

2017

# United Nations Global Compact Communication on Engagement



City of Oslo

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*Being a city rich in resources, in a country with abundant access to renewable energy, gives Oslo a unique position, with the potential for developing innovative solutions and being a leading city internationally.*

*Climate and Energy Strategy for Oslo*

# Summary

This Communication on Engagement describes the actions that the City of Oslo has taken to support the UN Global Compact and the Ten Principles on human rights, labour rights, environment and anti-corruption. In this report we emphasise public procurement as our major strategic tool to influence businesses to become more sustainable and responsible. This Communication on Engagement covers the period between 2014 and 2017.

**Part I** of this Communication on Engagement contains the *Message from the City Government* with a statement of continued support by the Chief Executive, Governing Mayor of the City of Oslo, Raymond Johansen.

**Part II** describes actions the City of Oslo has taken in support of the UN Global Compact. This part is covered by the chapters *Oslo towards 2030: Smart, safe and green, Sustainable Public Procurement, Human Rights and Labour Rights, Environment and Anti-corruption*.

**Part III** *Measurement of Outcomes* describes our endeavors to measure the outcome of the activities described in Part II.

*We shall pursue policies that prioritise sustainability, utilise opportunity, reduce inequality, create security, and plan for growth. Our economic policy will be both robust and responsible.*

*Platform for City Government 2015-2019*

## Part I: Message from the City Government



*To our stakeholders:*

I am pleased to confirm that the City of Oslo reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

30 years ago, the United Nations World Commission on Environment and Development published the report “Our Common Future”, the Brundtland report. It gave us a widely used definition of sustainable development. It also showed how the major challenges in the world are interlinked – like climate change, decreasing biodiversity, poverty and growing migration.

To meet these challenges, we need international cooperation on a scale unparalleled in history. We need new ways of thinking. We need new ways of working together. The challenges cannot be solved by governments alone. We need the involvement of cities, civil society and businesses.

This City Government wishes to see Oslo lead by example and inspire cities around the world.

This is our Communication on Engagement with the United Nations Global Compact. In this Communication on Engagement, we describe the actions that our organisation has taken to support the UN Global Compact and its Principles, with an emphasis on public procurement as our major strategic tool to influence business actors to operate in a more responsible and sustainable way. We commit to sharing this information with our stakeholders using our primary channels of communication. We welcome feedback on its contents.

Sincerely yours,



**Raymond Johansen**  
Governing Mayor  
Oslo, June 2017

## Part II: Oslo towards 2030 - Smart, Resilient, Green

**The vision for Oslo is a greener, more inclusive and more creative city with room for everyone – a smart city that innovates with the stakeholders' interest in mind.**

Oslo is the capital of Norway and the country's largest city with approximately 667,000 inhabitants. Around 50 000 employees are working for the City of Oslo, delivering daily services to citizens and businesses around the city.

The City of Oslo holds both municipal and county functions. The City's responsibilities cover a wide range of subject-matters, including elementary school and pre-school education, cultural institutions and events, health care services, social services, child protection services, housing and urban renewal, local roads, local transport for people and goods, parks and green areas, environmental issues, land use and urban planning. The City is also responsible for secondary education, technical colleges, secondary road systems and other activities that are not managed at the national level.

The population is highly-educated and diverse. One third of the population is first or second generation immigrants. The City is constantly working towards reducing poverty and inequalities.

In 2015, a new City Government comprised of representatives from the Norwegian Labour Party, the Green Party and the Socialist Left party, took office. The new City Government has raised ambitions, especially with regard to sustainability.

Oslo is currently implementing ISO 37120 Sustainable Development of Communities: Indicators for City Services and Quality of Life. The certification process is expected to be finalised by the end of 2017.

Located between the fjord and the forest, the city offers great connectivity to nature. This is a central Norwegian value which underlies Oslo's aspiration to be a green capital and its aim to become a fossil free city by 2030.

A smart city is an urban development vision to improve the lives of the citizens by being open, connected, sustainable and innovative. Smart application, utilisation and integration of new technology in services are keys to benefit the most important piece in the puzzle: the citizens.

There are a wide range of smart city projects in Oslo, from testing electrical buses, zero-emission construction sites and retrofitting existing buildings to developing circle-based waste management and green energy systems.

