

The role of public procurement in preventing trafficking for labour exploitation in supply chains and advancing human rights



The issue

Human rights abuses including trafficking for labour exploitation are increasingly found in the production of everyday goods and services. The public sector is not immune – it is frequently exposed to risks of exploitation in its purchasing. Public entities are the largest buyers of goods, services and works across many industry sectors, and thus have a heightened responsibility to ensure they are not contributing to the problem. Public buyers also have significant purchasing leverage to make a substantial contribution to combating forced labour. Development and enforcement of strong laws and policies governing the procurement of goods, services and works for public entities can help governments eliminate the market for ex-

ploitation and promote opportunities for responsible companies, for example, by awarding contracts to suppliers who can document safe, legal and fair working conditions.

The OSCE Model Guidelines on Government Measures to Prevent Trafficking for Labour Exploitation in Supply Chains suggest legal provisions that can be used by States to develop national legislation on the purchase of goods and services.



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The OSCE's approach: Leading by example

In 2017, the OSCE Ministerial Council tasked the Secretary General to ensure that no activities of the OSCE executive structures, including the issuing of contracts for goods and services, contribute to any form of trafficking in human beings (MC Decision/6/17).



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In response to this directive, the OSCE began to examine its own supply chains to ensure its purchasing decisions do not contribute to any form of exploitation. For the OSCE, a security organization promoting human rights in a number of fields, obtaining a 'cheap' deal on the basis of human rights violations is simply not an option. The OSCE expects its buyers to assess the sources of the goods and services they procure as well as the risks of human trafficking and labour exploitation that may exist in those supply chains.

Whole-organization approach

The OSCE takes a whole-organization approach to addressing the risks of human trafficking in its procurement, from leadership at the senior management level to implementation by procurement officers across the organization. The Office of the Special Representative and Co-ordinator for Combating Trafficking in Human Beings (OSR/CTHB) and the Department for Management and Finance (DMF) bring expertise on human trafficking and procurement practices, respectively. These departments collaborate on the development of relevant policies and practices, which are then rolled out across the organization. The OSCE also ensures that its strategies and policies are informed by human trafficking survivors.

Development of the OSCE's approach to ethical procurement



Policy development and capacity building

To lay a foundation for eliminating risk, the OSCE began by revising internal and external-facing procurement policies. It amended its Procurement and Contracting Policy Framework with direct reference to OSCE's commitment on the importance of sustainable procurement with a specific mention of socially sustainable practices required of OSCE procurement practitioners. It also revised the OSCE Supplier Code of Conduct and OSCE General Conditions of Contract introducing obligations on suppliers to refrain from directly or indirectly engaging in any practice inconsistent with international human rights laws or standards that prevent child labour, sexual exploitation and trafficking in human beings.

To facilitate implementation of the policies, the OSCE then held awareness-raising workshops for its procurement and anti-trafficking staff across the Organization, developed an online training curriculum, and a comprehensive guidance document for OSCE procurement practitioners.

The OSCE Procurement Guidance supports the implementation of anti-trafficking measures in all phases of the procurement process across the OSCE and fosters collaboration between anti-trafficking focal points and procurement staff at the OSCE field operations.



Download link:

<https://www.osce.org/cthb/536001>



Online training link:

<https://elearning.osce.org/courses/course-v1:OSCE+ACC202+2022/about>

Risk-based approach

The OSCE's approach is risk-based, and is applied in each of its executive structures. Local tailoring requires expert input from procurement practitioners with robust knowledge of local circumstances, supply markets, trafficking risks, labour practices, and supply and procurement needs of individual field operations. To better tailor interventions to local conditions, the OSCE held regional workshops with its executive structures to map their supply chains in detail and to identify and address areas of highest risk. Action plans with individual roadmaps for each executive structure were developed.

Since the Serbia pilot in 2020, the OSCE has been analyzing the procurement data of all its executive structures for the risk of human trafficking and labour exploitation, making OSCE the first inter-governmental organization to undertake such an evaluation for its own procurement portfolio.



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<https://www.osce.org/files/f/documents/3/1/450775.pdf>

Implementation in practice

In 2022, the OSCE has:

- Conducted five regional workshops with all OSCE field operations and institutions;
- Put in place 12 local Action Plans for addressing risks in OSCE's supply chains;
- Assessed 60+ contracts as potentially high risk for human trafficking;
- Planned 10+ engagement activities with local suppliers on labour exploitation.

