross-sectoral activities to improve social procurement in the public sector.
	Collaborator: Public sector collaboration with stakeholders in their work to strengthen social provision.

The 2014 Public Procurement Directives<sup>34</sup> established that the use of social criteria can be taken into account at all stages of the procurement process. Public buyers across Europe have started to utilise these opportunities to demonstrate social impact objectives in their procurement processes.<sup>35</sup> The European Commission's "Social Procurement: Guidelines for Taking Social Considerations into Account in Public Procurement<sup>36</sup> "Implementing SRPPt: 71 Good Practice Examples"<sup>37</sup> and "Procurement for Social Impact: Good Practices from across the EU" are guides for public servants to understand good practice examples with a focus on establishing procurement procedures, policies and support structures in public procurement. These guides examine how some of the articles of the EU Public Procurement Directive (e.g. Articles 18(2), 20, 40, 42(1), 43, 46, 56, 57, 67, 69, 70, 71, 74-77) have been transposed into national legislation. Some of the articles that have been put into practice are as follows:

- Mandatory Social Clause (Art. 18(2) mandatory social clause)
- Reserved contracts (Art. 20 reserved contracts)
- Preliminary Market Research (Art. 40 preliminary market consultations)
- Technical specifications and accessibility requirements (Art. 42(1) technical specifications and accessibility requirements)
- Labels / Certifications (Art. 43 labels)
- Division of contracts into lots (Art. 46 division of contracts into lots)
- Low tenders (Art. 69 abnormally low tenders)
- Subcontracting (Art. 71 subcontracting)

<sup>37</sup> Making Socially Responsible Public Procurement Work, European Commission, 2020





<sup>34</sup> Directive 2014/23/EU of the European Parliament and of the Council

<sup>35</sup> Making Socially Responsible Public Procurement Work, European Commission, 2020

<sup>36 &</sup>lt;u>Buying Social - A guide to taking account of social considerations in public procurement (2nd edition)</u>. <u>Publications Office of the European Union European Commission (2020, 2021)</u>





The three practical examples in the report show the adaptation of these articles to the national legislation of the countries. In Turkey, there are five main categories of procurement by public institutions: direct procurement, negotiated procurement, procurement under exemptions, procurement based on Additional Article 9 of the Public Procurement Law and procurement through municipal companies. <sup>38</sup>

#### Case 2 - Tuscany (Italy)<sup>39</sup>

In 2017, ESTAR (the organization that provides technical-administrative support to healthcare facilities in the region) launched an open tender for the maintenance of gardens and green spaces for healthcare facilities in the Tuscany region. The aim of this tender was to encourage the participation of social cooperatives, particularly those that work with the aim of integrating disabled and disadvantaged people into the labor market, while ensuring environmental sustainability. Accordingly, eight of the eleven lots in the tender were reserved for social cooperatives, and the technical specifications included both social and environmental criteria.

The social criteria focus on the recruitment of disabled and disadvantaged people, on-the-job training and support mechanisms as well as long-term job security. Environmental criteria included reducing the use of pesticides, implementing methods that reduce water consumption, favouring local plant species and using recycled or reused materials. In addition, the contract terms guaranteed the employment of employees for at least the duration of the contract (72 months) and required at least 30% of the total workforce to be disabled or disadvantaged. This policy builds the capacity of social cooperatives and strengthens the participation of disabled and disadvantaged groups in the labour market. On the environmental side, the reduction of pesticide use and the adoption of water-saving methods ensure that green space maintenance is carried out with human health and nature-friendly methods.

