

2020

SUSTAINABLE PUBLIC PROCUREMENT

IN LATIN AMERICA AND THE CARIBBEAN

Actions towards implementation



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PROCUREMENT

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Initialisms and Abbreviations

ACCE

Uruguay's Agency for State Procurement.

AMIPYME

Ecuador's Micro-, Small- and Medium-sized Enterprise Authority

ANCP-CCE

Colombia's National Agency for Public Procurement – Efficient Purchase Colombia.

IDB

Inter-American Development Bank.

CAPADESO

Chamber for Social Development of Panama.

CDCNS

Costa Rica's National Directive Committee for Sustainable Public Procurement.

CSTS

Workers' Unions Federation of El Salvador.

CONAMYPE

El Salvador's National Commission for Micro- and Small-sized Enterprises.

DCCP ("ChileCompra")

Chile's Direction of Public Procurement.

AEPYS

Ecuador's Popular and Solidarity Economy Actors.

AMP

Price Framework Agreement

PA

Pacific Alliance.

CARICOM

Caribbean Community.

CCL

Lima's Chamber of Commerce.

CNE

El Salvador's National Energy Council.

CONADES

Panama's National Council for Sustainable Development.

SPP

Sustainable Public Procurement.

DGCE

Nicaragua's General Direction of Public Procurement.

DGCP

Dominican Republic's General Direction of Public Procurement.

DNCP

Paraguay's National Direction of Public Procurement.

FEL

Guatemala's Electronic Reverse Invoice.

GRI

Global Reporting Initiative.

ICBF

Colombia's Family Welfare Institute.

IDRC

International Development Research Centre.

INPI

Mexico's National Institute of Indigenous Peoples.

MADS

Colombia's Ministry of the Environment and Sustainable Development.

MARENA

Nicaragua's Ministry of the Environment and Natural Resources.

MHCP

Nicaragua's Ministry of Finance and Public Credit.

DINAMA

Uruguay's National Direction for the Environment.

DOE

Belize's Department of the Environment.

GOJ

Government of Jamaica.

DAT

Demand Aggregation Tools.

ICE

Costa Rican Institute of Electricity.

IISD

International Institute for Sustainable Development.

LACAP

El Salvador's Law of Acquisitions and Procurement in the Public Administration.

MAPS

Methodology for Assessing Procurement Systems.

MECS

Costa Rica's Matrix for Evaluation of Sustainable Criteria.

MINAE

Costa Rica's Ministry of the Environment and Energy.



MINAGRI

Peru's Ministry of Agriculture and Irrigation.

MSMEs

Micro-, Small- and Medium-sized Enterprises.

OECD

Organisation for Economic Co-operation and Development.

OAS

Organization of American States.

ILO

International Labour Organization.

UN

United Nations.

PND

Plan Nacional de Desarrollo 2018/2022 de Colombia.

UNDP

United Nations Development Programme.

PRODUCE

Peru's Ministry of Production.

SCP

Sustainable Consumption and Production.

MINCIT

Colombia's Ministry of Commerce, Industry and Tourism.

NAFIN

Mexico's National Finance Entity.

SDGs

Sustainable Development Goals of the United Nations.

OSCE

Peru's State Procurement Supervising Body.

ONC

Argentina's National Office for Procurement.

GDP

Gross Domestic Product.

PNDIP

Costa Rica's National Plan for Development and Public Investment.

UNEP

United Nations Environment Programme.

PROCEL

Brazil's National Program for Electrical Energy Conservation.

RACSA

Radiográfica Costarricense, S.A.

RELACAP

Regulations of El Salvador's Law of Acquisitions and Procurement in the Public Administration.

SC

El Salvador's Superintendence of Competition.

SERCOP

Ecuador's National Service of Public Procurement.

SIBYS

Argentina's Goods and Services Identification System.

UNOPS

United Nations Office for Project Services.

INGP

Inter-American Network on Government Procurement.

SDMM

Jamaica's Special and Differential Treatment Measures

SNCCP

Dominican Republic's National Public Procurement System.

UNAC

El Salvador's Normative Unit for Acquisitions and Procurement.

UNPSA

United Nations Public Service Awards.

Table of Contents

I. Introduction	7
II. Diagnostic Methodology	9
III. Countries' Experiences	11
Argentina	12
The Bahamas	14
Belize	15
Brazil	17
Chile	19
Colombia	22
Costa Rica	27
Ecuador	30
El Salvador	32
Guatemala	35
Guyana	38
Haiti	39
Honduras	40
Jamaica	42
Mexico	44
Nicaragua	47
Panama	49
Paraguay	51
Peru	54
Dominican Republic	57
Suriname	59
Trinidad and Tobago	60
Uruguay	62
IV. Regional situation analysis	65
V. Conclusions	72
VI. Annex	74
VII. Footnotes	78

I. Introduction

“Sustainable Public Procurement (SPP) aims to ensure that the products and services purchased by governments are as sustainable as possible, both to minimize environmental impact and to create the best social impact possible. Through policy and procedure redesign, governments can create multiplying benefits both internally and across society to increase efficiency, save energy, generate financial savings, enhance access to public services and create better work conditions. SPP is a key promoter of policies allowing governments to reform markets through their purchasing power and the influence of their regulation.”¹

Over the last decade, the concept of SPP has acquired great relevance due to the imminent need to redefine what the State will buy, how and from whom. This has created a wide global consensus on the importance of governmental purchasing power for the sustainable development of countries. In this sense, the OECD (Organisation for Economic Co-operation and Development) recommends that public procurement systems should drive efforts to reach secondary objectives aiming to promote the inclusion of MSMEs (micro-, small- and medium-sized enterprises), vulnerable groups and other situations connected with sustainability².

In the same vein, the United Nations’ Sustainable Development Goals (SDGs) establish specific goals for compliance with the 2030 Agenda. These promote the generation of initiatives and actions towards a new paradigm of development, with an integrated approach seeking to ensure rights for the entire population. Public procurement certainly is a strategic area which, when correctly designed and implemented, is directly linked to the following SDGs:

Goal 5
Target 5



“Achieve gender equality and empower all women and girls” and “ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.”

Goal 8
Target 3



“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” and “promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.”

Goal 12
Target 7



“Ensure sustainable consumption and production patterns” and “promote public procurement practices that are sustainable, in accordance with national policies and priorities.”



The economy of the region is at a transition stage, which means there is an opportunity to drive change towards the implementation of sustainable development policies. To this end, it is fundamental to identify specifically the efforts and actions needed, with the purpose of strengthening institutional capacities that make it possible to develop strategies encouraging sustainable consumption and to increase the demand for goods and services of this type through public procurement.

Taking into account the great purchasing power of the countries of Latin America and the Caribbean (estimated in a rough 15% of the Gross Domestic Product (GDP)³, SPP implementation becomes a key tool to do the following:

- *Optimize the concept of Value for Money⁴ through lifecycle analysis of goods, services or works at the moment of the purchase*
- *Empower and include new actors or vulnerable groups in public procurement procedures.*
- *Develop innovative, more sustainable markets delivering transformative solutions.*
- *Adopt an approach to procurement that is not just centered on awarding the contract to the lowest price.*
- *Promote more responsible consumption and production.*
- *Implement public policies which act to fight against poverty, empower women and girls and face the climate emergency*

For about a decade, the countries of Latin America and the Caribbean have been making considerable efforts to consolidate an SPP agenda compatible with national priorities as well as with

SDG achievement. In particular, special mention should be made of advances adopting criteria for public procurement procedures that promote the participation of MSMEs or traditionally more vulnerable groups such as women or persons with disabilities. Efforts are also made to implement environmental criteria, such as energy efficiency labels, quality certifications for recycled goods, or the demand to conduct environmental studies prior to public tenders for infrastructure works, among others.

Despite the significant progress made, there are still some challenges ahead, among them:

- *Shortage of support from high government circles, and lack of political commitment, to implement SPP.*
- *Lack of coordination / alignment among various governmental agencies (Ministry of the Environment, Ministry of Labour, Public Procurement Agencies, among others) connected with SPP implementation.*
- *Lack of plans for a gradual implementation of sustainable criteria in the technical specifications of products and services to be purchased.*
- *Prevalence of the “lowest price” selection criterion for public procurement procedures.*
- *Lack of market research into the existence of suppliers with the ability of providing products and/or services with the desired features.*
- *Need to develop indices for the measurement of the impact on sustainability, including cost/benefit analysis of the implementation of these strategies⁵.*

This document aims to map the progress in SPP implementation in 23 countries from Latin America and the Caribbean and to describe the strategies developed, in order to both overcome existing barriers and promote and consolidate a greater awareness. In this way, it will be possible to generate opportunities to achieve a better quality of life through sustainable public procurement and to contribute towards SDG achievement.

II. Diagnostic Methodology

This diagnosis has been developed based on information provided by the various national public procurement agencies in Latin America and the Caribbean in the context of activities developed in the framework of the Inter-American Network on Government Procurement (INGP) over the last four years. This information was supplemented by a questionnaire sent to purchasing agencies in 2019 (Annex 1) and publicly accessible secondary-source information.

With the aim of identifying progress towards SPP implementation in the region, this map has been organized around four factors useful to analyze and categorize the countries' level:

Legal Framework:

This encompasses relevant laws, decrees, regulations and other provisions or guidelines adopted by the countries, be they legislative or executive in origin.

Actions towards Implementation:

The countries participating in this diagnosis have reported the specific actions implemented surrounding the matter, such as (i) SPP training, (ii) pilot tests, (iii) design of procedures adopting sustainable criteria, (iv) allocation of a specific budget for implementation activities, among others.

Tools:

This is a survey of whether each country has developed and/or adapted manuals, guides, information sheets or other technical tools for SPP implementation.



Monitoring and measurement:

This answers the question whether there are methods to: a) measure progress in SPP implementation; b) monitor and assess results in specific timeframes or during previously defined implementation stages; and c) measure the results of plans, tests or policies specific to each country.

SPP implementation level and SDG alignment

Based on the factors above, the countries' progress towards SPP implementation is determined, as well as their alignment with SDGs, according to the following 3 (three) levels:



Level 2: Intermediate

Has at least two actions in some of the aspects analyzed, which implies an intermediate level in terms of SDG alignment through SPP implementation.



Level 1: Low

No actions implemented, or a single element connected to the factors analyzed, which implies a non-existent or weak alignment to SDGs through its SPP strategy.



Level 3: High

Has two normative instruments and two or more implementation actions, tools or monitoring technologies, which indicates a SPP strategy at a high level of advance which contributes to SDGs.



III. Countries' Experiences



The information provided by the national agencies of the 23 countries participating in the diagnosis is presented on the following pages.

The graphs at the beginning of each country experience have been made by the author based on the information available.

On a scale from 0 to 100 points, each provision, concrete action, tool, monitoring mechanism or measurement instrument carries 20 points up to a maximum of 80.

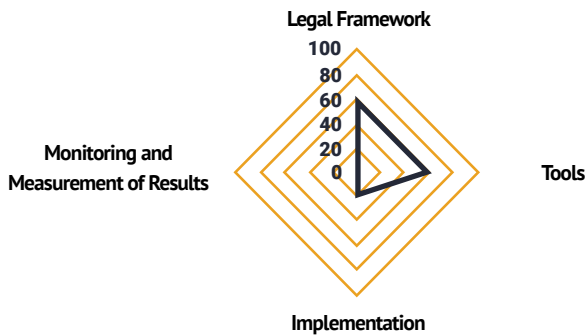
A country's efforts to start its implementation process, if still in the beginning phase or pending approval, carry 10 points.

The maximum (100 points) is reached in an ideal implementation status of all four factors, with SPP implementation finalized. This is a process characterized by constant improvement and advance, so that score has not been given to any country.





ARGENTINA



Legal Framework

In Argentina, the procurement regime of the National Government works under a selection criterion establishing that a contract should be awarded to “the most convenient bid”, taking into account price, quality, competence of bidder and other conditions. These criteria seek to provide agencies with an opportunity to optimize their procedure by implementing “best value for money” on acquiring goods and services.

