



*Enhancing VET for social impact: putting
social public procurement into practice*

T3.4 - Module 1: Introduction to Social Public Procurement & Social Economy



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Introduction



Module 1 aims to build foundational knowledge and understanding of Social Economy and Social Public Procurement (SPP) as strategic tools for social impact.

- Learners will develop the ability to:
- Identify opportunities where procurement can generate social value;
- Recognise social objectives relevant to procurement processes;
- Relate Social Public Procurement to policy priorities (employment, inclusion, equality, sustainability);
- Analyse simple procurement scenarios from a social value perspective.

Learners will

- be open to innovation in public action;
- enhance inclusion, fairness and social responsibility;
- be aware of ethical and societal impacts of economic decisions.

Social Value and Public Action



Public Spending as a Driver of Change

Public authorities are among the largest economic actors in Europe.

Each year, they spend a significant share of GDP on goods, services and works; such as:

- Construction and infrastructure
- Cleaning and catering services
- Transport and mobility
- Health, care and social services
- Education and training

This spending has
a strong impact on society.



Traditionally, public procurement focused mainly on price and efficiency. While economic efficiency remains important, this approach often overlooked broader societal impacts.

Today, there is growing recognition that *how public money is spent matters as much as how much is spent*. Public procurement decisions influence employment conditions, social inclusion, equality and local development.

What is Social Value ?

Social value refers to the positive social, economic and community benefits created through public spending. It goes beyond the direct delivery of a product or service and **considers the wider impact on society**.

- Social value is not an “extra” benefit; it is increasingly seen as a core objective of public action.

Examples of social value include:

- ✓ Creating jobs for long-term unemployed people
- ✓ Offering training and apprenticeships
- ✓ Ensuring fair wages and decent working conditions
- ✓ Promoting gender equality and diversity
- ✓ Improving accessibility for people with disabilities
- ✓ Strengthening local communities and economies

Reflection

1. Think what does “social value” mean to you?
2. Think one example of public spending that could create social value.

The Social Economy Part 1





What is the Social Economy ?

The Social Economy is part of the economy that *puts people and social goals before profit*. Social economy organizations do business, but their main goal is to help society.

They often work in areas where people need support, such as:

- Employment and training
- Social and health services
- Education
- Environmental protection
- Community services





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The Social Economy Part 2





Social Economy organizations

Social economy organizations:

- Carry out economic activities
- Prioritize social or societal objectives over profit maximization
- Reinvest most or all profits to achieve social goals
- Are governed in a participatory or democratic way

Social economy organizations **operate in markets** but are driven by **values**, not shareholder profit.





Why the Social Economy is Important ?

The social economy plays a crucial role in:

- Providing essential services where markets or the state alone may fail
- Integrating disadvantaged people into the labour market
- Reducing social inequalities
- Encouraging citizen participation and solidarity
- Supporting sustainable and local development

In many regions, social economy organizations are deeply embedded in communities and respond directly to local needs.



Principles of the Social Economy

- ❑ **Primacy of people and social purpose**

Economic activity serves social objectives, not the other way around.

- ❑ **Democratic and participatory governance**

Members, workers, or users participate in decision-making processes.

- ❑ **Limited profit distribution**

Profits are mainly reinvested to support the mission rather than distributed to shareholders.

☐ **Solidarity and inclusion**

Social economy organizations actively promote equality, diversity, and inclusion.

☐ **Autonomy and independence**

Although they may receive public funding, social economy actors remain self-governed.

☐ **Long-term and sustainable vision**

Focus on lasting impact rather than short-term financial gain.



Key Actors of the Social Economy

a) Cooperatives

Owned and controlled by members (workers, users, citizens).

Examples include worker cooperatives, consumer cooperatives and housing cooperatives.

b) Social enterprises

Businesses with a clear social or environmental mission, often employing people facing labour market barriers.





Key Actors of the Social Economy

c) Associations and NGOs

Non-profit organizations providing services, advocacy, or community support.

d) Foundations

Organizations using assets or capital to support social causes or deliver services.

e) Mutual organizations

Member-based entities providing insurance, health, or welfare services based on mutual support.





What is the Social Economy action plan?



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What can the Social Economy Gateway do for you?



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Reflection

Think if you know any **social economy organizations** in your area?

If yes, then think what **social problem** do they address?

The Social Public Procurement Part 1





What is Social Public Procurement ?

Public Procurement is the process public authorities use to buy goods, services or works.

Social **Public Procurement (SPP)** refers to the integration of ***social considerations*** into Public Procurement processes to achieve social objectives alongside economic ones.

SPP recognizes procurement as a **strategic policy tool**, not merely an administrative function.



SPP helps public authorities to:

- Support inclusive labour markets
- Promote decent work and fair wages
- Encourage social innovation
- Strengthen social economy organizations
- Align procurement with social and sustainability policies

**SPP drives public authorities contribute
to inclusive and sustainable growth**

The power of Socially Responsible Public Procurement



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The Social Public Procurement Part 2



Socially Responsible Public Procurement essentials: what you need to know about Socially Responsible Public Procurement



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Common Social Objectives in SPP

- Employment of long-term unemployed people
- Inclusion of people with disabilities
- Youth employment and apprenticeships
- Gender equality and work-life balance
- Fair pay and safe working conditions
- Ethical supply chains
- Community development



Socially Responsible Public Procurement - supporting people with disabilities



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Socially Responsible Public Procurement - protecting worker's rights



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Socially Responsible Public Procurement - supporting gender equality



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Integrating Social Criteria throughout the Procurement Cycle

- ❖ **Needs assessment & planning**

Identifying social challenges that procurement could address.