#### The Role and Importance of Intermediary Institutions

Intermediary organisations or support organisations are third parties that facilitate collaboration in the social procurement process. These organisations can be social entrepreneur support networks, accelerators, investment and financing or certification institutions. Intermediary organisations play a crucial role in the social procurement ecosystem by facilitating knowledge

<sup>39</sup> Making Socially Responsible Public Procurement Work, European Commission, 2020





<sup>38</sup> Social Procurement Guidelines, ILO, 2021





generation, advocacy, capacity building, training, mentoring, access to finance, certification, quality control, data analysis, performance measurement, and reporting. 40 41

These organisations facilitate the participation of social enterprises in public procurement by increasing their competitiveness, making examples of good practice visible and bringing suppliers and buyers together. The guidance of intermediary organisations helps public institutions to understand the tangible impact of their social procurement strategies, to make continuous improvements and thus to ensure transparency, accountability, innovation and diversity in their supply chains. 42 43

Intermediary organisations also help social enterprises to become social procurement ready, to benefit from international funding, to achieve quality standards, to obtain certification (<a href="People & Planet First">People & Planet First</a>, <a href="Fair Trade">Fair Trade</a>, <a href="B-Corp">B-Corp</a>, <a href="EU Ecolabel">EU Ecolabel</a>) and to be included in the supply chain. When social enterprises obtain internationally recognised certifications, they increase their credibility and are preferred by public and private sector suppliers. Certification processes should be encouraged and social enterprises should be guided in these processes.

#### **Steps in Implementing Social Procurement**

Social procurement is more than a visionary concept; it is a strategic process that can be implemented, measured, and continuously refined. To implement this process, social procurement policies should be integrated into corporate strategies, internal objectives should be created, appropriate metrics should be determined, managers and employees should be informed, cooperation channels with external stakeholders should be established and knowledge should be increased. 44 45 46

As with other organisational strategies, the adoption of social procurement as a strategy within an organisation follows a gradual development process by increasing knowledge and capacity, strengthening employee commitment and improving governance mechanisms. At this point, the role of leaders is critical. Senior managers can increase the success of social procurement practices by clarifying social procurement objectives, taking ownership of the issue, advocating

<sup>46</sup> Social Procurement webinar for senior & executive leaders. Akina Foundation (2021)





<sup>40</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)

<sup>41</sup> Buy Social Europe B2B Project

<sup>42</sup> Social Procurement Guidelines, ILO, (2022)

<sup>43</sup> Advancing Climate, Environmental and Social Goals Through Public Procurement, RREUSE. (2022)

<sup>44</sup> Social Procurement Guidelines, ILO, 2022

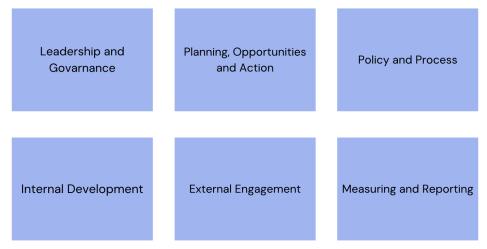
<sup>45</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)





its priorities internally and externally, integrating it into financial planning, budgeting and risk management frameworks, and collaborating with the industry and key stakeholders. <sup>47</sup>

Figure 3 - Building Blocks of Social Procurement



Source: Strengthening Government Procurement for Positive Outcomes in Aotearoa New Zealand. The Impact Initiative, 2021

#### **Building Blocks of Social Procurement**

The implementation of social procurement consists of different phases, including the above building blocks.

Preparation Phase: Development of internal processes for social procurement, determination of strategic objectives and metrics, development of corporate policies and procedures, organisation of specifications and related tender documents, identification of relevant people and units for social procurement activities. Carrying out in-house information activities on social procurement. The processes of including social and environmental criteria in tender documents as conditions of the contract, prioritising social value in evaluation criteria, and establishing transparency and accountability mechanisms.

<sup>49</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)





<sup>47</sup> Social Procurement webinar for senior & executive leaders, Akina Foundation (2021)

<sup>48 &</sup>lt;u>Buying Social - A guide to taking account of social considerations in public procurement (2nd edition). Publications Office of the European Union European Commission (2020, 2021)</u>