Regulatory Decree 1030-2016, which regulates the Law of Public Procurement in Argentina, includes a special chapter on SPP, granting powers to the ONC (Spanish initialism for National Office for Procurement), which is the governing body on the matter for the development of mechanisms promoting an adequate, effective implementation of environmental, ethical, social and economic criteria in public procurement.

The following are some of the noteworthy aspects of this Regulation:

- *Sustainability criteria must ensure the best environmental impact, best economic conditions, and compliance with labor laws, especially those relating to decent, equitable work conditions and absence of child labor.*

- *Models of calls for bids⁶ were created, indicating sustainability criteria to be complied with or demanded in technical specifications for managing agencies.*

- *Technical specifications must be such that access to the selection procedure is available to all bidders on an equal footing, with no bias.*

- *It must be determined clearly and precisely whether the goods must be new, used, refurbished or recycled, what is the acceptable tolerance, required quality and, if appropriate, quality standards and sustainability criteria the goods or services must comply with.*

- *Mandatory selection criteria for bids were established for procuring jurisdictions and entities with the aim of developing public policies tending towards fostering or promoting social welfare, the best environmental impact, better ethical and economic conditions, the growth of certain sectors, job creation, private company development, technological innovation in goods and services, social inclusion of vulnerable groups, among others.*

- *Periodical publication of various articles on sustainability on the website of the National Office for Procurement, for purchasing entities as well as suppliers.*



- *Collaboration with the Ministries of the Environment and Sustainable Development; of Agriculture; of Social Development; and of Justice.*
- *Implementation of measures applicable to governmental procurement promoting social inclusion.*
- *Mandatory minimal quota of staff with disabilities in contracts involving service outsourcing.*
- *Inclusion of sustainable characteristics in SIBYS (Spanish initialism for Goods and Services Identification System).*
- *Inclusión de características sustentables en el Sistema de Identificación de Bienes y Servicios (SIBYS).*
- *General Recommendation Information Sheets for sustainable procurement of various goods and services were published on the website.*

An advance in normative terms for Argentina was the enactment of Law No. 27.437: National Purchasing and Procurement, dated April 18, 2018, whereby preference is granted to goods produced in the country, thus facilitating MSME access. (Article 2.a.)

Actions towards Implementation

Among the initiatives implemented by Argentina, in the Law of Public Procurement there is a cause for direct dealings (after the Ministry of Social Development has been duly informed) in the case of contracts made with natural or juridical persons registered in the National Register of Local Development and Social Economy Vectors, with or without State financing.

This is an optional tax regime created with the aim of promoting and facilitating an entry into the formal economy for persons in vulnerability conditions, historically

excluded, fostering worker participation in a social economy.

SPP training for the various actors involved has not been reported.

Tools

The National Office for Procurement has the following tools:

- *Single Cataloging and Sustainability Procedure Manual (2013).*
- *Recommendation Information Sheets for sustainable procurement of various goods and services (2015).*
- *Sustainable Public Procurement Manual⁷ (2017). Monitoring and measurement.*

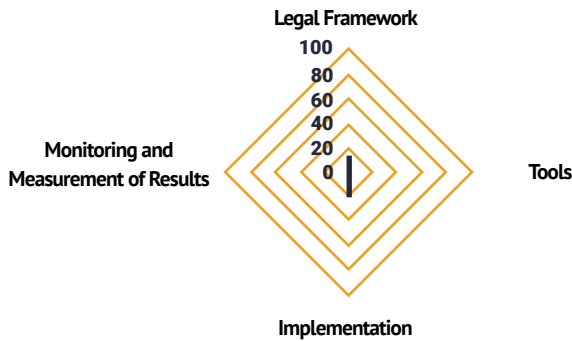
At the moment, information has not been provided regarding implementation of specific actions such as task forces with institutions, selection of goods or services, or training through a monitoring and measurement system.

SPP implementation level and SDG alignment

The existence of various provisions and other technical tools such as guides, manuals and information sheets indicate that Argentina is at Level 3 (Advanced) in its SPP progress. Also, MSME development promotion and the inclusion of sectors in vulnerability conditions in public procurement procedures through the creation of information sheets and technical specifications which take into account aspects with public procurement sustainability criteria both show a clear SDG alignment, specifically with Goals 8 and 12.



THE BAHAMAS



Monitoring and measurement

At the moment, the country has not reported data on monitoring and measurement systems..

SPP implementation level and SDG alignment

According to the information provided by The Bahamas, the country is at Level 1 in terms of SPP implementation advance. At the moment, there are no specific legal provisions in force, or any other type of rules, on sustainability in public procurement. Which leads to the conclusion that The Bahamas, according to the information sent, is not yet directly aligned in this respect with SDGs.

Legal Framework

Since 2017, the government of The Bahamas has been undergoing a reform process of its legal framework, promoting a public procurement bill⁸ whose main aims are to create a Public Procurement Department, to develop an Electronic Register of Suppliers and to generate a training program specializing in public procurement⁹.

Actions towards implementation and Tools

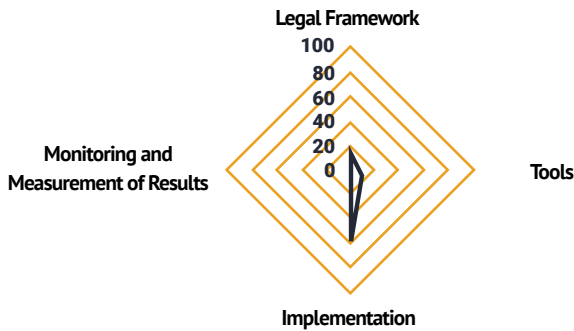
Since January 2019, the government has been implementing, in collaboration with the University of The Bahamas, public procurement training courses for public servants.

However, there is not publicly-available information illustrating in greater detail the real situation of the implementation through specific actions.





BELIZE



Legal Framework

In Belize, public procurement is governed by the Finance and Audit Act, Finance Orders, Store Orders and other communications issued by the Ministry of Finance. Currently, Belize, together with CARICOM (Caribbean Community), is undergoing a modernization process encompassing laws, regulations, standard public tender documents and operational procedures.

As for policies related to sustainable development, the Horizon 2030 plan for long-term development includes several short-term activities aiming to improve quality of life, reduce poverty, improve governance, protect the environment and improve safety (i.e. fight against crime).

Belize's Growth and Sustainable Development Strategy is a short-term plan including infrastructure activities to respond to social emergency situations such as temporary housing while making room for new policies, practices and regulations in order to reduce

corruption, enhance police effectiveness in its fight against crime and improve medical healthcare and public services in general.

Actions towards Implementation

Belize's DOE (Department of the Environment) is leading an effort in sustainable development by using LED lighting in street lights, constructing green buildings, investing in climate-resilient infrastructure, acquiring new AC units, eradicating expanded polyethylene product use and reducing plastic bag single use. There is also an ongoing process to establish new landfills (transfer stations) whereby waste is transported to a central location where recycling of plastic bottles, paper and metal takes place.

Belize is currently applying ecological aspects in all its initiatives and using resources from statutory bodies and public companies for clean energy generation. The country has cogeneration programs and is promoting solar energy use – funds are provided by the Development Finance Corporation in order to modify the energy matrix.

As for initiatives underway, Belize has issued public reminders relating to a lead-acid battery collection program, small-scale waste and the need to limit single-use plastic and polyethylene. The ultimate goal is to stop importing these articles and to replace them with more environmentally-respectful products such as those based on recycled paper.



Another initiative, called “No plastic, no polyethylene”, has been publicized through primary schools. As a result some supermarkets and grocery stores no longer provide single-use plastic bags, under the motto “Bring yours”. This initiative is still active and it is expected that it will reach all the country.

Currently, there is no market research for sustainable goods or services. Nevertheless, Belize has prioritized the replacement of conventional lighting with LED lighting in public buildings and street lights, as well as increasing solar energy use for off-the-grid locations, reducing plastic and polyethylene use, recycling paper, building waste transfer stations and using a centralized waste treatment unit.

Belize considers that in order to continue developing and implementing an SPP strategy, it would be crucial to join efforts with public companies such as Belize Electricity Ltd., the Protected Areas Conservation Trust, the University of Belize and the country’s Chamber of Commerce.

Specific training activities on the matter have not been reported.

Tools

Belize does not have an SPP implementation manual, but the Law on procurement is undergoing an amendment process and it is expected that, once this has been implemented, regulations and guidelines will be developed.

Cost control/reduction strategies for sustainable goods or communication/training programs for suppliers have not been reported.

Monitoring and measurement

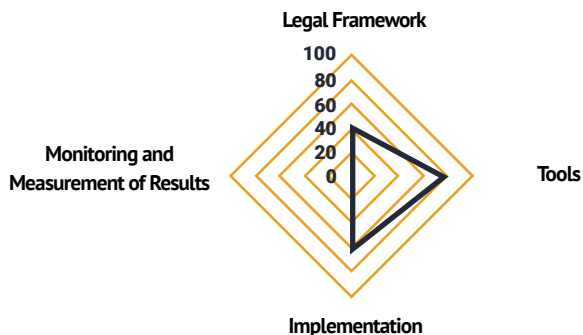
Likewise, there is no system for measuring impact of, and monitoring, SPP implementation.

SPP implementation level and SDG alignment

Considering the provisions mentioned before, the actions performed and to be performed, and development plans and initiatives implemented through public procurement procedures, it can be concluded that Belize is at Level 2 (Intermediate) in terms of SPP implementation progress. Consequently, Belize is especially aligned to SDGs 8 and 12 in connection with the policies seeking to ensure sustainable production modes, such as an energy matrix change and the inclusion of environmental sustainability criteria (climate resilience) when awarding infrastructure works.



BRAZIL



Legal Framework

Since 2010, the Federal Government of Brazil has been taking actions for an effective implementation of SPP policies, aiming to generate a favorable impact in terms of climate change and the environment. SPP is one of the priorities established in the Sustainable Consumption and Production Program launched by the Brazilian government in 2011. Recent legal provisions on green purchasing establish a new standard for public procurement to be applied progressively at the federal level.

Another program developed in the context of the Brazil Without Poverty Plan is the so-called Green Purse¹⁰ which allots a number of “economical bonuses” among low-income families performing environmentally-impactful activities and social and domestic services.

Actions towards Implementation

During the first SPP implementation cycle, the Brazilian government has developed initiatives focused on energy efficiency of products, services and works. For instance, there is a product catalog establishing mandatory technical specifications in terms of energy efficiency in ecolabels for basic products such as cleaning products and paper.

Electrobras has a mandatory energy efficiency labeling system called Procel (Portuguese initialism for National Program for Electrical Energy Conservation) aiming to develop and provide for a Brazilian market with more energy-efficient products.

Additionally, there is a specific SPP portal¹¹ managed by the Ministry of Planning, Development and Management, which adds value by collecting information about the stakeholders of public tenders involving sustainable goods and services, as well as providing the Brazilian government with a tool for sensitization and orientation as regards sustainability in the public sector and society at large.

There is no estimate of Brazil’s SPP implementation budget. There is also no information about additional implementation actions.



Tools

Brazil has several currently functioning tools, the following among them:

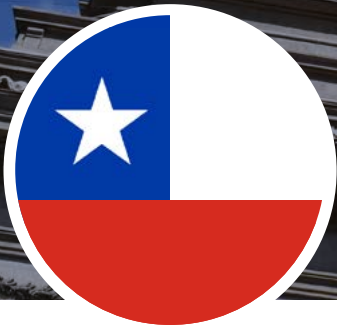
- *2014 Manual for labeling public buildings, aiming for energy efficiency in buildings.*¹²
- *Procura+ Manual (Guide for effective expenditure in sustainable public procurement)*¹³
- *A collection of good practice case studies providing examples for future public procurement procedures.*¹⁴
- *Guides and tools for public procurement procedures, categorized by federal/state level or by good/service.*¹⁵

Monitoring and measurement

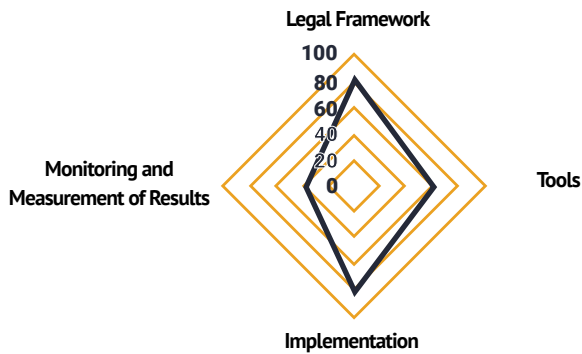
Specific monitoring or measurement mechanisms aiming to track SPP implementation and to exercise self-control have not been reported.