An overview of our projects is available at [www.oslo.kommune.no](http://www.oslo.kommune.no)  Projects - Smart Oslo

## *Supporting the Ten Principles*

### **Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### **Labour**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### **Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Oslo is undertaking a number of measures to enact and promote the Ten Principles and the UN Sustainable Development Goals in the city management. To inform our stakeholders on our plans and actions towards a more sustainable city, we are constantly developing and updating our webpages:

[www.oslo.kommune.no](http://www.oslo.kommune.no)

### *UNGC Cities Programme*

Oslo has engaged in a number of initiatives working to promote these sustainability principles. As a member of the Global Compact Cities Programme we contribute with case studies and share good practices with other participant cities around the world.

One of our latest contributions to the network is part of the publication “Local Government Guide to Fostering Corporate Responsibility,” providing examples of mechanisms that have been implemented by local governments in different parts of the world to engage the private sector in greater corporate responsibility. We are eager to share our policy strategies and practices influencing business behavior also in the future.



# Sustainable Public Procurement

**Social responsibility and sustainability is at core of the municipality's purpose and activities. The City of Oslo spends about 26 billion Norwegian kroner annually on procurement and investments. This gives us a great opportunity to influence businesses to become more sustainable.**

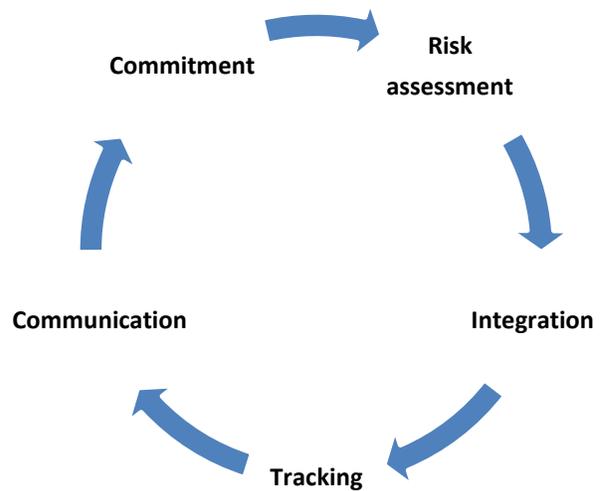
As one of Norway's largest public buyers, we can use our buyer power to set a new standard of requirements. Our suppliers are met with a number of environmental and social criteria, including standards for human rights and working conditions, environmental management systems, zero emission transportation and transparency requirements to name a few.

The City of Oslo consists of around 50 agencies. Each is responsible for own procurements to support their daily operations. The Agency for Improvement and Development (AID) is the central advisory unit for procurement. AID prepares, finalises, and administrates the city's group-wide framework agreements. The AID provides guidance, standard contracts, training and advisory services to all agencies.

We are developing our practices in dialog with businesses, in order to make a real difference for the planet and the workers in supply chains around the world. To succeed in these efforts, we depend on businesses active commitment.

## *Committing to Sustainability Policy*

The procurement function of the City of Oslo is governed by the Management Instructions for Agencies and guided by the central Procurement Strategy.



A new Procurement Strategy is being developed in a dialog with internal and external stakeholders. It will enter into force in 2017 and will show a reinforced commitment to sustainability and promoting corporate responsibility through procurement.

The main target of the current Procurement Strategy is that "The City of Oslo's procurements shall be innovative, cost-efficient, and contribute to building confidence in the City of Oslo as a public buyer." Corporate social responsibility (CSR) is one of the six sub-targets: "The City of Oslo shall be a demanding and constructive buyer who shows a good example, as well as uses its significant market power to influence the businesses to choose solutions that promote CSR."

The guiding principles include:

- Reducing the environmental impact by using environmental criteria
- Reducing and recycling waste, developing green transport solutions and reducing energy consumption and emissions

- Promoting human rights, ILO core conventions and national labour regulations throughout the supply chain

### *Assessing risks for adverse impacts*

The municipality's agencies carry out risk assessments on a number of issues. Risk of potential adverse social and environmental impacts is assessed in every procurement process for goods, services and construction works. Special areas of focus for services are wages- and working conditions for vulnerable groups such as construction workers and cleaning personnel. We are working in particular to combat social dumping and to increase use of apprentices in our contracts. For goods, we focus on risks of adverse impact on human rights and ILO's core conventions in global supply chains. With regard to environmental aspects, the agencies consider environmental footprint of different alternative products and services as a part of need assessments in the planning phase. To prevent corruption, illicit work and tax fraud the agencies follow central instructions adopted by the City Government and monitor compliance with internal rules and national regulations.