- Engagement with External Stakeholders: Research and evaluation process to find suitable social enterprises in line with social procurement objectives. Establishing channels of cooperation with external stakeholders such as intermediary organisations and support organisations that can facilitate the process. Conducting interviews and visits.
   50 51 Conducting communication campaigns to raise public awareness.
- Procurement / Purchasing Process: Initiating the procurement process (e.g. development of joint products) or purchasing process (e.g. IT services, office supplies) of products or services from social enterprises. Improving processes, strengthening the standard and quality level of social enterprises, increasing volumes, providing financial framework and capital for social enterprise. <sup>52</sup>
- Measurement, Monitoring and Reporting: Conducting measurement and reporting for the procurement process with social procurement targets and metrics. For example: Metrics such as the number of disadvantaged people employed, reduction in carbon emissions, fair trade product ratio, recycling ratio, and standards such as GRI, UN Global Compact and social impact measurement tools can be used.
- Impact Communication and Stakeholder Engagement: Communicating the impact of social procurement and social procurement activities to stakeholders, creating case studies, sharing best practices through relevant conferences and events.

When combined with strong leadership and internal commitment, social procurement evolves from a standalone initiative into a strategic mechanism for fostering a resilient, socially responsible, environmentally sustainable, and ethically sound supply ecosystem.

## Case 3: Scottish Government's Developing Markets for Third Sector Organisations Programme <sup>53</sup>

#### **Purpose and Scope**

The Developing Markets for Third Sector Organisations Programme 2011-2017 was designed as a key part of the Scottish Government's Third Sector and Public Service Reform strategies. The Programme is designed to complement legislation such as the Procurement Reform

<sup>53</sup> Buving for social impact: Good practice from around the EU, European Commission (2019)





<sup>50</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)

<sup>51</sup> Strengthening Government Procurement for Positive Outcomes in Aotearoa New Zealand, The Impact Initiative, (2021)

<sup>52</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)





(Scotland) Act 2014, which provides a range of tools to promote social value in public procurement.

#### These include:

- Public Social Partnership (PSP) model (*PSPs* are defined as strategic partnership arrangements that enable earlier and more intensive involvement of the third sector (*NGOs*, social enterprises, etc.) in the design and procurement of public services).
- Community Benefit Clauses (CBC) (CBCs are contractual provisions for including various economic, social or environmental conditions in public contracts).
- And social value measurement and monitoring methods are included.

#### **Application and Method**

The Developing Markets for Third Sector Organisations Programme was delivered by Ready for Business, a consortium of third sector and private sector organisations. Through information events, workshops and consultancy support organised across Scotland, it aimed to empower public buyers and procurement teams to;

- Better recognise third sector suppliers and consortia,
- Design tender and contract conditions that increase social benefit,
- Implement post-tender performance monitoring and social value measurement techniques.

#### **Programme Activities:**

- 1. **National Events**: The main objectives of the programme were explained to public buyers and the benefits of socially responsible purchasing were shared.
- 2. **Local Events**: Regional needs and opportunities were identified by bringing together third sector organisations and public institutions.
- 3. **Practical Workshops**: Practical training was provided on topics such as Social Benefit Provisions, Public Social Partnerships model and social value measurement methods.
- 4. **Consultancy and Mentoring**: Guidance was provided during tender design, bid evaluation and contract implementation phases.

In summary, the programme has provided an innovative approach aiming to create social impact through public procurement and has contributed significantly to the development of









sustainable and inclusive procurement practices by providing guidance to both public buyers and third sector organisations.

#### Social Procurement Initiatives in Türkiye

Although social procurement in Türkiye is still in the development phase, its potential is becoming increasingly visible thanks to the increasing interest of both public institutions and private and civil sectors. <sup>54</sup> <sup>55</sup> The joint efforts of local governments, development agencies, NGOs, social enterprises, universities, professional chambers, chambers of commerce, investors and private sector actors play a decisive role in unlocking this potential.

Social procurement efforts in Türkiye are characterised by several axes. Some municipalities and development agencies have started to promote social procurement strategies at the city or regional level, supporting local social enterprises and pioneering pilots such as food procurement from women's co-operatives or service procurement from enterprises employing people with disabilities.