SPP implementation level and SDG alignment

Based on the plans and programs in progress, the existing legal framework and the development of a specific SPP portal, it can be stated that Brazil is at Level 3 (Advanced) in its progress towards SPP implementation. As for SDG alignment, there is a clear alignment with Goals 8 and 12, considering sustainable consumption and production promotion strategies. This blends social aspects (support for vulnerable groups) and environmental aspects.



CHILE



Chile's sustainability aspects are laid out in the Law of Procurement through two principles: Efficiency and Value for Money. There are also several Directives to strengthen the application thereof, such as "Instructions to carry out sustainable public procurement in Chile's public market", "Instructions for inclusive public procurement that promotes equal opportunities in the public market", "Gender approach in public procurement", among others

Legal Framework

Chile has Law of Procurement No. 19.886, besides the Regulations of that Law and the corresponding analytical reviews; a case in point is Directive No. 33, "Recommendations for innovation in public procurement", dated June 18, 2018.

The initiatives underway and the advances into SPP implementation have focused on OECD recommendations on advanced public procurement systems, relating to achieving secondary objectives through the State's purchasing power, among them promotion of MSMEs, inclusion of vulnerable groups and development of sustainable goods and services.

DCCP (Spanish initialism for Direction of Public Procurement, also known as ChileCompra) published in 2012 its Socially Responsible Public Procurement Policy¹⁶, which establishes a general framework for adopting sustainability and responsibility considerations in public procurement.

- *Directive No. 03 (2006), "Payment to suppliers within 30 days"*
- *Directive No. 09 (2009), "Instructions for procurement of goods and services including energy efficiency criteria"*
- *Directive No. 13 (2011), "Instructions to carry out sustainable procurement¹⁷ in Chile's public market."*
- *Directive No. 17 (2014), "Instructions for inclusive public procurement that promotes equal opportunities in the public market."*
- *Directive No. 20 (2015), "Gender approach in public procurement."*
- *Directive No. 23 (2015), "Guidance on payment to suppliers in public procurement procedures"*
- *Directive No. 25 (2016), "Recommendations for the adoption of environmental criteria in the procurement of goods and services"*



As for the Value for Money concept¹⁸, this innovative principle has been incorporated by Chile in Article 20 of the Public Procurement Regulations, which states that it is mandatory to adopt, specifically in technical instruments (public tender specifications), the conditions necessary to achieve the most advantageous balance between the benefits of the good or service to be purchased and all the associated costs, both present and future – that is to say, to award the contract to the bidder who reaches the highest rating through the most beneficial combination.

This has been possible thanks to the fact that, in the lifecycle of goods and services, the principle of Value for Money is contained in Chile’s Law along with the principles of nondiscrimination, equity, transparency and proportionality. A consequence of this is that elements related to sustainability always exist in a context aiming to achieve the primary objective of public procurement.

Legal voids and other obstacles identified stem from the fact that compliance with Directives is non-compulsory, and from authorities’ seeming failure to prioritize the issue.

Actions towards Implementation

Chile has an SPP implementation team formed by the Sustainability Committee and the following strategic partners: Ministry of the Environment, Clean Production Council, Ministry of Social Development, National Women’s Service and the Civil Society Council. In an analysis of a market’s readiness to offer sustainable goods and services, Chile stands out as one of the countries with a greater focus on MSME promotion: their inclusion is ensured through permanent analyzing and monitoring. A strategy to reduce or control the cost of sustainable goods and services is a challenge still to be undertaken in Chile.


The main actions implemented are:

- a) Digital transformation, leading to technological efficiency and less paper.
- b) Collaborative Procurement: a joint procurement mechanism among various public institutions seeking to benefit from the economies of scale.
- c) Simplified form accounting for a 64-tonne yearly reduction in paper use thanks to digitization..
- d) Industry-appropriate framework agreements with sustainability criteria.
- e) Clause on the respect of human rights in the Integrity Pact of the framework agreements nclusión de cláusula referente al respeto a los derechos humanos en el pacto de integridad de los convenios marco.
- f) Sustainable seals recorded in suppliers’ records and electronic catalogs: Women’s Enterprise Seal, Pro-SME Seal, Cooperative Seal, Clean Production Agreement Seal.
- g) Program to promote women’s participation in the public market: UNPSA (United Nations Public Service Awards) in the category Promoting Gender Responsive Public Service to Achieve the SDGs, with initiative “Women-Led Companies Through Public Market”, developed by ChileCompra since 2015.

Tools

As for the support of other, related, entities, there is collaboration with the Ministry of the Environment, Ministry of Energy, Clean Production Council, Ministry of Social Development, National Women’s Service and ChileCompra’s Civil Society Council (composed of representatives of civil society organizations).

Generally speaking, Chile makes constant use of technological tools. A case in point is the



Framework Agreement, through which the main goods and services prone to adopting sustainability criteria are being constantly identified, such as cleaning products and office furniture.

Sustainable seals in each supplier's records, which have been mentioned above, are another important tool.

Monitoring and measurement

While no specific monitoring and measurement system has been reported, each of the institutions connected with SPP develop and implement a plan or policy, so it is estimated that monitoring and measurement are constant.

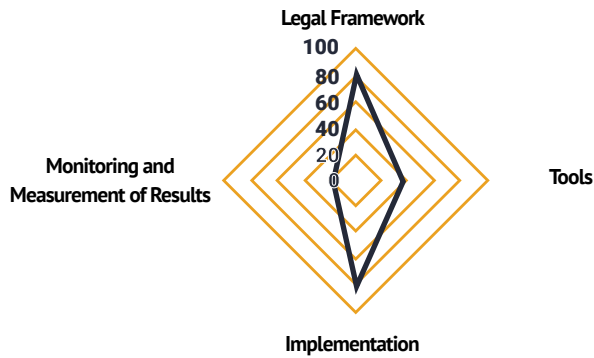
SPP implementation level and SDG alignment

Based on Chile's legal framework, policies, directives, projects and programs, as well as the actions implemented in the country, we are in a position to conclude that Chile is at Level 3 (High) in its progress towards SPP implementation. Chile has signed International Agreements and Commitments relating to sustainable public procurement. One of the most relevant ones is the Sustainable Development Summit (September 2015), where Member States of the UN (United Nations, Chile among them) adopted the 2030 Agenda for Sustainable Development; its initiative "Women-Led Companies Through Public Market" also stands out, according to which it can be stated that the country is aligned with SDGs 5, 8 and 12.





COLOMBIA



Legal Framework

Colombia’s Political Constitution¹⁹ states that the State must serve the community, promote general prosperity and ensure that the principles, rights and duties consecrated in its text are effective, as well as facilitating the participation of all in the decisions affecting them and in the political, economic, administrative and cultural of the Nation.

Also, there is a wide range of provisions relating to SPP which establish that State entities must include in their public procurement procedures any considerations necessary to guarantee basic rights.

Additionally, the duty to protect the population from potential violations stemming from the implementation of a contract. This legal framework admits the adoption of environmental and social criteria as well as promoting, as a very fundamental element of procurement, the primacy of the “general interest” and the “guarantee of citizens’ rights”.

Law No. 80 (1993) contains the General Procurement Regulations, which indicate that one of the aims of public procurement in Colombia is to help make effective the rights and interests of the persons subject to the Administration. Among other aspects, it is mentioned that the rights of the entity, the contractor and any third parties that may be affected by the implementation of the contract must be protected. The text also states that labor standards must be complied with. Proof of registration with, and being up to date with payments to the Social Security System is required to execute an Agreement with the State.

Law No. 816 (2003) establishes benefits to promote national industry, national goods and services and the inclusion of national elements in foreign goods and services. This is understood as an indirect incentive to MSMEs.

Additionally, it is mandatory to comply with Colombia’s PND (Spanish initialism for National Development Plan) 2018/2022, whose provisions are contained in the Law. The PND has as its objective to lay the foundations for legality, entrepreneurship and equity in accordance with a long-term project for Colombia to reach the 2030 SDGs. Additionally, it promotes decent work, access to markets and decent income, thus accelerating productive inclusion.

Through Decrees 1082/2015 and 392/2018 MSME access is promoted by designing procedures for their exclusive participation as well as benefits in case of a tie, with the option



to grant additional points in public tenders and competitions on merits to bidders who can prove they have workers with disabilities among their staff.

At the central level, in Bogotá, the capital, SPP is promoted by generating a demand for goods and services preferably environmentally friendly, aiming to contribute to sustainable development in the metropolitan area²⁰.

Additionally, Agreement 540 (2013) of the Bogotá City Council establishes the guidelines of the Green Purchasing District Program, aiming for all of the city's entities, as well as natural persons who provide public services, to get connected to the goals of environmentally sustainable public procurement.

ANCP-CCE (Spanish initialism for National Agency for Public Procurement – Efficient Purchase Colombia) also has SPP guides, which contain general guidelines for State entities to adopt sustainability criteria in the structuring stage of procurement procedures. Colombia has a National Sustainable Public Procurement Action Plan 2016-2020 of MADS (Spanish initialism for Ministry of the Environment and Sustainable Development), which is a strategy to encourage the Colombian public sector to purchase sustainable goods and services.

Additionally, ANCP-CCE has published the Environmentally Sustainable Public Procurement Guide and the Socially Responsible Public Procurement Guide; Sustainability Criteria have been adopted in Framework Agreements for Prices.

Colombia's National Strategy for a Circular Economy is making progress in the transformation of production and consumption chains via the closing of materials, water and energy cycles through new business models.

With this initiative, Colombia is promoting innovation and value creation in production and consumption systems by optimizing, sharing, exchanging, recycling and regenerating materials, water and energy. In order to implement the Circular Economy, the Ministry of the Environment will work in coordination with the Ministries of Commerce, Housing, Education, Transport, Mining and Agriculture, also liaising with the productive sector associations, over 50 businesspeople and Academia.

The National Action Plan on Human Rights and Business²¹ has been developed to ensure respect for human rights in State-promoted economic development activities.

Lastly, Colombia includes in its national legislation certain duties related to public procurement which stem from previously signed trade agreements²².

With the aim of complying with these commitments, ANCP-CCE has created a variety of tools such as manuals and guides which lead purchasing entities as regards international agreements.

In spite of the progress made by Colombia, the following voids and legal obstacles have been identified:

- a) Sustainability is not expressly included in the provisions, in which there are no explicit mentions of assessment of social and environmental aspects in procurement procedures;
- b) Entities are not aware of the need to include them in the structure or, if they are aware of it, they consider it risky to move forward with the procedure;
- c) The market is not ready to adopt sustainable production and distribution techniques in its value chains.

d) There is an asymmetry in information regarding green criteria compliance among different economic sectors;

e) There is an overwhelming quantity of public policy tools while binding rules are lacking, which creates a heavy barrier for adoption of sustainability criteria.

Likewise, the following challenges are yet to be surmounted:

- *Application of the Value for Money concept needs to be deepened, rather than the lowest price criterion.*
- *Guidelines dictated by the Constitution, the Law and the jurisprudence serving as foundation for a strategic vision of public procurement and allowing the inclusion of sustainable criteria are not well-known.*
- *There is a fear of incurring higher monetary costs if social or environmental criteria are included.*
- *There is a perception that including social and environmental criteria in procurement procedures leads to risks involving public servants' disciplinary, fiscal and criminal responsibility.*

Actions towards Implementation

As for initiatives or progress in Colombia, the following can be mentioned:

- *ANCP-CCE has developed tools for the promotion of SPP in the procurement activities conducted by State entities so that there is an assessment of all costs – financial, social and environmental - connected with the lifecycle of the goods and services they acquire.*
- *ANCP-CCE has started a dissemination and training process with entities and suppliers*

regarding the application of these instruments. To this end, it is currently providing support for Bogotá District entities undergoing a transition towards SPP, and it is also creating an alliance with GRI (Global Reporting Initiative)²³ in order to strengthen the adoption of environmental and social criteria in Price Framework Agreements and promote reporting responsible behaviors on the part of entities and suppliers.