Risk assessment is crucial in order to apply relevant contract clauses and to ensure an effective monitoring process. The risk assessment is conducted in the preparation phase and repeated regularly throughout the contract period. The risk assessments are documented in the contract strategy for each procurement process.

### *Integrating policies in procedures*

The agencies submit annually their local action plans describing measures undertaken to implement the Procurement Strategy in practice. Local action plans also include a risk assessment on all relevant topics, including

human rights, labour rights, environmental issues and anti-corruption. In compliance with the new regulations on public procurement which came into force in 2017, the City of Oslo has developed procedures in order to promote respect for human and labour rights, to reduce adverse environmental impacts and to encourage green and innovative solutions.

It is the responsibility of the respective agency's leader to ensure that laws and regulations, including the municipality's ethical rules, are applied at all levels in the respective agency. Contract strategies and tender documents are being approved and signed by the agency's management, which ensures management commitment to sustainability issues. All the documents of a procurement process and the contract monitoring process are filed in the archives of the municipality. This contributes to transparency and traceability.

### *Tracking and Communicating*

Contract monitoring is crucial in order to ensure both right quality and right price and at the same time as enforcing sustainability requirements. By means of contract monitoring, we also engage in dialog with suppliers in order to develop the market in a more sustainable direction.

Based on a risk assessment the City of Oslo uses various methods to monitor compliance with contract clauses, including:

- Self-assessment form from supplier
- Dialog meetings with supplier
- Third party audits and certifications, e.g. SA8000

We communicate on measures and results both in internal reporting and in various public reports including this Communication.

# Human Rights and Labour Rights

**The City of Oslo is working systematically in order to promote a responsible labour market – with decent working conditions and fair competition in favor of responsible suppliers.**

## *Decent work and fair competition*

In the past few years we have experienced an unfortunate trend with widespread work-related crime and social dumping in a number of sectors. Among other things, this means frequent violations of the national labour laws and tax regulations as well as exploitation of vulnerable groups of workers, especially migrant workers. Some of the consequences of these negative trends are:

- Limited access to permanent employment and predictable income
- Unfavorable wage- and working conditions
- Fewer apprentices and problems with recruitment in certain sectors
- Lower productivity and quality in deliveries
- Increased risk of accidents
- Uneveled playing field in the market

To prevent social dumping, combat work-related crime and promote decent work, Oslo municipality has developed, in collaboration with public and private actors, a new standard for socially and economically responsible public procurement called “The Oslo Model”. It is also aimed to avoid corruption and ensure transparency and disclosure.

## *The Oslo Model*

The Oslo Model, the most recent achievement adopted on the 23<sup>rd</sup> of May 2017, is a result of continuous endeavors to develop and improve

measures and standards in order to ensure responsible procurement. For all contracts on services and construction works regardless of contract value, the following central requirements are applicable:

- Fair wages and working conditions based on relevant collective agreements and minimum wage and working hours regulations
- Ban on cash payments in supply chain, including salaries, in order to fight shadow economy and ensure traceability in transactions in connection to deliveries to the City

In addition, the following requirements apply to relevant standard contracts for goods, services and construction work, which are mandatory for purchases above NOK 500 000:

- Suppliers shall use permanent employees as a main rule
- Workers hired through employment and recruitment agencies shall receive collective agreement level pay between assignments
- Minimum 50 % of the working hours in constructions sector shall be assigned to skilled workers
- Minimum 10 % of the works shall be done by apprentices in relevant sectors
- Only one level of the vertical chain of sub-suppliers is allowed
- Language requirements to secure health and safety for workers
- Manpower working under our contracts shall use valid ID-cards and register working hours in SELMA (HMSREG) – a real-time monitoring system

### *Permanent employment*

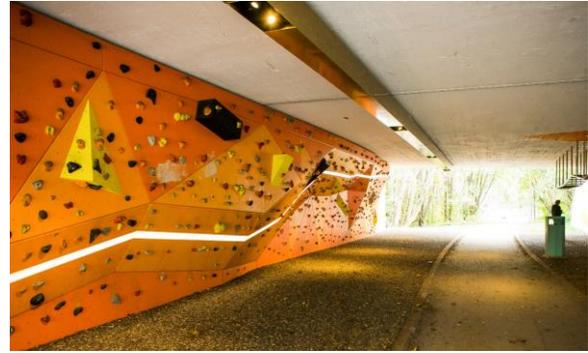
Many suppliers have few employees and rely mainly on staff from employment agencies or use multiple levels of subcontractors. We want to reverse this trend. Oslo has therefore adopted a provision stating that suppliers shall mainly use permanent employees (in at least 80% position) to carry out works for Oslo municipality.