- ❖ **Market consultation**

Engaging with social economy actors and inclusive businesses.

- ❖ **Tender specifications**

Including accessibility, inclusion or social performance requirements.

Integrating Social Criteria throughout the Procurement Cycle

- ◆ **Award criteria**

Valuing social impact, quality of jobs or training commitments.

- ◆ **Contract performance clauses**

Monitoring employment, inclusion and social outcomes during implementation.

Reflection

Think **one benefit** of Social Public Procurement for:

- Public authorities
- Citizens
- Social economy organizations

Benefits of SPP for different stakeholders

Public authorities: Better policy coherence, stronger social outcomes, improved public trust.

Citizens: Improved services, social inclusion, local job creation.

Social economy organizations: Better access to markets, financial sustainability, scaling impact.

Linking Social Economy & Public Procurement



Why Social Economy and SPP belong together ?

Social economy organizations are natural partners for Social Public Procurement because they:

- Have a strong social mission
- Often employ vulnerable people or disadvantaged groups
- Deliver services rooted in local communities focusing on long-term impact
- Reinvest profits in communities for social impact

How Public Procurement can support the Social Economy ?

- Reserving contracts for social enterprises or sheltered workshops
- Dividing contracts into smaller lots to enable participation
- Using qualitative and social award criteria
- Recognising social impact and added value

Creating a Positive Cycle

Social Public Procurement can:

- Strengthen social economy actors
- Create quality jobs and inclusion
- Reinforce sustainable and inclusive local economies

This creates a virtuous cycle where **public money generates long-term social value.**

Identifying Opportunities for Social Public Procurement





Where Social Value can be added ?

Social value can be added at different stages of the procurement process:

- **Planning**: defining social needs
- **Tender design**: including social criteria
- **Award**: valuing social impact
- **Contract management**: monitoring social results

Best Practices of Social Public Procurement



1. Mainstreaming Social Clauses in Public Works

Organisation: Region of Wallonia | **Country:** Belgium | **Type:** Public Authority

Wallonia has fully institutionalized social clauses in public works procurement, making them mandatory at regional level and a condition for subsidies to local authorities.

Contractors must provide training or employment opportunities for vulnerable groups, either directly or via social enterprises.

1. Mainstreaming Social Clauses in Public Works

Impact/Results

- 442 contracts (€400 million) included social clauses
- 410 training placements created
- €3.5 million revenue generated for social enterprises

Key Learning

Strong political commitment, combined with legal mandates and dedicated support structures (social clause facilitators), can successfully embed social value into mainstream procurement at scale.

2. Ethical Procurement with Global Supply Chain Oversight

Organisation: City of Oslo | **Country:** Norway | **Type:** Public Authority

Oslo integrates strict labor rights, fair trade and traceability requirements into procurement for high-risk global supply chains, particularly food and beverages, supported by audits and collaboration with Ethical Trade Norway.

2. Ethical Procurement with Global Supply Chain Oversight

Impact/Results

- Fair trade bananas increased from 3% to 50% in 4 months
- Fair trade coffee increased from 9% to 13%
- Improved supplier transparency and compliance

Key Learning

Cities can exert real influence over global supply chains when ethical requirements are mandatory, monitored and aligned with international human rights frameworks.

3. Inclusive Employment through IT Circularity

Organisation: AfB gGmbH | **Country:** Germany | **Type:** Social Enterprise

AfB refurbishes and resells IT equipment from public and private institutions while employing a workforce where nearly half are people with disabilities, combining circular economy principles with inclusive employment.

3. Inclusive Employment through IT Circularity

Impact/Results

- 600,000+ IT devices refurbished annually
- ~45% of workforce are people with disabilities
- Active in 4 European countries with financial sustainability

Key Learning

Procurement can simultaneously advance circular economy goals and inclusive labor markets when social enterprises are recognized as strategic service providers.

4. Scaling Social Enterprise Participation through Reserved Lots

Organisation: EOPYY (National Health Procurement Authority) | **Country:** Greece | **Type:** Public Authority

EOPYY divided a large national cleaning services contract into regional lots reserved for Work Integration Social Enterprises (WISEs), enabling them to compete according to capacity.

4. Scaling Social Enterprise Participation through Reserved Lots

Impact/Results

- 7 out of 8 lots awarded to social enterprises
- Strengthened regional cooperation among WISEs
- Improved quality standards and organizational capacity

Key Learning

Smart tender design (lotting + reserved contracts) can unlock social enterprise participation even in large-scale, cost-sensitive procurement.

5. Turning Waste into Social Value

Organisation: Aceite Solidario | **Country:** Spain | **Type:** Social Enterprise

Aceite Solidario collects used cooking oil from institutions and businesses, reinvesting the proceeds into social enterprises employing people with disabilities and those at risk of exclusion.

5. Turning Waste into Social Value

Impact/Results

- Reduced environmental pollution from improper oil disposal
- Stable funding stream for inclusive employment initiatives
- Strong partnerships with public institutions and universities

Key Learning

Circular economy initiatives can become powerful social inclusion tools when procurement, environmental goals, and social reinvestment are strategically aligned.

Quiz time

Quiz time...

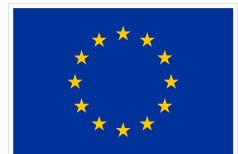




END OF MODULE 1

Congratulations!

You have completed the Module 1 “Introduction to Social Public Procurement & Social Economy”



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