• *SPP criteria have been implemented in the Demand Aggregation Tools (DAT). To date, 7 DAT include sustainability criteria.*

• *MINCIT (Spanish initialism for Ministry of Commerce, Industry and Tourism) has started a procedure to adopt an SPP policy in its institutional and contractual activities.*

• *MINCIT has developed tools and strategic documents to facilitate the inclusion of environmental sustainability criteria in public procurement, among them:*

- *Cost-benefit Analysis Tool.*

- *Technical specifications allowing entities to analyze the cost-benefit relationship connected with the inclusion of sustainability criteria in their procurement procedures; Technical Datasheets facilitate the inclusion of those criteria in the procurement of prioritized goods and services (civil engineering works, office supplies, general services, transport services, electrical equipment, among others).*

- *SPP Concepts and Methodology Guide.*

- *National Policy for Sustainable Consumption and Production.*

- *SPP Manual for public and private entities.*

- *Assessment tool for sustainability and energy efficiency criteria.*

-User's Manual for the assessment tool for sustainability and energy efficiency criteria

-Environmental sustainability criteria for the procurement of a logistics operator.

-Environmental criteria for the procurement of vehicle maintenance services.

As for technical capacities and institutions supporting implementation, key partners for defining environmental and social guidelines in an SPP context are MADS and the Human Rights Counseling Office, respectively.

Currently, ANCP-CCE, in coordination with the Ministries of Agriculture, Labor and Education, ICBF (Spanish initialism for Colombia's Family Welfare Institute), the Armed Forces and other territorial entities, is designing normative instruments, projects or programs to promote public procurement of agricultural products from, or for, small or family farmers.

From the Colombian perspective, in order to continue making progress in the SPP process the following factors are crucial:

- *Having contact with controlling bodies so that entities can move forward towards structuring procedures that take into account environmental and social costs*
- *Involving businesses as potential suppliers and also as agents with a wide range of practical experiences, which can nurture public policy.*
- *Making contact with entities' Procurement area.*
- *Strengthening relationships among entities at an advanced procedure transformation stage.*
- *Prioritizing relationships with entities belonging to sectors capable of making a*

positive impact on the adoption of social and environmental criteria. In Colombia's case, relevant entities are in sectors such as mining, infrastructure and agriculture.

ANCP-CCE has conducted training sessions open to entities, suppliers and other interested parties with the purpose of socializing the SPP guidelines laid out in the materials mentioned above, such as guides. ANCP-CCE and MADS, aided by the District's Office for the Environment, have developed especially noteworthy training sessions for Bogotá District entities in order for the latter to implement SPP in their practices.

Notwithstanding the advances that can be seen in Colombia's case, there is no specific or special budget for SPP implementation and there is no clear deadline for implementation


Tools

Currently, Colombia is working on a Plan for SPP promotion. Although there is no listing for the goods that will be used to promote SPP yet, there is ongoing work, in collaboration with MADS, aiming to identify those goods and services for which there are SPP technical datasheets already available, as well as to develop new ones on products ensuring an high environmental and social impact due to their characteristics.

Monitoring and measurement

At the moment, a specific mechanism for monitoring or measuring implementation results has not been reported. There is no measurement of cost reduction as regards sustainable goods or services.

Nevertheless, Colombia has recently conducted an OECD MAPS (Methodology for Assessing Procurement Systems) exercise. This has resulted in the suggestion that the environmental benefits of SPP should start to be measured. To this end, it is crucial that all State organisms use the transactional



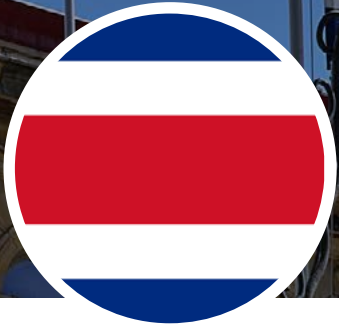
platforms of SECOP (Spanish initialism for Electronic Service for Public Procurement): SECOP II and the Virtual Store.

Lastly, it is worth noting that Colombia is currently working on the revision of specific benefits related to DAT with SPP and the purchases of these products as recorded in the Virtual Store of the Colombian State.

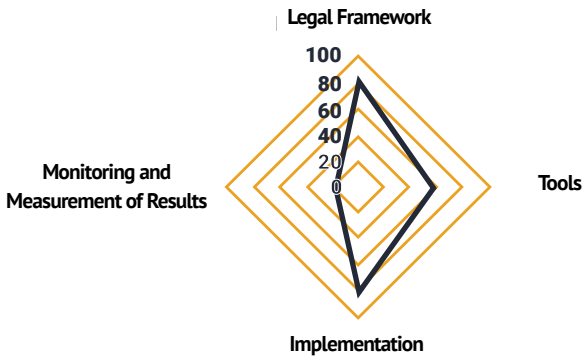
SPP implementation level and SDG alignment

Based on the wide array of provisions and policies in the matter, besides the National Plans mentioned above, and the coordination and joint work with various State entities involved, Colombia can be placed at Level 3 (High) in its Public Procurement implementation. Colombia has National Development Plans adopting aspects connected with sustainable economic development, innovation (fostering circular projects in particular, for example), and MSMEs promotion. Additionally, although the country is aware of its need to build an “integral strategy” on the issue²⁴ of SPP, the progress made (manuals, guides, CBA tool implementation in technical specifications, etc.) shows a solid alignment with SDGs No. 8 and 12





COSTA RICA



Legal Framework

Costa Rica has a solid legal framework which facilitates the adoption of sustainability criteria in public procurement which encompasses the Political Constitution of the Republic, the National Plan for Development and Public Investment, the Law of Administrative Procurement (and its corresponding Regulations) and the Law for the Strengthening of SMEs, among others.

Costa Rica’s Law of Administrative Procurement establishes as a requirement for public works an environmental impact study defining the effects of the intervention on the territory. Additionally, the country has other connected laws contributing provisions for the implementation of sustainability criteria.

Executive Decree 33411-H RLCA promotes sustainability criteria for framework agreements. The Law for Integrated Waste Management encourages the National Government to prefer products including recycled, reused or biodegradable materials. Law No. 8634 for a

Banking System for Development states that banking for development shall design policies in order to favor priority treatment for projects led by women, senior citizens, persons with disabilities, young entrepreneurs, associations for development, cooperatives and SME consortia, as well as projects in areas with a lesser relative development.

Lastly, the country has several Development Plans, among them the PNDIP (Spanish initialism for National Plan for Development and Public Investment) 2019-2022, which has the objective of “Implementing the adoption of sustainable production and consumption patterns in Costa Rican society, with the aim of increasing corporate competitiveness and more sustainable lifestyles”²⁵.

Actions towards Implementation

SPP implementation started in Costa Rica with the CDNCS (Spanish initialism for National Directive Committee for Sustainable Public Procurement)²⁶, where representatives of various entities come together to perform sensitization and training activities for public sector employees, with the aim of promoting the adoption of sustainable criteria and quality standards in public procurement procedures. The CDNCS hosts periodical sessions, often on a monthly basis, to support the commitments in the Annual Operational Plan by making contributions relating to its areas of expertise and managing other specialists’ technical professional support. All of this aims to underpin the requirements of public administration entities.



In Costa Rica, all entities from both the public and private sector are in a position to, and are obliged to, contribute to strengthening SPP, under Executive Decree 39310/2015, thus fostering 2018's National Policy for Sustainable Consumption and Production²⁷. This Policy has a goal "to implement the gradual adoption of environmental, social and economic sustainability criteria as a priority in State procurement, with the aim of making supply and demand of sustainability goods and services more dynamic." This is, without doubt, an extremely significant advance, since Costa Rica is the only country in Latin America with an SPP policy formally officialized by the various authorities involved in the implementation process.

CDNCS is part of the technical task force summoned by MINAE (Spanish initialism for Ministry of the Environment and Energy), where representatives of various public and private entities come together to work on strategic lines as defined in the National Policy for Sustainable Consumption and Production.

Due to the high levels of dynamism of Costa Rica's market, it is necessary to update market research constantly in order to identify the real capacity of the market (supply) and thus provide sustainable products that will satisfy the needs of the economy as a whole, considering the public and private sectors.

As for training purchasing agents, Costa Rica is constantly active in this respect, through CDNCS and supporting organizations²⁸. CDNCS also answers queries (by telephone and email as well as official requests) sent in by various participants in public procurement procedures.

Additionally, the Ministry of Finance's website offers functionalities such as a legal provisions search or online SPP training²⁹. By the end of 2019 there had been 10 sensitization talks, as well as training sessions involving 850 public sector employees connected with

administrative procurement and/or SPP-related procedures. Efforts made to promote the adoption of sustainable criteria and quality standards in public procurement procedures are extremely relevant for the strengthening of the capacities of public servants connected both directly and indirectly with procurement procedures.

At the moment, Costa Rica has not reported a mechanism for cost reduction monitoring regarding sustainable goods. The country does not have a specific budget for SPP implementation. Despite its progress, in its self-analysis the country recognizes some voids and weaknesses:

- *Not enough control due to the high quantity of procurement systems in the country. This is connected with the diversity of legal provisions as well as with operative decentralization.*
- *A need to strengthen the Rectorship in Public Procurement in the Ministry of Finance.*
- *A general lack of knowledge of procurement procedures in most of the country's public institutions.*

Tools

Costa Rica has MECS (Spanish initialism for Matrix for Evaluation of Sustainable Criteria), a valuable tool to assess suppliers' compliance with criteria in SPP procedures. This tool takes into account the product lifecycle analysis method and other environmental aspects such as energy consumption and recycling of materials, among others. The institutions of Costa Rica's central government have the obligation to use it when composing their procurement documents and assessing bids.

Another tool worth mentioning is the creation and depuration of Technical Datasheets, done thanks to a team composed

by staff of CDNCS' Technical Office and technicians from ICE (Spanish initialism for Costa Rican Institute of Electricity), MINAE and RACSA (Spanish initialism for Radiográfica Costarricense, S.A.). More than 500 datasheets were composed for products such as industrial and home fridges, light fixtures and A/C units. It is compulsory to use these datasheets to ensure that energy efficiency-certified products are acquired³⁰.

Lastly, it should be mentioned that the financial sector, through national commercial bank and development banking, favors priority treatment for projects led by women, senior citizens, persons with disabilities, young entrepreneurs, associations for development, cooperatives, and micro- and small-sized enterprises consortia, as well as projects in areas with a lesser relative development.

Monitoring and measurement

Despite the existence of tools such as MECS, Costa Rica does not currently have a specific mechanism for monitoring or measuring results, or to estimate SPP-related savings. However, information relating to SPP procedures can be accessed in the country's electronic public procurement system. In this way, official data on those procedures can be obtained.

SPP implementation level and SDG alignment

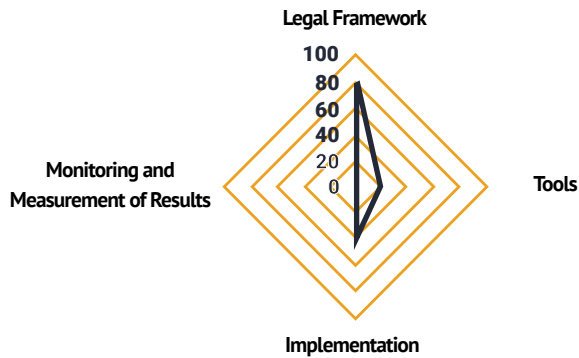
The existence of provisions at several levels, concrete actions and technical tools for SPP implementation place Costa Rica at Level 3 (High).