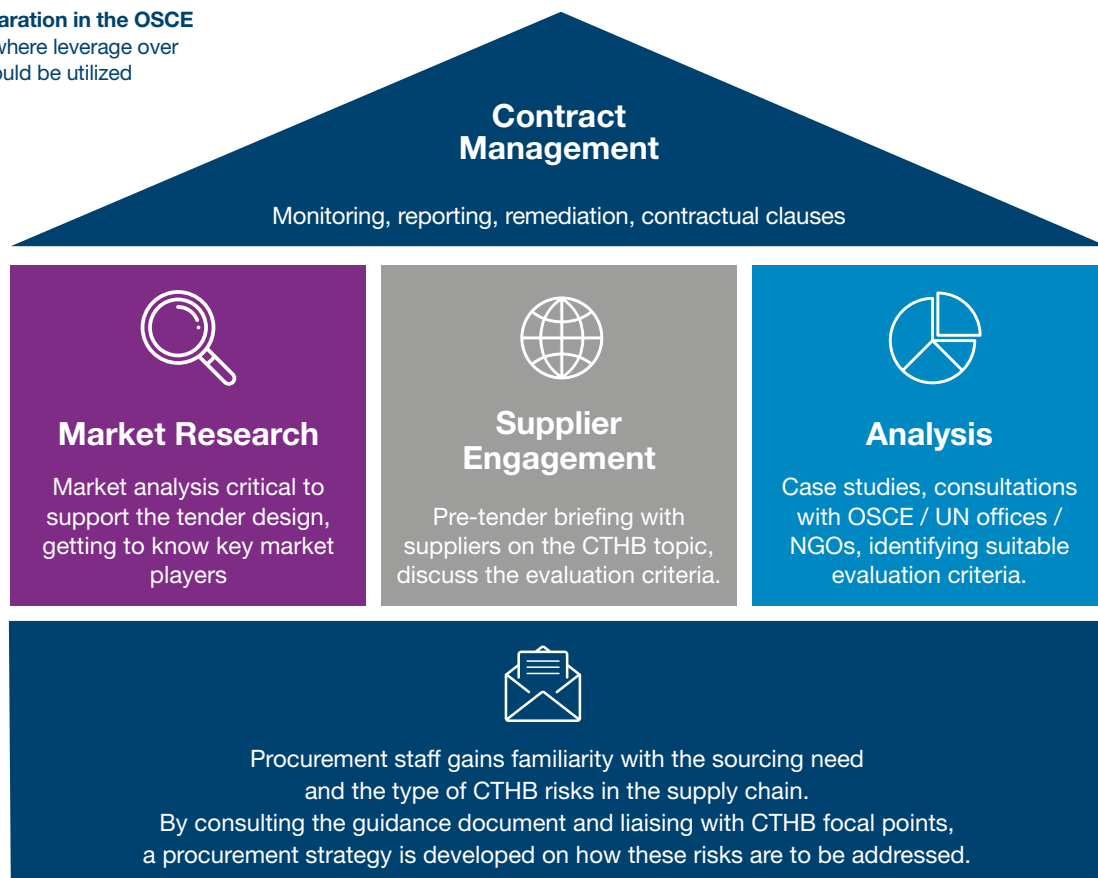
The OSCE's policies are now being implemented in practice. The Organization has already introduced criteria in various tenders and contract provisions to address these risks, thereby improving transparency and accountability. Examples include the provision of coffee and mobile phones, as well as the provision of cleaning, security, hotel and conferencing services.

The OSCE has implemented human rights due diligence organization-wide where risks were identified and has managed to achieve:

- Full supply chain transparency in its supply of mobile devices, with visibility up to the factory production level.
- Improved working conditions for the outsourced security staff working on OSCE premises by ensuring they are getting fair pay for the work provided, including all social contributions, third party liability insurance, uniforms, equipment and regular training. Provisions in the contract allow for monitoring of these commitments.
- Full visibility in the cost structure and employment contracts of its outsourced cleaning staff, with proper contractual provisions for regular monitoring, reporting and interviews with cleaning staff, which ensures that agreed wages and other benefits are paid regularly and in full.

Tender preparation in the OSCE

Key Stages where leverage over suppliers should be utilized



Complementary efforts with other international organizations

The OSCE also promotes the importance of multilateral cooperation to address risks of human trafficking and labour exploitation in global supply chains. In 2019, the OSCE and ILO established and initially co-chaired a multi-agency Task Force mandated by the United Nations High-Level Committee on Management to develop a policy framework as a joint approach to combat human trafficking and labour exploitation in supply chains. In 2023, the OSCE took over as the Secretariat to the Task Force to support the implementation of actions related to the policy framework.

These efforts are crucial for leveraging greater purchasing power to effect change on a larger scale and for advancing human rights due diligence in public procurement, ensuring that international organizations not only adhere to but also champion the principles of sustainability.

Taking the next step: how the OSCE can help

The OSCE has built significant experience in policy development and practical implementation of human rights due diligence specific to the risk of trafficking of human beings and forced labour in public procurement. In line with its mandate, the OSCE stands ready to assist public procurers in developing and advancing their own efforts to address risks of labour exploitation in supply chains.

Please contact us at info-cthb@osce.org
or visit our website at



<https://www.osce.org/cthb/supply-chains>
to learn more.