### *Collective agreement level salary between work assignments*

Our goal is that workers contributing to fulfillment of our contracts are permanently employed by suppliers. However, in some areas we recognise the need for temporary workers. One of the challenges is that these employees often recruited by employment agencies, do not normally get paid between the assignments. This limits predictability and economic safety for the workers. We have therefore introduced a requirement that the suppliers must ensure that in our contracts, the personnel hired through employment agencies, are guaranteed pay minimum equivalent to collective agreement level, also between the assignments in the contract period.

### *Skilled workers*

Oslo municipality believes that increased professional competence promotes responsible labour market and ensures better quality of work. Therefore we demand increased proportion of skilled craftsmen in our contracts. It is required that at least 50 % of the hours in the field of construction are carried out by skilled workers or persons with documented vocational training in accordance with national vocational training legislation or equivalent foreign vocational education. There must be skilled workers in all relevant subjects.



### *Apprentices*

The City of Oslo introduced a contract clause aimed to ensure that our suppliers of services offer apprenticeships, for such occupations as electrician, lock smith, cook, etc. where there is a demand for professional training. This clause is important in order to ensure that youth undertaking educational programs which require work-based learning have opportunities to acquire nationally recognised qualification upon successful completion. Moreover, companies which offer apprenticeships are in general considered to be more responsible and, thus, are more desired as suppliers for the City of Oslo.

The City of Oslo now requires that at least 10 % of the working hours shall be carried out by apprentices on contracts in sectors with need for apprentices. The basis for the apprenticeship requirement is contract value of 1,1 million Norwegian kroner, i.e. national threshold for public procurement (for municipalities the threshold is 1,75 million) and contract duration of 3 months.

### *Restrictions on sub-contracting*

We started with a requirement for maximum two levels of sub-contractors. This means that sub-contractors engaged by our suppliers are allowed to sub-contract works to yet another company, but that company cannot do the same. However, this still opens up for a great

number of actors in the supply chain. As we want to have a full overview of the suppliers operating under the municipality's contracts, we are now restricting the use of subcontractors further. We require that only one level of sub-suppliers can be used in the supply chain for high risk services and construction works.

### ***Internal control and occupational health and safety***

Part of the provision on the internal control and occupational health and safety is not new, but we have introduced language requirements in the provision. Lack of communication and inability to understand safety information, etc. poses a security risk and may prevent sufficient understanding of the assignment. Key personnel in the project should understand and be well understood in Norwegian.

### ***Valid ID-cards and SELMA***

In order to ensure safe and decent working conditions through our contracts, we want to have an overview of personnel working for our suppliers and their sub-contractors. Therefore we developed SELMA (HMSREG) - a cloud based software for real-time contract monitoring of the manpower. The system was developed in cooperation with the supplier. SELMA is an innovative solution. It offers a new and digital solution to an old challenge. It allows for better monitoring of service contracts on compliance with regulations on wages, working conditions and taxes.

SELMA allows us to build a database of preapproved suppliers, sub-contractors, manpower lists and project locations. With SELMA we can monitor contracts in real time and get alerts in case of deviations, e.g. attempts to use false identity cards. By introducing SELMA we can monitor more efficiently our requirements for wages and

working conditions.

### ***Workers in global supply chains***

Promoting human rights and ILO core conventions through the municipality's procurements of goods, was decided upon by the Vice mayor for Finance already in 2012. We use social clauses in all contracts where production processes imply risks of adverse impacts on international human rights and labour rights. In the Oslo Model we have further developed the requirements and revised our social contract clauses for deliveries of goods to the municipality.

Our suppliers must take active measures to promote international human rights and ensure that working conditions in the whole supply chain are at minimum in accordance with the ILO core conventions and national labour regulations in the respective countries. In some areas we also use social selection criteria in order to ensure that suppliers admitted to the competition are able to fulfill the social contract clauses. In such case to be considered as a potential supplier for The City of Oslo, the company must document the quality management and traceability system that allows them to verify compliance with social clauses throughout the supply chain.

In 2017 Oslo became a member of the Ethical Trading Initiative Norway (IEH). IEH is multi-stakeholder initiative, represented by NGOs, Trade Unions, Businesses and the Enterprise Federation of Norway. It is a resource center and an advocate for ethical trade practices. IEH's objective is cooperation on trade which promotes human rights, workers' rights, development and environmental standards. The City of Oslo is eager to contribute with our knowledge and experience on work with ethical trading in procurement, and to work together

with other participants in order to strengthen the efforts for better working conditions in global supply chains.