The country's solid legal framework, which facilitates the adoption of sustainability criteria in public procurement; the tools related to procurement that ensure energy efficiency; MSME promotion; and supplier training aiming to foster the development

of a sustainable market in the country via State procurement, show a clear alignment with SDGs 8 and 12, while the strengthening of the financial sector through national commercial banks and development banking in order to favor projects led by women contributes to reaching SDG 5.



ECUADOR



Legal Framework

In its Constitution (Second Section, Articles 14 and 15), Ecuador acknowledges “the population’s fundamental right to live in a healthy, eco-balanced environment that ensures sustainability and well-being”, and that “both in the public and private sector, environmentally clean technologies and alternative, non-polluting, low-impact energy sources shall be promoted”. In particular, it is worth mentioning that Article 288 recognizes the fact that the State’s purchasing power is a strategic element, stating that public procurement must comply with criteria taking into account efficiency, transparency, quality, and environmental and social responsibility, and that national products and services shall be prioritized, in particular those produced through a popular and solidarity economy.

To give a full account of the legal framework for sustainability criteria implementation, mention must be made of the National Development Plan “A Whole Life 2017-2021³¹”, the Organic Charter of the National Public Procurement

System and Executive Decree No. 1515 on Technological Validity.

The Organic Charter of the National Public Procurement System states that in all procedures within the scope of the provisions there will be preference for a bidder (whether this involves goods, works or services) that includes the highest quantity of Ecuadorian-origin components, or actors from popular and solidarity economy and MSMEs³². In this line, the Plan “A Whole Life 2017-2021” includes among its principles national participation, whereby it is stated that calls for bids shall have rating criteria encouraging and promoting local and national participation through a margin of preference for local and national suppliers of works, goods and services, including consulting, besides the preference for goods, works and services from Ecuador, as well as participants in popular and solidarity economy, and micro-, small- and medium-sized enterprises.

“The State of Ecuador, aiming to continue consolidating public procurement that can ensure the best Value for Money, seeks to continue promoting SPP, which generates multiple benefits, such as financial and energy savings; a greater inclusion of popular and solidarity economy, represented by AEPS (Spanish initialism for Members of Popular and Solidarity Economy); MSME issues; an improvement in the services offered; and location-based preference”³³.

Currently, Ecuador is undergoing a reform process of the Law of Procurement aiming to expand the concept of responsible, sustainable



procurement, going beyond the efficient use of energy and water. Besides, it is encouraged to prefer local businesses and national food products, establishing that minor procurement must be preferably granted to MSEs registered under AMPYME (Spanish initialism for Micro-, Small- and Medium-sized Enterprise Authority).

Actions towards Implementation

Ecuador has focused its SPP efforts on purchasing national production through granting priority to AEPYS (Spanish initialism for Popular and Solidarity Economy Actors) MSMEs and location-based preference.

There is also an “inclusive catalog” containing services such as maintenance, cleaning, food preparation, construction, barista, among others. Goods include textiles, food, shoes and metal-mechanic manufacturing, among others. Trial innovation procurement is currently being done.

SERCOP (Spanish initialism for National Service of Public Procurement), the governing body for public procurement, is currently promoting a competency certification program for people working in the procurement area, thus adding to their technical skills. This competency certification is delivered face-to-face with online/f2f refresher courses focused on an integrated normative management of public procurement. In 2018, SERCOP trained 7,660 public servants and 2,684 employees of companies that are providers to the State³⁴.

According to the report provided by Ecuador, a cost reduction strategy for sustainable goods and services has not been developed yet.

At the moment, Ecuador does not have a listing with institutions involved in its SPP strategy implementation process.

At the moment, neither a budget nor a specific deadline for implementation has been reported for the implementation of the SPP strategy.

Tools

Ecuador has developed a tool for SPP implementation which is the adoption of the technological validity principle in computing equipment, printing equipment, vehicles and medical supplies in order to ensure effective compliance with the ultimate goal of the purchase, from inventory entry to the end of the products’ predictable lifespan, as well as the possibility of adaptation, integration, boosting and replacement, as appropriate, following scientific and technological advances.

Monitoring and measurement

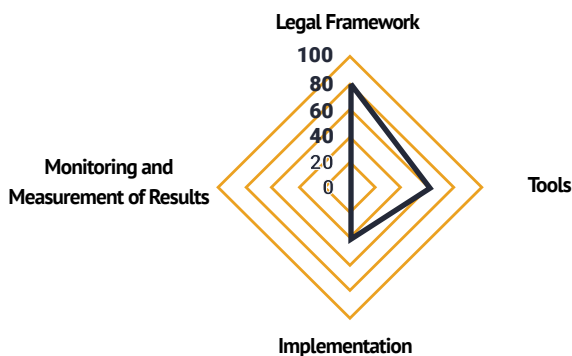
At the moment, neither monitoring nor results measurement mechanisms have been reported for the implementation of the SPP strategy.

SPP implementation level and SDG alignment

Ecuador’s National Public Procurement System applies different types of preferences related to national production and MSME development at both the national and local level. Thanks to recent years’ progress in terms of national business promotion, social inclusion and technological validity principles, all of which contribute to economic, social and environmental sustainability, the country is at Level 3 (High) in SPP implementation, and is aligned with SDGs 8 and 12, under the high legal referent of the National Constitution



EL SALVADOR



Legal Framework

The Constitution of the Republic of El Salvador³⁵ reads: “The State shall adopt population policies with the aim of ensuring the greatest wellbeing to the inhabitants of the Republic”. It also recognizes that “It is the State’s duty to protect natural resources, as well as the environment’s diversity and integrity, in order to ensure sustainable development”³⁶. These mandates are the normative basis for the adoption of sustainability criteria in public procurement procedures.

LACAP (Spanish initialism for Law of Acquisitions and Procurement in the Public Administration) and its Regulations (RELACAP) recognize criteria for efficiency and quality in public procurement procedures, besides calling entities’ responsibility to determine a social or environmental viability threshold for the acquisition to take place. In March 2019, via Decree 240, LACAP adopted a new provision demanding that institutions must allocate 25% of their annual purchasing budget for national MSMEs, and 10% for MSMEs led by women.

The Annual Policy for Acquisitions and Procurement in Public Administration Institutions 2019 is an executive document created by the governing body for public procurement, UNAC (Spanish initialism for Normative Unit for Acquisitions and Procurement; Ministry of Finance). The document was approved by the Ministry of Finance and later by the Cabinet (Executive Branch). This document adopts sustainable criteria in procurement of works, goods and services conducted by the State in the following ways:

- *When goods and services are procured by the Public Administration a price-quality relationship must be ensured, and the greater Economic Value³⁷ must be taken into account, so that there are benefits not only for the institution, but also for society and the economy, while minimizing damage to the environment. SPP can be approached from the environmental and social responsibility aspects.*
- *Complying with efficiency, transparency, quality, and social and environmental responsibility criteria.*
- *Including sustainable criteria in procurement instruments by establishing requirements and conditions favorable to environmental protection, while aiming for a balance between market conditions and institutional budgets.*
- *Prioritizing acquisition of products with a longer lifecycle, in bulk, rechargeable, reusable or repairable. Also, the proper ultimate disposal must be taken into account.*



- *Acquiring goods which have their own maintenance service and warranty and which comply with quality, sustainability and energy efficiency criteria, where applicable.*

Some voids or obstacles identified are the following:

- a) There are no specific provisions in the Law of Procurement (or elsewhere) supporting SPP.
- b) There is no penalty framework applicable to a failure to promote SPP.

Actions towards Implementation

As for initiatives conducted and progress made by El Salvador as regards SPP, the following can be mentioned:

- *In February 2015, the Annual Policy for Acquisitions and Procurement included the requirement to adopt sustainable criteria in procurement instruments.*
- *During 2017 and 2019, Letters of Understanding between CONAMYPE (Spanish initialism for National Commission for Micro- and Small-sized Enterprises) and UNAC.*
- *In August, 2017 the Campaign for Gender Inclusion (female-male) was promoted in order to identify participation of businesses led by women in the Suppliers Register of the COMPRASAL e-system.*

In matters of training, the country has conducted the following actions:

- *Training for the Manual for Procurement of Energy-efficient Equipment, in 13 sessions delivered to over 700 public servants involved in public procurement.*
- *Training for Instruction No. 02/2015, “Rules for adopting sustainable social*

responsibility criteria for prevention and eradication of child labor in public procurement.” Purchasing entities and suppliers participated.

- *Circulation among purchasing units of the Annual Policy for Acquisitions and Procurement with the SPP clause.*

As for technical capacities, relevant previous knowledge was acquired through the support provided by INGP and its workshops.

The following institutional alliances with the provinces can be mentioned:

- *Ministry of the Environment and Natural Resources*
- *MTPS (Spanish initialism for Ministry of Labor and Social Security)*
- *Energy Efficiency Department, CNE (Spanish initialism for National Energy Council)*
- *ILO (International Labour Organization) and CSTS (Spanish initialism for Workers’ Unions Federation of El Salvador)*
- *CONAMYPE*
- *FUNDEMAS ORG*
- *SC (Spanish initialism for Superintendence of Competition)*

In 2016, as part of technical assistance³⁸ given by INGP with the financial support of Canada’s IDRC (International Development Research Centre), a market analysis for SPP implementation was conducted where the prioritization of the following categories of goods and services was identified, according to the Salvadoran context: (i) restaurants and catering; (ii) computing equipment and accessories; (iii) paper products; (iv) advertising; and (v) passenger transport.

Nevertheless, there are still no implementation deadlines or goals, and it has not been determined yet which are the goods and services where the process should start. There is no specific budget for SPP strategy implementation.

Tools

The following technical instruments may be mentioned as tools, both adopted and in progress:

- *In 2014, the “Manual for Energy-efficient Equipment Procurement” was created and publicized by UNAC and CNE (Spanish initialism for National Energy Council).*
- *The following year, Instruction No. 02/2015 was created, under the title “Rules for adopting sustainable social responsibility criteria for prevention and eradication of child labor in public procurement.”*
- *A Letter of Understanding is signed between SC (Spanish initialism for Superintendence of Competition) and UNAC with a view to promoting participation of MSEs in public procurement*

Monitoring and measurement

At the moment, there is no strategy to reduce or control the cost of sustainable goods and services. There are also no monitoring or measurement mechanisms to assess any impact of SPP implementation advance.

SPP implementation level and SDG alignment

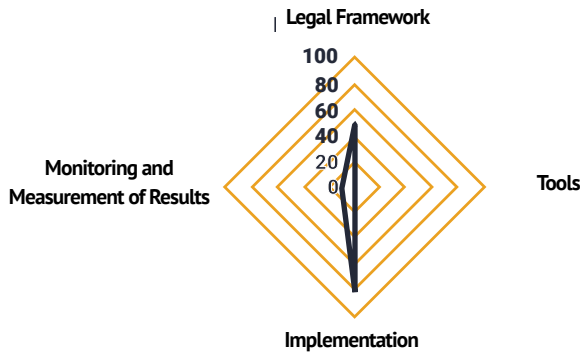
El Salvador has experienced a remarkable strengthening of its legal framework over the last few years. Although public procurement works under an operative decentralization structure, the governing body has made efforts for rules centralization to reach all public institutions (over 300 in total), including

municipalities and autonomous/decentralized entities, which has sparked an interest in sustainability. Institutional strengthening, along with valuable normative instruments, such as the Procurement Policy authorized on a yearly basis by the Cabinet or the Instructions regarding child labor eradication, indicate a commitment with SPP implementation at Level 3 (Advanced).

As for SDG alignment, the inclusion of provisions in the legal framework to ensure that a percentage of public institutions’ budgets go to MSMEs, as well as an exclusive participation of those led by women, clearly contribute to Goal 5 and Goal 8 since they promote conditions tending towards gender equality and foster a sustained economic growth through MSMEs promotion. Additionally, Instruction 02/2015 (“Rules for adopting sustainability criteria for prevention and eradication of child labor in public procurement”, and other sustainability criteria in the annual procurement policy, confirm the alignment of Salvadoran public procurement with Goal 8, with an emphasis on decent job creation (child labor eradication) as well as with Goal 12, which is connected with ensuring SPP practices in the country.



