



Investing in your future
Cross-border Cooperation Programme 2007-2013
Part-financed by the European Union (European
Regional Development Fund)

fact sheet 2

Accessing Employers

1. Title of the project

Durable procurement

2. Please summarise the main characteristics of the project

Since 1996, Rotterdam applies the 5% settlement. The settlement is implemented to reduce the number of unemployed. The initiative states that any company tendering for orders procured by Rotterdam for any amount from € 225.000 is obligated to dedicate a minimum of 5% of the amount to creating employment opportunities for people currently on benefits.

In 2009 the 5% settlement was integrated into the municipal durable procurement policy.

Recently, a pilot has started looking into the preconditions for weighing the efforts in creating employment opportunities as a criterion in the tendering process. The 5% settlement remains in place but those tendering can score additional points by increasing their efforts in creating employment opportunities for people currently on benefits. The additional points would improve their changes in the procurement process. This promotes innovation from the business sector in establishing mutually beneficent employment schemes.

3. What issue is addressed? (What is the context of the project?)

To reduce the number of unemployed through the municipal procurement policy.

4. Information about the project

For capital intensive projects DAAD can reach agreement on a 7.5% of wages in stead of 5% of the total amount.

The actual execution of tasks accompanied by the implementation of the 5% settlement, like finding suitable candidates or the training of the candidates, local employers can turn to DAAD for help. Besides providing their support DAAD also



Investing in your future
Cross-border Cooperation Programme 2007-2013
Part-financed by the European Union (European
Regional Development Fund)

monitors the correct implementation of the 5% settlement, reports on it and provides advice.

The candidates are deployed for a minimum of 6 months. In case any service provider does not meet the performance indicators agreed upon, they are deducted on their payment to the amount denied to the target group.

In 2009 the 5% settlement was integrated into the municipal durable procurement policy. This policy is directed at:

- Incorporating durable solutions in all strategic and supporting procurement processes;
- Making a substantial contribution in realising employment goals;
- Incorporating environmental and social aspects into the tendering process.

5. Who will benefit from the project

- People registered as job seeker for more than 6 months;
- Students combining targeted training and employment;
- Stagiaires, interns or people doing apprenticeships.
- People supported under the *Dutch Sheltered Employment Act (WSW)*. This act intends to support people who can only work under adapted conditions and have been indicated as such.

6. What are the basic assumptions, rationales or theoretical models behind the activity?

De municipality can completely or partially have its services delivered by job seekers in the sectors in which she operates and procures her services. In doing so, the services are delivered, the number of people on benefits is cut and activation levels are up.

7. Which actions does the activity involve? *Max. 75-100 words*

The municipality implements the 5% settlement and weighs the social aspects of the tendering process.



Investing in your future
Cross-border Cooperation Programme 2007-2013
Part-financed by the European Union (European
Regional Development Fund)

The service providers integrate candidates from the target group into their service delivery.

DAAD selects, mediates and trains candidates and monitors, reports on and sanctions companies involved.

8. Source of funding/resources used

Any company tendering for orders procured by Rotterdam for any amount from € 225.000.

9. What are the main results?

The 5% settlement has developed significantly, due to practical agreements with service providers. The amount of positions filled due to the 5% settlement by people previously receiving benefits has doubled since 2003 to 400 - 450 per year. The settlement is well known throughout the administration. Privatised services, previously provided for by the local authority like the local public transport and harbour have taken the 5% settlement on board and apply it in their procurement process as well. As a result from the success in Rotterdam other cities (Amsterdam, The Hague, Utrecht and Maastricht) have also decided to integrate similar practice.

10. Evaluation

The settlement is continuously monitored and evaluated. As a result a pilot has started looking into the preconditions for weighing the efforts in creating employment opportunities as a criterion in the tendering process.

11. Contact information

Hans Jansen of Gerard Stemmerik via meldpunt5procent@daadwerkt.nl or +3110-8509776.

12. Further information

www.daadwerkt.nl