Support organisations contribute to the development of the social procurement ecosystem through raising awareness, capacity building, training programmes, research and reporting on social procurement. For example, organisations that prepare guides, case studies, online resources and catalogues in the field of social procurement work to facilitate collaborations between social enterprises and the public sector or large-scale companies. These organisations give momentum to the ecosystem by mapping the social enterprise ecosystem, making success stories visible and disseminating good practices. Some of the guides, reports and open calls in Türkiye are as follows

- Social Procurement Guide published by ILO Türkiye Office in March 2022,
- <u>The Future of Procurement for Social Development Report</u> published by UNDP Türkiye in November 2022
- The 'Social Procurement Handbook' prepared by Yunus Social Business and published in Turkish in 2023 by the working group established under the umbrella of the Social Entrepreneurship Network of Türkiye and the catalogue of Social Procurement Activities in Türkiye prepared simultaneously with the guide,

<sup>55</sup> Social Procurement Handbook, Yunus Social Business & TSGA (2022)





<sup>54 &</sup>lt;u>Development of Social Entrepreneurship in Turkey and Institutionalisation Suggestions, Hüzeyme Gül Efeoğlu Regional Development Journal, 2023</u>





- UN Women Türkiye Country Office, KAGİDER and Global Compact Türkiye organised events such as fairs and summits for gender-based purchasing advocacy and the final reports of these activities.
- Within the scope of the European Union-funded Social Entrepreneurship, Empowerment and Cohesion Project (SEECO), 57 livelihood facilities will be established in Hatay, Kahramanmaraş, Osmaniye, Şanlıurfa, Diyarbakır, Adana, Mersin, Gaziantep, Adıyaman, Kilis and Mardin provinces in coordination with the Ministry of Industry and Technology, General Directorate of Development Agencies and the World Bank. In these facilities, a 'Call for Supporting Social Purchasing' was launched for social purchasing cooperation with companies operating in textile, manufacturing, food, industry and service sectors.

#### **Key Recommendations from the Report**

In the "Assessment Report on the Barriers and Opportunities for Impact Investing in Social Entrepreneurship in Türkiye"," prepared as part of the SEECO project, the discussions revealed a lack of awareness regarding social procurement in Türkiye. It was emphasized that traditional cost assessment still prevails and that the capacity of social enterprises in the field of social procurement needs to be developed.<sup>56</sup>

In reviewing reports in the field of social procurement and international best practice examples, several activities stand out that could be implemented in Türkiye. These are:

- Adding social criteria to public tenders,
- Organising capacity building programmes for procurement managers and strategy development teams,
- Collaborating with NGOs, social enterprises and the private sector to increase stakeholder engagement,
- Organising workshops and conferences, preparing guidelines and case studies, and creating digital platforms to increase knowledge on social procurement,
- Additionally, mentoring, guidance, and training can be provided to social enterprises to help them develop the social procurement capacity they need, including improving market access, product development, and sales capabilities.

<sup>56</sup> An Assessment Report on the Barriers and Opportunities for Impact Investing for Social Entrepreneurship in Turkey, SEECO, 2025









#### Conclusion

Social procurement extends beyond traditional procurement by placing social value, environmental sustainability, ethical principles, and inclusivity at the core of purchasing decisions. The public sector plays a pivotal role in this transformation, leveraging its vast purchasing power, regulatory authority, and policy-making capacity. Complementary actors—including social enterprises, NGOs, the private sector, intermediary organizations, and academia—further enrich this ecosystem.

This report serves as a foundation by consolidating key principles, methodologies, measurement frameworks, reporting mechanisms, best practice examples, policy tools, and Türkiye-specific recommendations. Social procurement is not merely a vision but a strategic framework that fosters stakeholder trust, builds a crisis-resilient economic structure, strengthens social cohesion, drives climate action, and contributes to sustainable development.

Implementing the recommendations outlined in this report will enhance Türkiye's social procurement capacity, reinforcing economic competitiveness, social solidarity, and sustainable development. The effective adoption of social procurement strategies will accelerate Türkiye's transition toward a more sustainable, equitable, and inclusive economy. This transformation will pave the way for an ethical and resilient economic model capable of withstanding both current and future social and environmental challenges.