GUATEMALA



Legal Framework

Guatemala has a Law of State Procurement; nevertheless, in order to promote the country's productive and economic development, Initiative No. 5530 has been introduced, under the title "Law for Promoting MSMEs", with the purpose of "promoting and developing MSMEs producing goods and providing services, as well as facilitating formalization, competitive development and job creation."

This Law includes a specific provision on participation of MSMEs as providers to the State, which reads: "In their procurement procedures, State institutions and agencies must include

among rating criteria the fact that goods or services be provided by an MSME duly registered in the GUAATECOMPRAS electronic system. At least 15% (fifteen percent) of their total acquisitions should be granted to an MSME." The aim of these provisions is to promote public procurement as a driver of development.

As for Guatemala's development plan, the "General Government Policy 2016-2020"³⁹ which establishes a roadmap for governments for the next years, steering national development according to social, economic, environmental, institutional and land-planning priorities.

One of the development axes in the Plan is "Natural resources today and in the future" (Chapter 13), which states that sustainable development cannot be conceived without proper management of the environment and natural resources. This axis makes visible the need to protect and leverage natural resources in a balance with social, cultural, economic and landplanning development, allowing to satisfy current and future demands on the part of the population in a context of sustainability, especially when confronting natural phenomena and their impact.

Goals, results and guidelines are organized based on priorities connected to that development axis in the following way:

- *Adaptation to climate change and mitigation thereof.*
- *Conservation and sustainable use of forests and biodiversity for adaptation to climate change and mitigation thereof.*
- *Sustainable management of water resources in order to achieve social, economic and environmental goals.*



- *Agricultural technification and family agriculture for food safety with cultural, ethnic and age relevance.*
- *Land planning for the sustainable use of natural resources, agricultural production and adaptation to climate change and mitigation thereof.*
- *Agricultural production for food safety.*
- *Integrated, participatory management of solid waste*
- *Sustainable management of marine-coastal systems, Ramsar sites⁴¹ and lake and river systems, taking into account ethnic, cultural and age relevance.*
- *A greater share of renewable energy in the energy matrix*

Actions towards Implementation

Among the State’s actions, mention can be made of the initiative on public investment through works, for which, besides taking into account the “Analytical Review on the Environmental Impact Assessment”⁴² published by the Ministry of the Environment and Natural Resources, work is being done with COST-Initiative for Infrastructure Transparency, which requires that calling entities should include in their projects the Environmental Impact Assessment, allowing to determine the effects the investment will have on the environment. This is done with the purpose of reducing the environmental impact of public investment. The research and the analytical review are required by the public procurement e-system GUATECOMPRAS⁴³ when publishing the call for bids.

As regards goods and services⁴⁴, there is no instrument or mechanism to include sustainability criteria within the procurement requirements. However, Guatemala has made

the following progress in terms of implementing environmentally-friendly measures:

- *Governmental Agreement 189-2019 banning the use and distribution of disposable plastic products (single-use plastic bags, straws and cups). Article 2 establishes a two year period for all natural or juridical persons to replace those products.*
- *FEL (Spanish initialism for Electronic Reverse Invoice), a measure taken by the Superintendence of Taxing Administration of Guatemala in order to reduce invoicerelated paper use. In order to encourage its use, the General Direction for State Procurement requested from all State agencies that they include among the conditions of requests for quotes or public tenders the requirement that the winning bidder should issue a FEL invoice.*

In the context of the challenges and needs identified connected with SPP implementation, the General Direction for State Procurement is seeking the support of the Superintendence of Taxing Administration, the Ministry of the Environment and Natural Resources, the Ministry of Economy, and the Presidency’s Planning and Programming Office, with the purpose of developing an Action Plan for Sustainable Public Procurement.


At the moment, there is no specific budget to implement SPP.

Tools

In Guatemala, there are no specific manuals, guides or training courses for SPP implementation. There have been no training activities for employees.

Monitoring and measurement

Specific monitoring or measurement mechanisms to assess any impact of SPP



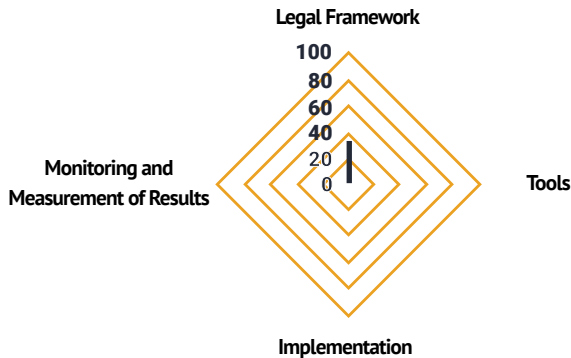
implementation advance have not been reported.

SPP implementation level and SDG alignment

The General Government Policy and the National Plan, as well as forest and biodiversity protection provisions bear witness to a movement towards the protection of the environment and natural resources. Guatemala is at Level 3 (Advanced) in terms of SPP implementation. Sustainability initiatives connected with environmental protection, especially those related to public investment materialization, are proof of the country's alignment with Goal 12. Additionally, the country is starting a legal reform process including specific regulation for promoting MSMEs in public procurement, which would lead to further alignment with Goal 8.



GUYANA



SPP implementation level and SDG alignment

Due to the fact that the initiative to reform its own legal framework is still undergoing its initial stages, Guyana is at Level 1 (Low) in terms of its advance towards SPP implementation, and there is no clearly discernible alignment with the SDGs.

Legal Framework

While Guyana has a Law of Public Procurement⁴⁵, it does not have at the moment specific provisions relating to SPP in its public procurement legal framework. It also does not have initiatives to implement sustainable criteria through procurement procedures. Nevertheless, recommendations have been made to include SPP criteria, besides other measures now being composed at the National Attorney General's Office

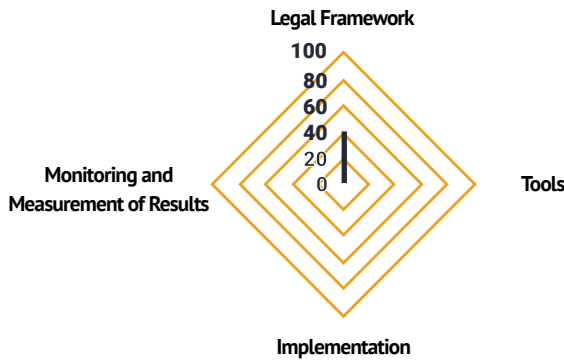
Actions towards implementation and Tools

Guyana has not reported any information regarding implementation actions, technical support from other institutions, management tools, allotted budget or monitoring and measurement of SPP implementation.





HAITI



Legal Framework

The Constitution of Haiti refers to the environment in Title Nine, Chapter 2. Article 253 reads: “Since the environment is the natural framework of the life of the people, any practices that might disturb the ecological balance are strictly forbidden.” The Law of Public Procurement establishes general rules on the matter (as well as Cession Agreements for public services), while acknowledging that good governance and sustainable development are especially supported by the application of transparent financial procedures.

Currently, Haiti is seeking to improve its public procurement system through various initiatives such as the adoption and publication of general rules on public procurement and cession agreements for public works (December 2004’s Decree is thus replaced).

The evolution of the legal framework went from June, 2009 to September, 2013. This period saw the publication of the execution orders for the Law of Public Procurement, the Procedures

Manual, the standard public tender documents (depending on their nature) and a standard document for assessment of public tenders. Nevertheless, no specific SPP provisions were considered when preparing these documents.

There is an ongoing reform process in Haiti whereby steps will be taken to introduce in the Law and other provisions mandatory measures in connection with sustainability in public purchasing agents’ procurement of goods, services and work.

Implementation, Tools and Monitoring and measurement

At the moment, there have been no reports of concrete actions, tools or monitoring and measurement instruments to date.

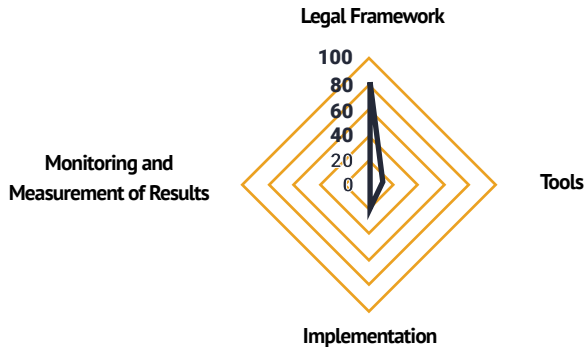
SPP implementation level and SDG alignment

Although Haiti’s progress in SPP implementation is in its initial stages, it will be acknowledged that the legal framework recognizes environmental protection and supports sustainable development. For this reason, the country may be placed at Level 1 of progress. As a conclusion, while the country is seeking to adopt sustainability criteria in public procurement, this is still work in progress, so an alignment towards SDG achievement cannot be established at the moment.





Honduras



Legal Framework

In Honduras, sustainability-related legal provisions started with the Environmental Law, the Regulations for the National Protected Areas System, and Presidential Agreement No. 921-97 which reads: “Sustainable or sustained increase: a progressive change process in human beings’ quality of life, making them the center and primordial subject of development through socially equitable economic growth, the transformation of production methods and ecological balance-based consumption patterns.” (Article 5, “Concepts”).

Specifically, in the Law of Public Procurement the country’s professional experience and capabilities are declared of public interest – literally: “the State shall take every measure necessary and convenient so that procurement is done with Honduran businesses and professionals to the greatest extent possible”⁴⁶. Additionally, the Law seeks to promote the country’s sustained growth by regulating aspects such as national business participation as subcontractor and knowledge transfer from

foreign to local companies and professionals (when this has been covered in the Terms of Reference)⁴⁷.

Executive Agreement No. 055-2002, regulating the Law of Public Procurement, states under Article 30 that alongside their offer, bidders must show proof that they are up to date in their payments to Honduras’ Social Security Institute. Also, Article 82 states that in the case of procurement of public works, this depends on environmental impact assessment if necessary, and an environmental license, when applicable⁴⁸.

In the same way, the Regulations for Solid Waste Management (Agreement 378-2001), mainly establishes a sustainability criterion: if a local government designates a private company for waste collection and transportation, in order for an agreement to be reached the local government must have Internal Regulations taking into account the Labor Safety Code of the Ministry of Labor and any restrictions in these Regulations.

The Law of MSME Competitiveness Development states in Article 25 a quota of up to 30% of budgets for State procurement awarded to MSMEs.





Actions towards Implementation

As for initiatives implemented in Honduras, a Social Procurement Catalog was created in 2012, and in 2015 there was a meeting with the Economic Development Office with the purpose of giving new impulse to the adoption of the Social Procurement Catalog

Tools

While still at an incipient stage, the country has reported that ecolabels have been researched for products that might be included in the e-catalog.

Monitoring and measurement

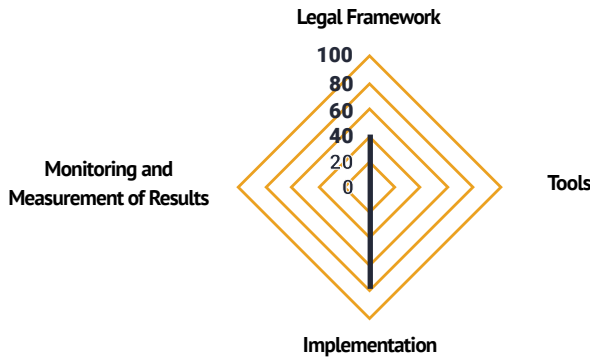
At the moment, monitoring and measurement mechanisms have not been reported.

SPP implementation level and SDG alignment

Honduras is at an Intermediate Level in its progress towards SPP implementation. The country's legal framework, though dispersed, has some elements such as the Law of MSME Competitiveness Development and the creation of a social procurement catalog, both of them a significant advance. The latter, combined with the specific inclusion of national businesses and professionals in agreements awarded to foreign companies, as well as provisions connected with social security and environmental assessment, contribute to the country's alignment with Goals 8 and 12.



