



Learning manual for policy makers: Sustainable Public Procurement (SPP)

1. Introduction

The Sri Lankan public sector is believed using approximately 25% of the total GDP on public procurement. By increasing the public demand on sustainable goods and services, the government can influence the market supply. Consequently, public procurement can be used as a strategic policy tool to promote sustainable goods and services and thus contribute to a sustainable development in a larger scale. The government of Sri Lanka therefore in 2017 drafted a Green Public Procurement (GPP) Policy.

In the long run it will be mandatory for all government institutions in Sri Lanka to take environmental considerations into account when procuring. However, sufficient human resources in the government institutions is a precondition for SPP, hence building sufficient human capacities on SPP is therefore the most urgent task to create a successful system of SPP.

The objective of this manual is to enlighten policy makers about sustainable consumption and further indicate how procurement can be used as a strategic policy tool to support sustainable development in Sri Lanka.

2. Definition of Sustainable Public Procurement

Sustainable Public Procurement (SPP) can be defined as *“a process by which public authorities seek to achieve the appropriate balance between the three pillars of sustainable development - economic, social and environmental impacts - when procuring goods, services or works at all stages of the project.” (EU).*

The application of environmental considerations in procurement is named *“Green Public Procurement”* and aims at reducing the negative environmental impacts such as green house gasses, use of scarce resources, and use of chemicals related to procured products and services. It is necessary to look at the environmental impacts of the entire lifecycle including production, use and disposal, to get an adequate insight into the environmental potential within each product group. By demanding products that are produced in an environmental friendly manner, the public bodies can support a clean and sustainable production. Further, they can inform the market about the demand of sustainable products in general, thereby creating incentives for the producers to change their product design.



The social considerations refer to the procurement of products that are social responsible, supporting local communities and ensuring labor rights.

Economic considerations are to procure in a resource efficient manner, to ensure best possible economy in a life cycle perspective (not only cheapest product in procurement, but also in operation) ensuring free competition across suppliers and avoid any kind of corruption throughout the entire supply chain.

3. Sri Lankan Green Public Procurement Policy

The Sri Lankan government when drafting the above policy has focused on followings:

1. Integrate considerations of environmental performance into the public procurement process
2. Decrease negative environmental impact while achieving value for money
3. Increase the demand for sustainable goods, works and services, thereby increasing the supply of sustainable goods

As the definition notes, sustainable procurement is about *balancing* between the environmental, social and economic considerations, thus acknowledging that trade-offs between the pillars may occur. In some instances environmental friendly goods are more expensive than those goods that would otherwise have been bought, thereby indicating a potential conflict between the environmental and economic considerations. The Sri Lankan government aim of focusing on increasing resource efficiency and similar priorities that ensures value for money while still decreasing the negative environmental impact.

4. Strategy

In order to implement the SPP policy, it is necessary to convert the policy goals into objectives and then to actions to make the objectives more tangible. Four action targets have been identified; to develop a system of SPP criteria, create SPP procedures, support human resources, and compose a plan of implementation.

1. Develop a system of SPP criteria

To ensure the most efficient use of resources, a common national SPP criteria system should be developed, listing relevant sustainability requirements that public procurement bodies can incorporate in their tender documents. The SPP criteria setting can draw on experience from eco labels or SPP-systems in other countries that have already developed such a system of criteria. The SPP criteria system should start by focusing on a few number of product groups that have a



considerable environmental or social potential and gradually scale up the system to include more product groups.

2. Create a transparent and applicable procedure for public procurers to follow

A standardized procedure should be developed to ensure that public procurers incorporate sustainable criteria when they compose tender documents and to ease the workload. The procedure should show the working process of procurement and the related entry points of sustainable requirements.

3. Support human resources

A prerequisite for both a sustainable criteria system and a sustainable procurement procedure is human resources. It should be ensured that those who are carrying out the tasks of SPP are qualified, thus SPP should be integrated in all relevant educational programmes and a campaign creating awareness of SPP should be followed through.

4. Compose a plan of implementation

To implement SPP requires considerable behavioural and organisational changes, which takes time. Therefore it is crucial to make realistic implementation targets that can be scaled up in the longer run. The first implementation target is to select a few public institutions that will implement SPP in cooperation with MoMDE and NPC as a pilot project to map out challenges and opportunities for SPP in Sri Lanka. Building on the experience from the pilot project, SPP can gradually be implemented at different levels of the public sector.

5. Conclusion

The aim of the this manual and the related Power Point Presentation is to inform policy makers about sustainable public procurement, how it can be used as a strategic policy tool to influence the market, and which measures that need to be carried out in order to implement SPP in Sri Lanka.



Training Module – Policy Makers

Sustainable Public Procurement in Sri Lanka

The purpose of the training module is to inform policy makers about the potential methodologies for and effects of utilising public procurement as a lever for sustainable development

The training module covers the topics mentioned below and specifically identified and discussed on the slides in the pptx-file attached. It is important to be familiar with the roles of the participants and stakeholders to carry out the training. The trainer should have knowledge about topics as procurement, green procurement, organisational development, strategy development, and strategy implementation.

Course Audience

The course is intended for policy makers

Module Overview:

This Module will be covered in Five Sections.

Module 01: Public Procurement in Sri Lankan context

Module 02: Introduction to Sustainable Public Procurement, SPP

Module 03: International Experience with SPP

Module 04: Actions to be carried out to fulfil the SPP policy targets – Implementation

Module 05: Monitoring and regulation

Module 01 – Public Procurement in Sri Lankan context

This module serves to provide an overall picture of the Sri Lankan public procurement model:

- Public Expenditure
- Purchasing Vs Procurement
- Principles of SPP
- Appropriate methods of procurement
- Selection Criteria

Module 02 – Introduction to Sustainable Public Procurement

This module serves to provide an overall picture of the sustainable public procurement:

- SPP Definition
- Conventional Vs Sustainable Procurement
- Life-Cycle thinking



- Identify Vendors
- Define Scope of Work

Module 03 – International Experience with SPP

This module serves to provide information on SPP experience from selected Asian countries and to identify good organisational practices that can inspire development of the Sri Lankan organisational model for SPP:

- SPP in Asia
- Success Factors
- Challenges encountered
- Effective SPP Model
- Organizational Challenge

Module 04 – Actions to be carried out to fulfil the SPP policy targets – Implementation

This module presents a draft strategy for introduction and implementation of SPP in Sri Lanka. The strategy has been discussed with key stakeholders in November 2017

- Strategy Principles and steps
- Clarified scope, structure and responsibilities, 2018
- Clear SPP guidelines with stepwise how-to-do, 2018
- System for SPP criteria and five product criteria, 2018
- Capacity created in key institutions, 2019
- Pilot SPP exercises, 2019
- Monitoring system for SPP, 2020
- New Action plan for SPP, 2020

Learning Outcomes

By the end of the programme, participants will be able to:

- i. Understand the national public procurement process
- ii. Understand the concept of SPP
- iii. Identify key stakeholders in the SPP process
- iv. Bring SPP from a concept into practical use
- v. Integrating SPP in the public procurement processes, practices, and procedures
- vi. Use specifications to improve the sustainable outcome of the procurement process
- vii. Understand how evaluation criteria can be used in SPP
- viii. Understand the methods and importance of contract management in the SPP process

Suggested methodology to deliver

Through discussions during which the trainers and trainees engage in two-way communications in order to optimize the training process.