### *Monitoring compliance*

The City of Oslo is currently piloting the Factlines tool for monitoring of supply chain especially with regard to compliance with the social contract clauses. The tool offers a more efficient method for monitoring of the supply chain through an online application, and allows running risk assessments and developing Corrective Action Plans (CAP) in case of breaches.

The City of Oslo has also established framework agreements for third party auditing services in order to verify compliance with social contract clauses in supply chains. More than a hundred public authorities in Norway have joined Oslo's initiative. Controls and audits are being carried out, both at headquarters of our suppliers and at the production facilities in Norway and abroad.

The results of the social audits are available through the City of Oslo's Procurement Portal, enabling other participants on the framework agreement to share their experiences. It also enables suppliers to reach more clients with the same information, reducing the audit burden on them. Corrective actions are taken on suppliers who are not in compliance with the social requirements. The ultimate goal of monitoring is to improve standards at manufacturing facilities and contribute to promoting respect for human rights and labour rights and decent working conditions around the world.

### *Reserved contracts*

The City of Oslo has decided that some of our contracts shall be reserved for companies where the major parts of the employees have disabilities. These contracts are for:

- Pressing, copying and completion of graphic material
- Packaging, enveloping, mass distribution
- Office fruit baskets deliveries

In addition, the City of Oslo shall always consider limiting the competition to such responsible companies in such services as catering, tire hotels, distribution/transportation of goods, simple assembling missions, production of signs and seam/reparation/textile press.

### *Fairtrade-city*

The City of Oslo is a Fairtrade-city. A Steering Committee comprised of representatives from the municipality, business enterprises and NGOs is established and is taking actions to promote fair trade in the central functions of the city, including in procurement, and among the citizens.

### *Winner of «Not at Any Price» 2016*

Oslo municipality is the winner of the "Not at Any Price" award for 2016. The award honors public authorities working systematically and goal-oriented in order to promote social responsibility and ethical trading in global supply chains. The jury has consisted of representatives from Agency for Public Management and eGovernment (Difi), Kommunal Landspensjonskasse (KLP), Ethical Trading Initiative - IEH and South East Health Region.



# Environment

**Oslo is a proud winner of the European Green Capital 2019 award initiated by the European Commission. We support various green initiatives and are active in international networks and projects in order to realise the City's climate targets and to contribute to green development in cities across the globe.**

Limiting the effects of climate change and developing a sustainable society are two great challenges of our time. With regard to climate the City Government's targets are to:

- Reduce GHG-emissions by 50 % by 2020 and by 95 % by 2030 (compared to 1990)
- Reduce car traffic by 20 % by 2020 and by 33 % by 2030

The green transformation will not only reduce greenhouse gas emissions. The air will become cleaner, public transport will become even better, it will be easier to ride bicycle, there will be greener and car-free spaces in the city and street life will become more vibrant. The climate measures will increase quality of life, make for a thriving business community and give us better public health.

To get there, we need close cooperation between the municipality, citizens, the business community, organisations, academia, the state and other public enterprises.

Oslo is a Global Lead City on Sustainable Procurement, an initiative led by ICLEI – Local Governments for Sustainability. Together with 13 other leading cities around the world, we are committed to drive a transition to sustainable consumption and production by implementing sustainable and innovation procurement. All participating cities are acting as ambassadors of

sustainable procurement to lead to a resource efficient, low carbon and socially responsible society.

## *Green Strategy*

Oslo's Climate and Energy Strategy is a roadmap outlining how the green shift should be implemented in order to achieve Oslo's climate targets, while developing and upgrading an urban community in which people and businesses thrive. The strategy was adopted by the City Council on 22 June 2016.

## *Green governance*

Oslo has established monitoring and performance evaluation schemes for the targets through a yearly report to the City Council and by strengthening the strategic climate work through integrating **climate budgets** in the municipal budget process. The climate budget includes 42 measures quantifying emission cuts before 2020. Through climate budget the responsibility for emission cuts is spread across the City Government.

As of July 1, 2016, the Agency for Climate is established and tasked with coordinating and facilitating the climate work in Oslo. The climate work is, however, the responsibility of all and Oslo will collaborate across departments and agencies, with citizens, businesses and others with the aim to develop Oslo into a leading environmental capital.