JAMAICA



project stage. However, Jamaica highlights the following as a key object of the recently-enacted Public Procurement Act and the Special and Differential Treatment Measures:

- a) National margin of preference (MSME support)
- b) Compensations for suppliers from disadvantaged groups.
- c) Fixed sums applied to strengthen a certain class of suppliers previously identified as target, which provides incentives for greater participation on the part of disadvantaged economic agents.

Legal Framework

Jamaica’s legal framework includes the Public Procurement Act (2015); its amendment (2018)⁴⁹; the Public Procurement Regulations (2018); the Public Procurement Policy (National Margin of Preference, 2019); and the Public Procurement Policy (Set Asides, 2019).

In the new century, Jamaica has developed a set of outstanding policies in the matter such as the GOJ’s (Government of Jamaica) Environmental Policy for Ecological Procurement; the Policy on Strategic Environmental Assessment (SEA); the Construction Industry Policy; the Environmental Management Policy and Guidelines – Vision 2030 Jamaica; the Project on policies for special and differential treatment measures, in addition to the ones mentioned above.


Actions towards Implementation

It is not possible to provide a detailed action plan to apply sustainable public procurement measures, since the Policy is still at the

The Public Procurement Policy (National Margin of Preference, 2019); and the Public Procurement Policy (Set Asides, 2019), which these Special and Differential Treatment Measures will put into practice, are currently being presented before both Houses of Parliament. Jamaica acknowledges that sustainable public procurement is mainly linked to a “traditional” approach to ecological procurement. This can be seen in the Environmental Policy of the Government of Jamaica (GOJ) for Green Purchasing dated July, 2001. Green purchasing in Jamaica is a strategic approach for governmental operations to be more economically friendly through the development of accountability mechanisms and monitoring frameworks that may support the institutionalization of these activities.

This is an inter-ministry approach for the application of energy-efficient technologies and environmentally preferable products and





practices in a multidisciplinary, multi-annual project designed to improve energy efficiency, reduce waste, boost workers' productivity and save money. Jamaica has developed training and capability creation for public procurement professionals, suppliers, bidders, and all those involved in procurement so that both sustainable procurement and the importance of lifecycle cost analysis are understood. At the moment, a specific budget destined for SPP implementation has not been reported.

Tools

Specific tools for SPP application have not been identified.

Monitoring and measurement

At the moment, adoption of monitoring and measurement methods has not been reported.

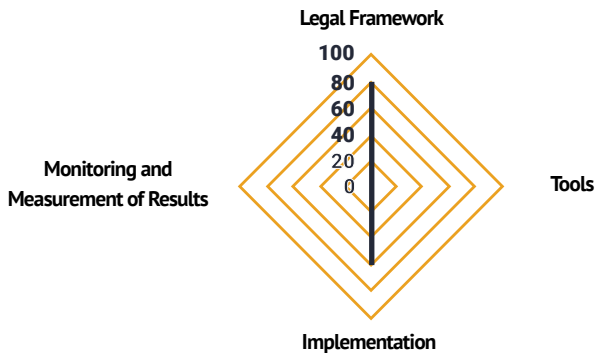
SPP implementation level and SDG alignment

As in most countries, a legal framework is a good starting point for progressing towards SPP implementation. Jamaica has reported a variety of legal provisions, among them sustainability-related policies. Energy saving mechanisms have also been developed, as well as new strategies for waste management. Based on all of these elements, Jamaica is at Level 3 (Advanced) in SPP implementation. This, together with the strengthening of MSMEs and suppliers from vulnerable groups, and a focus on green purchasing, show an alignment with Goals 8 and 12.





MEXICO



Legal Framework

In Mexico, the Higher Office of the Ministry of Finance and Public Credit has included within its National Development Plan 2019-2024⁵⁰ the promotion of socially responsible public procurement and the economic development of regions as major objectives in the context of the National Public Procurement System redesign.

Objective II. “To contribute to national economic development through public procurement with strategic supply and social responsibility, thus generating a greater participation of suppliers.”

To achieve this goal, Mexico has presented two strategies, one of which is directly linked to public procurement as a driver of development:

Impulsar la participación de las MIPYMES, cooperativas y empresas con responsabilidad social en las contrataciones públicas.

Through the strategy above, the country aims for public procurement to promote the welfare

of small-scale producers, generating conditions to drive their economic development, and seeking to strengthen and foster all environmentally, socially and economically responsible businesses through public procurement. As for the Mexican legal framework, the following have been mentioned:

- *Law of Procurement, Leases and Public Sector Services.*
- *Law of Public Works and Related Services.*
- *Regulations for the Law of Procurement, Leases and Public Sector Services.*
- *Regulations for the Law of Public Works and Related Services.*
- *Guidelines for the procurement of office paper by agencies and entities of the Federal Public Administration.*
- *Communication containing general guidelines relating to environmental sustainability aspects of procurement, leases and public sector services.*
- *Decree establishing various measures in procurement, paper use and sustainable forest management certification by the Federal Public Administration.*

Mexico is currently undergoing a reform process of its public procurement-related legal framework. Through this process, the country seeks to lay a foundation to open up its present reach to the wide array of implications stemming



from the concept of social responsibility in public procurement.

Worthy of mention is the work alongside INPI (Spanish initialism for National Institute of Indigenous Peoples) to develop a procurement strategy including indigenous producers in a more active way, thus contributing to their economic development, as well as supporting sustainability. This sector of the population offers goods and services produced in a sustainable, environmentally-friendly way.

Other entities providing support to implementation in Mexico are:

- *Higher Office of the Ministry of Finance and Public Credit*
- *Ministry of the Environment and Natural Resources*
- *INPI (Spanish initialism for National Institute of Indigenous Peoples)*
- *National Committee for Efficient Energy Use*
- *National Forestal Committee - Forest Fires Division*
- *Ministry of Economy*
- *National Digital Strategy Coordination*
- *INAES (Spanish initialism for National Institute for Social Economy)*
- *SADER (Spanish initialism for Ministry of Agriculture and Rural Development)*
- *INMUJERES (National Institute for Women)*
- *CONADIS (Spanish initialism for National Council for Development and Inclusion of Persons with Disabilities).*

Actions towards Implementation

As mentioned before, the country is collaborating with INPI (Spanish initialism for National Institute of Indigenous Peoples) and the Ministry of Economy to devise strategies and mechanisms aiming to drive the participation of cooperatives and small businesses from vulnerable groups. This is done to promote these groups' fiscal formalization, training and generally tend towards providing them with the conditions they need to enter the public procurement market.

As for defining goals, when it comes to the transformation of the National Public Procurement System, the objective is that at least 50% of the contracts awarded by the Federal Public Administration be granted to MSMEs or social responsibility businesses.

Mexico has already identified 10 goods and 5 services amenable to the adoption of sustainability criteria, although there must follow a revision to assess if these are appropriate for the current administration's policies. The country also has a solid program to support MSMEs. Through NAFIN (Spanish initialism for National Finance Entity), the Development Bank is used to pay suppliers promptly with the aid of e-invoices, which simplifies and promotes MSME participation.

Additionally, Mexico is part of the Pacific Alliance (PA), which seeks to promote a regional integration of Sustainable Consumption and Production (SCP). There is no specific budget in Mexico to implement SPP.

Tools

While not without a diverse legal framework including sustainability criteria, the existence of a specific manual or files relating to SPP has not been found.



Monitoring and measurement

In connection with strategies relating to cost reduction, communication and impact measurement and monitoring, Mexico is expecting the implementation of projects on the goods and services selected so that these items can be estimated.

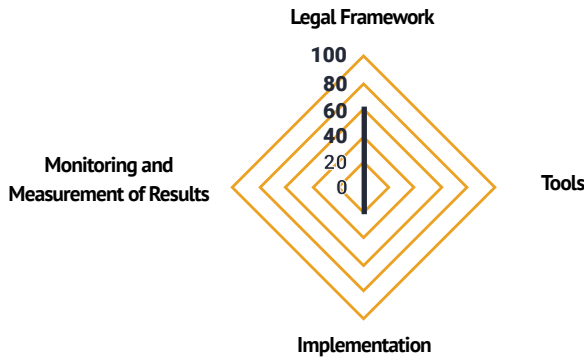
SPP implementation level and SDG alignment

According to the country's legal provisions relating to the environment, MSMEs, and other areas involving sustainability criteria, such as efficient energy use and recycling, as applicable to public procurement; and considering the target audience of communications, guidelines and other documents already in force, as well as their application, Mexico can be placed, due to its advance in implementation through concrete actions, at Level 3 (High) in its progress towards SPP implementation.

In connection with the actions implemented, MSME strengthening stands out, together with the promotion of jobs for persons with disabilities, vulnerable groups, and cooperatives. This creates conditions to promote these groups' economic development, seeking to strengthen and foster SPP's three dimensions: environmental, social responsibility, and economic. This is done in coordination with other governmental agencies. Consequently, the country is found to be strongly aligned with SDG 8 and, to a lesser degree, with SDG 12. The alliance with INMUJERES (National Institute for Women) allows to envisage an alignment with Goal 5.



NICARAGUA



Legal Framework

Nicaragua’s Political Constitution contains a provision regarding the need to adopt consumption and production patterns that ensure the vitality and integrity of Mother Earth, social equity among humans, responsible and empathetic consumption and an overall wellbeing for the community⁵¹.

Also, it is interesting to note that Nicaragua is one of the few countries where the concept of sustainable public procurement is defined in its public procurement Law. Article 2 of the Law (“Definitions”) states: “Sustainable Public Procurement: the inclusion of social, ethical and environmental aspects in minimum technical specifications, objective selection criteria and execution conditions of administrative contracts by Public Sector Entities and Agencies; these must be clearly included in the calls for bids and conditions.” Nevertheless, this definition does not imply that criteria must be adopted in public tender documents. In the same way, the National Human Development Program 2018-2021⁵² includes, among its main

axes, social development, gender equality, productive development and policies for the protection of the environment and natural resources. The cross-cutting axis of these is a gradual change in quality of life.

Based on the above, consistent development has led to actions for innovation and sustainability, which encourages responsible growth in the protection of the environment and natural resources.

Additionally, Guideline 9 of the National Strategy “Clean Living, Healthy Living, Lovely Living, Great Living!” promotes behavior patterns for consumption and waste disposal in accordance with judicious living, respectful of Natural, Environmental, Cultural, Personal, Family and Community Rights, aiming for a better Nation. The provisions mentioned above open up opportunities to establish the foundation and first steps towards implementing SPP development; however, it is important to have external support in technical, financial and technological aspects.

As regards public works, the Law of Administrative Procurement states that there must be prior research⁵³ of environmental impact, for instance soil studies, among others. In calls for bids and conditions, purchasing entities demand certifications or various other certificates that prove compliance with employer’s social security (unemployment insurance), hygiene rules, and safety and protection guidelines, both for workers and third parties involved. State contractors’ compliance with social security duties can be



seen as an additional tool to ensure social sustainability.

The Law of Administrative Procurement and the Law of Municipal Administrative Procurement establish that it is within the powers of the Governing Body of the Procurement Administration System to design, create and publicize policies or regulations including guidelines that take into account technical, economic and social aspects of sustainable procurement.

Actions towards Implementation

During 2015, following instructions given by the Higher Direction of MHCP (Spanish initialism for Ministry of Finance and Public Credit), and under the recommendation of MARENA (Spanish initialism for Ministry of the Environment and Natural Resources), a process was started for interinstitutional coordination during which it was decided that the DGCE (Spanish initialism for General Direction of Public Procurement) should be the counterpart of MARENA for drafting a document titled: “Diagnostic and Strategy for the Implementation of a Sustainable Public Procurement System.”

There is an emphasis on the need for a current diagnosis and subsequent creation of a public policy and a strategy for implementation. This requires, it is estimated, external funding. Currently, the document is in the Higher Direction of each Ministry for its approval.