A digital solution is also being developed, providing real-time climate and energy data combined with trends. The aim is to make it easy for citizens, businesses, organisations and authorities to keep up with of performance in the City's Climate and Energy Strategy.

### *Green Dialogues*

The City's achievement of emission and environmental targets depends on dialogue with the business community, NGOs and citizens. In 2012, the **Business for Climate network** was established. It counts around 100 members, both large and small companies. The network fosters dialogue between businesses and the City. The role of business in reaching emission and environmental targets dominates the agenda.

Businesses joining this network commit to assisting Oslo reach their goal of halving their greenhouse gas emissions by 2020. They do this in three ways: by reducing emissions from their own operations; by influencing their supply chain's emissions; and by making improvements in their own products, reducing the emissions of their customers. The participants report annually on their contributions to the network. This allows Oslo to track performance, as well as celebrate successes, and motivate businesses to improve further.



Communicating with, and seeking input from, the citizens around the targets and the measures, is continuous work. The communication work ranges from campaigns for household waste management, to involvement in the recently launched **City Ecology Innovation Center**, to the "Adopt a river" program for schoolchildren.

### *Green City Life*

Green city life means easy access to clean air and clean water, green city areas and the fjord. Oslo's inhabitants cherish the proximity to nature and are frequent users of the city's parks, footpaths, allotment gardens, beaches, ski-slopes and Marka.

Oslo wishes to build a symbiosis of urban and green city life which maintains and inspires new uses of outdoor space as we know this is good for people's mental and physical health and well-being. As to the intensely urban spaces, the project Car-Free City Life will prioritise the city center for people rather than cars. In creating access to green areas Oslo prepares itself for the effects of climate change.

The City already experiences climate change, especially with higher frequency of extreme precipitation events causing storm water challenges. Oslo is making room for more rain and surface water through opening waterways, green roofs, and rain beds and holding pools. These measures both reduce Oslo's vulnerability to climate change and also yield access to green recreational areas.

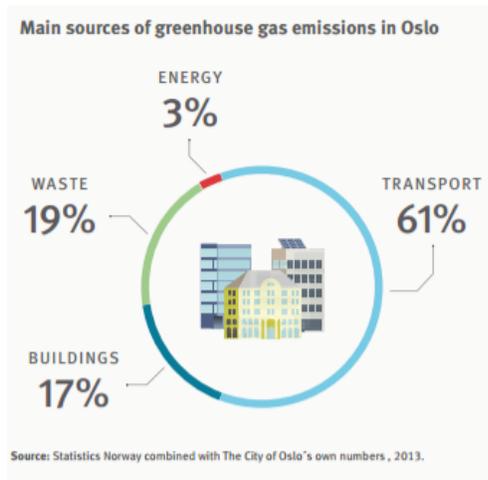
### *Environmental Management Systems*

The City of Oslo has committed to implementing environmental management systems with audits and reporting in all agencies. The central issues of the environmental management systems are environmental responsibility in procurement, reducing consumption, reducing and recycling waste, environmentally friendly transportation, reducing energy use and emissions. The main tool for environmental management is certification schemes ISO 14001 or Eco-Lighthouse (Miljøfyrtårn). All agencies of the City of Oslo must become certified either by ISO 14001 (entities with large environmental impact) or Eco-Lighthouse (smaller agencies

such as kindergartens, schools, nursing homes and small offices). Oslo also encourages others to get similar certifications.

### *Achievements*

Oslo has made significant progress in a number of areas. As the first capital city in the world Oslo has sold the coal investments in its pension portfolio. Through green governance the City uses public procurement to promote environmentally friendly produced goods and services. Oslo motivates new business model development, taking advantage of the transformation processes, and creating green jobs and innovation.



### *Transport*

The number of people travelling by public transport bicycle and on foot is rising – at the expense of car traffic. Oslo has the world's highest proportion of electric cars.

Oslo became the “EV Capital of the World” as a result of targeted green governance. Local and national authorities have made buying and owning electric vehicles very attractive and have thus boosted the private market for zero emission vehicles. Today, 30 % of all new cars sold in Oslo are electric.

In November 2016 Oslo engaged in the BuyZET-project on procurement of innovative solutions for zero emission urban delivery of goods and services. BuyZET is an EU Horizon 2020 project coordinated by ICLEI. The project period is 2,5 years.

The main goals of BuyZET project are:

- To boost demand for zero emission vehicles (ZEVs) and other zero emission urban delivery solutions on the European market;
- To develop procurement plans to achieve zero emission urban delivery of goods and services to the public sector, and thereby improve quality of life in European cities by:
  - Minimising the number, distance and disruptiveness of motorised vehicle trips within the city,
  - Maximising the proportion of those trips made by zero emission vehicles.

The project concept is realised by a set of activities that are applied in five participating cities: Rotterdam, Oslo and Copenhagen, as key project cities, and Brussels and Southampton as observer cities. These activities are:

1. Developing a more complete understanding of the transportation footprints of all types of goods and services delivered to the cities;
2. Undertaking extensive market engagement and other research activities to identify alternative solutions for achieving zero emission delivery of goods and services in identified high-priority procurement areas;
3. Identifying other potential public and private sector buyers and the regional, national or international level for the formation of buyers groups;
4. Developing procurement plans for these areas in co-operation with the buyers groups.

The ultimate goal of the project is to develop innovative procurement plans to help the participating cities achieve their goals of zero emission urban delivery of goods and services. The experiences during the project work and the recommendations will be publicly shared with cities across the Europe and with any other interested parties.

### *Resource efficiency*

Oslo is continuously improving its circular systems in order to make the most out of our resources. We wish to promote innovation and new jobs in the circular economy. Therefore we are currently working to develop strategies on sustainable consumption and waste reduction. The ultimate goal is to minimise consumption and increase use of sustainable materials and re-use.

At the moment we are piloting a new program on re-use of ICT equipment and furniture. This is done through collaboration with firms which mainly employ people with disabilities or undergoing occupational rehabilitation. The equipment is handed off free of charge and being repaired and re-used. The pilot represents a triple bottom line. It contributes to the environment by keeping resources in the loop and reducing demand for new products. It contributes to the society by giving jobs to people falling outside of ordinary work life. And it aims at providing functional and more affordable products to those who need them, for instance schools and youth centers.

The City of Oslo is at the forefront of circular use of available resources, like using bio waste and city sewage for biogas production, fueling city buses and waste trucks. Waste no longer reaches an end point, but is a resource to exploit. The core of the waste management system is an extensive system of source

separation where the citizens work together with high-tech machinery to ensure high recycling rates.

All waste becomes raw material either in the production of new products such as new plastic products, bio methane, and bio fertiliser or as heat and electrical power. Food waste, garden waste and sewage become biogas, soil-products and bio-fertilisers. Food waste and wastewater contain useful nutrients for agricultural production, and the recycling is important for non-renewable resources such as phosphorus.

### *Energy efficiency and buildings*

The City has started a pilot on zero emission in construction vehicles and machinery through public procurement. To initiate market development, we have had a broad dialogue with stakeholders aiming at developing a market for zero emission construction vehicles and machinery. The pilot is promising, showing zero emission construction to be possible, with relatively low additional costs. This will be required in the City's procurements.

In 2008, the City Council decided to phase out oil-fired heating in all municipal buildings, by 2012. 180 municipal buildings have converted to renewable energy, and emissions have been reduced from approximately 7200 tons of CO<sub>2</sub> in 2009, to 600 tons in 2015.

Since 2008 approximately 1500 oil-fired boilers, equivalent to 80 000 tons of CO<sub>2</sub> in private buildings have been replaced by renewable energy through grants or loans from the municipal Climate and Energy Fund. The support scheme has contributed to a significant drop in emissions, working along with a national support scheme, communication measures, adaption to a warned ban on fossil fuel used for heating in 2020.

# Anti-corruption

**There are a number of strategies, measures, and regulations to prevent and fight corruption both in the Procurement Strategy and the municipality's Economic Regulations.**

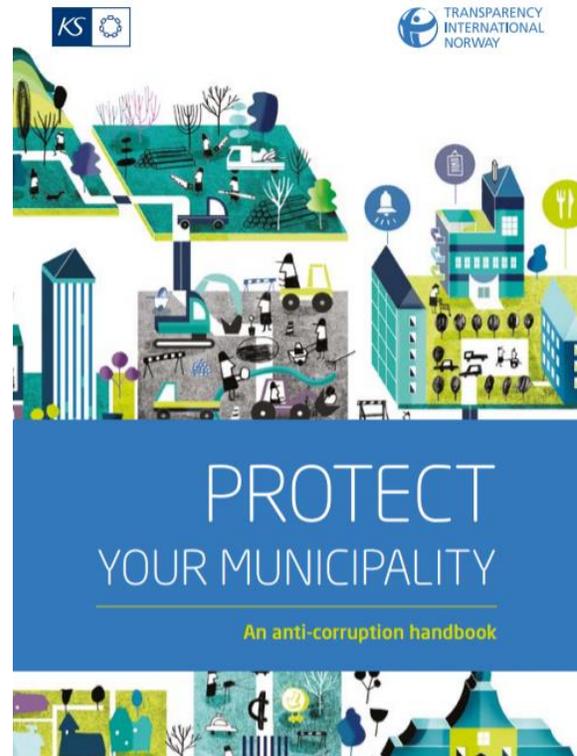
The City of Oslo has joined Transparency International Norway (TI-Norway). We have been participating actively in the network and have given a solid input to TI's manual «Protect the Municipality».

An internal network against corruption has been created by the Office of The Governing Mayor. The network organises seminars in order to discuss relevant topics and measures to fight corruption.

The Oslo Model with its measures against social dumping and corporate crime described previously, is also considered to be central in fighting corruption. For instance, SELMA is not only a tool for monitoring manpower in order to capture suspicious activities and prevent illegal work. It also helps to detect tax evasion and other forms of economic fraud. Moreover, the Oslo Model helps to reveal breaches of competition law related to prohibition of anti-competitive agreements between enterprises and improper use of dominant market position in the market.

## *Legal Taskforce*

The Vice Mayor for Finance has also established a "Legal Team" as an arena for sharing experiences and information on potential risks, especially with regard to the constructions sector. The Legal Team also discusses effective measures to fight social dumping and tax fraud. Participants are The Tax Department of East



Norway, Oslo Municipal Treasury, Labour Inspection Authority and different agencies of the City of Oslo (The Agency for Improvement and Development, Municipal Undertaking for Social Housing, Municipal Undertaking for Social Service Buildings, Municipal Undertaking for Educational Buildings and Property, and Agency for Planning and Building Services).

## *Red Flags-list*

The City of Oslo has developed a red flags-list of suppliers who are assessed to represent a high risk with regard to non-compliance with contract clauses, especially on social and financial issues. It is advised that the agencies of the city use the list with caution, but are aware of the risks while conducting procurement processes.

### *Collaboration with the regional tax authorities*

In June 2015 the City of Oslo signed a collaboration agreement with the Tax Department of the Eastern Region of Norway. The aim of the agreement is more efficient exchange of information on suppliers who are or are about to become contractors of the City of Oslo. Corporate tax information may indicate potential breaches of laws and regulations, e.g. with regard to wages and working hours. As most of the corporate tax information is confidential, it was previously difficult for the City of Oslo to get access. With an official authorisation from actual and potential suppliers and sub suppliers, the City of Oslo now has within the framework of the agreement an access to information which is a valuable input to our risk assessments of supply chains in services.

### *Specified invoice*

The City of Oslo has introduced a requirement for detailed information on invoices from suppliers, including information on the extent of use of and payments to subcontractors. This information will in addition to giving relevant information that enables control, also actively be used to monitor suspicious contractors. Warnings based on invoice information are distributed to all agencies in the municipality by the Agency for Improvement and Development, and can serve as the base for further investigations or discussions concerning necessary measures.

## Part III: Measurement of Outcomes

**The City of Oslo is working to ensure that our activities are transparent and beneficial to the city, the region and the international community.**

We are a demanding customer and we support businesses and other stakeholders in implementing responsibility initiatives that contribute to a more sustainable society. We are constantly measuring our efforts and communicating on the challenges and achievements.

### *ISO 37120 certification process*

As previously mentioned Oslo is currently implementing ISO 37120 Sustainable Development of Communities: Indicators for City Services and Quality of Life. The ISO 37120 offers a comprehensive standard for sustainable urban development that provides a framework for systematic measurement of performance and development over time.

We are also participating in the World Council on City Data (WCCD) network – a network of

innovative cities committed to improving services and quality of life with open city data.

The WCCD provides a consistent and comprehensive platform for standardised urban metrics based on ISO 37120 standard.

When the certification process is ready, expectedly by the end of 2017, Oslo will be able to benchmark its sustainability performance against other member cities on the WCCD Open Data Portal ↗ <http://open.dataforcities.org/>

### *Measuring effects of the Procurement Strategy*

The new central Procurement Strategy which will be launched in autumn 2017 will be followed by appropriate performance indicators to measure our work on economic, environmental and social sustainability in procurement.

Reporting on the most important initiatives and results will be included in the City Governments annual report.



**This report is prepared by the Agency for Improvement and Development  
on behalf of the City of Oslo.**

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