Tools and Monitoring and measurement

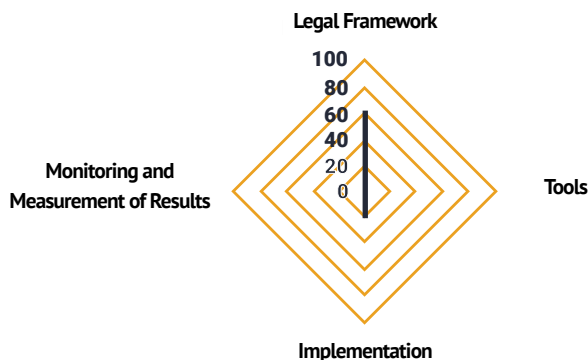
Nicaragua has not yet reported any tools for SPP implementation or monitoring and measurement systems.

SPP implementation level and SDG alignment

Based on the revision of basic aspects of the legal framework, considering that the concept of SPP is included in the public procurement Law, and in view that there is a Human Development Program including fundamental aspects such as gender equality, MSME development and environmental protection, Nicaragua can be placed at Level 2 in its progress towards SPP implementation, aligned with SDGs 5, 8 and 12.



PANAMA



Legal Framework

The concept of sustainable development appears in the Constitution of the Republic of Panama, a normative platform from which sustainable procurement is driven. While the country has regulations on environmental protection, it still considers itself to be in the initial stages of SPP implementation.

Among the actions already underway, improvements have been introduced in the legal framework⁵⁴, specifically in the case of rules that drive the promotion of MSMEs, which have preference in the event of a tie; efficient water and energy use⁵⁵; the construction of a social responsibility and sustainability system, aiming for the development of policies protecting Panama’s communities and environment and those of its citizens⁵⁶. However, there are still sustainable, social, environmental, human-rights and ethical criteria left to be adopted in public procurement procedures which could strengthen the SPP legal framework even more.

Meanwhile, the Procurement Regulations of the Panama Canal Authority (Agreement No. 24 dated October 4, 1999), states in Article 25 that the procurement plan shall take into account requirements relating to safety and the environment. Panama has reported that currently, initiatives to encourage responsible, sustainable procurement have been presented before the House of Representatives: a bill to modify the Law of Public Procurement promoting socially responsible, sustainable procurement. Under this bill, Panama’s General Direction of Public Procurement would establish and manage public policies encouraging State agencies to adopt sustainability criteria, energy efficiency and innovation in their procurement procedures, as well as social and ethical aspects.

The country is committed to the implementation of the National Strategic State-Vision Plan Panama 2030⁵⁷, which focuses on achieving UNDP’s SDGs in order to face challenges connected with natural resources, climate change, demographic change, globalization and social inclusion. Worthy of mention is the provision in Panama’s Law of Public Procurement encouraging competitive participation of micro-, small- and medium-sized enterprises in certain actions to select contractors performed by public institutions.

It is acknowledged that the protection of natural resources requires efficient water and energy use, so that in the event of acquiring equipment, calling entities must comply with the Index for Energy Efficiency drafted and regulated by the corresponding authority.



Actions towards Implementation

As for Panama's actions, one that stands out is the creation of a task force with organizations such as the Ministry of the Environment, the National Energy Office, the Authority for Micro-, Small- and Medium-sized Enterprises, CONADES (Spanish initialism for National Council for Sustainable Development), the Ministry of Economy and Finance, the Ministry of Commerce and Industry, UNDP, the Panamean Association of Business Executives, the Chamber of Commerce, Industry and Agriculture of Panama, and CAPADESO (Spanish initialism for Chamber for Social Development of Panama, seeking to start a pilot plan for energy efficiency.

While there is no market research identifying initial products or services, one of the goals is to establish, manage and publicize public policies which make it mandatory to adopt sustainability, energy efficiency and innovation criteria, as well as social and ethical aspects, in procurement instruments for works, goods and services. Panama has reported that training for officials in charge of public procurement in order to include sustainability criteria has been conducted. At the moment, no deadlines for SPP implementation have been established.

Tools

No specific tools have been reported.

Monitoring and measurement

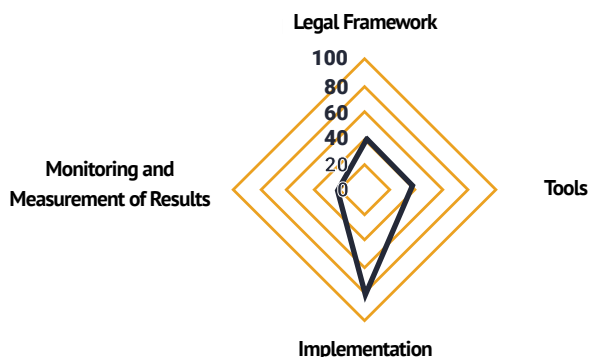
In terms of strategies to reduce or control the cost of sustainable goods and services, Panama has not reported specific advances. The same applies to the development of monitoring and measurement systems or mechanisms.

SPP implementation level and SDG alignment

First steps have been taken for an integrated legal framework reform process allowing to adopt sustainability criteria and implement SPP procedures. Considering the integration between the Strategic Plan – Panama 2030 document, the provisions of the Law for including MSMEs in public procurement, and environmental protection provisions, Panama can be placed at Level 3 in its SPP implementation; an alignment in terms of compliance with SDGs 8 and 12 can also be established.



PARAGUAY



Legal Framework

Paraguay's primary legal framework is the Law of Public Procurement (2051/03), which allows the adoption of sustainability criteria⁵⁸ (Article 4), while encouraging access of micro- and small-sized enterprises to public procurement (Article 7) and introducing procurement consolidation in order to obtain better conditions in terms of quality, price and opportunity for goods, works and services purchased (Article 16).

The above is supplemented by a Resolution by the DNCP (Spanish initialism for National Direction of Public Procurement) 1675/10 whereby the Sustainable Public Procurement Policy is approved.

Paraguay has identified a legal obstacle in the compliance/non-compliance assessment system in public procurement procedures, which makes it difficult to gradually adopt sustainable criteria by awarding extra points.

Actions towards Implementation

In terms of actions towards implementation, the following key internal agencies have been identified: the Direction of Development and Strategic Information, the Direction of Standards and Control, the Direction of Finance and Administration, and the Direction of Training. Other governmental agencies involved are the Ministry of Industry, the Ministry of the Environment, the Ministry of Labor, the Women's Secretariat and the National Secretariat for Human Rights of Persons with Disabilities. Private sector actors include the Paraguay Industrial Union, workers' unions and CECOEF (Spanish initialism for Center for Eco-efficiency) of the Paraguayan Association for Quality, as well as international agencies and networks such as INGP, IISD (International Institute for Sustainable Development) and IDRC (International Development Research Centre).

Additionally, there is a report on the national market for wood-derived products (furniture and printing paper) and healthcare products, made with the support of the SPPEL Project of UN Environment. The groups of products analyzed by Paraguay are: paper materials and products; electrical supplies, components and accessories; cleaning supplies and equipment; and office supplies, equipment and accessories.

An update of standard calls for bids means that, as from 2020, 100% of public tender procedures include general sustainability criteria, and guidelines have even been included relating to Responsible Corporate Behavior, also with an impact on 100% of the bidding processes⁵⁹.



Through the implementation of a “sustainable icon”, sustainable clauses, criteria and requirements are rendered more visible in the calls for bids, whether mandatory (if in the standard sections of the document) or voluntarily included by the calling entity.

Paraguay has launched several successful pilot public tenders which are becoming standard practice for public procurement. One of these is the pilot public tender carried out together with IISD, supported by IDRC and OAS, for the construction of social housing and training on interior lighting.

Also, progress has been made in mechanisms for procurement of national production with margin of preference and procurement by item. Support for MSMEs has contributed to creating a synergy with funding institutions, improving the payments system and delivering training for suppliers⁶⁰.

All SPP procedure information is aggregated in an exclusive subsite within the DNCP portal which is used to disseminate key information. DNCP is ISO 14001 certified (Environmental Management Systems) and owns a “wood” in a national park as part of its Lead by Example awareness raising strategy.

The country has highlighted the following implementation actions:

1. Strategic level:

- *SPP Policy Introduction. A new, updated Sustainable Public Procurement Policy was created. The Policy considers the three dimensions of sustainability (environmental, economic and social) and includes the principle of Value for Money as well as concepts such as circular economy, innovative public procurement and responsible corporate behavior.*
- *Senior management commitment: ISO 14000*

certification (Environmental Management) in DNCP.

- *Sensitization and communication.*
- *Strategic alliances: ITAIPU Binacional, Vice-ministry of MSMEs, Procicla.*

2. Operational level:

- *Supplier training.*
- *Salesperson development.*
- *FINANPYME: agreement with private-sector financial entities.*
- *Benefits for MSMEs in Electronic Reverse Auctions.*
- *Monthly MSME training:*
 - *Supplier development program: Standard sustainable criteria by item, manuals for Purchasing Units.*
 - *Enforceability assessment and analysis.*
 - *Success stories in Paraguay:*
 - *Procurement of paper through a ✓ Framework Agreement (mandatory)*
 - *Standard Call for Bids for cleaning ✓ services (mandatory)*
 - *Standard Call for Bids for security and ✓ surveillance services (mandatory)*
 - *Procurement of blankets for prisons from ✓ indigenous suppliers*
 - *Social housing construction ✓*
 - *Simplified procurement procedure and ✓ national policies promoting local, family agricultural business access to public*

✓ *procurement*

through procedures for procurement of
✓ *food (mandatory).*

Itemized procurement mechanism for
✓ *nationally-produced goods (mandatory).*

On a monthly basis, supplier MSMEs receive training; there are also training events in the provinces for non-supplier MSMEs. Training sessions for purchasing agents have also been conducted to introduce the concept of sustainability and its importance. Operationally speaking, buyers have received training, and courses on SPP have been delivered to 100% of the Purchasing Units of State agencies, as part of a Supplier Development effort. Supplier development has additionally been considered through incentives such as:

- *FINANPYME: Agreement with private-sector financial entities. Information provided to facilitate MSME access to credit.*
- *Benefits for MSMEs in electronic reverse auctions.*
- *Monthly training for MSMEs.*
- *Supplier development program through workshops, with the aim of leveraging their management in three (economic, social and environmental) dimensions.*

At the moment, there is no specific budget allotted in Paraguay to implement SPP.

Tools

In Paraguay, the strategy to reduce or control the cost of goods and services is to apply e-catalog procurement mechanisms in Framework Agreements, as well as Reverse Auctions.

Monitoring and measurement

It can be seen in the Paraguay report that, to measure and monitor the advance in SPP implementation, the country uses as a metric the percentages of sustainable contracts awarded (both in quantity and amount) versus the proposed goal.

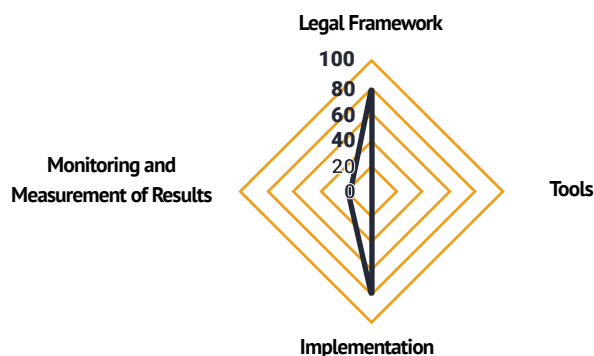
SPP implementation level and SDG alignment

Paraguay's legal framework is a good starting point for Paraguay; actions undertaken are substantial; there are implementation tools as well as an SPP measurement and monitoring mechanism; there is a specific area of SPP in the DNCP portal. For all these reasons, the country is at Level 3 (High) in its progress to SPP implementation.

Additionally, Development Plan 2030 is underway, and its Committee for the Implementation of the 2030 Agenda, seeking to ensure transparency and efficiency in public management and public expenditure, enjoys access to explicit legal provisions clearly allowing to apply sustainability criteria in public procurement, based on best quality, price and opportunity conditions as a premise, which shows a clear alignment with SDGs 8 and 12.



PERU



Legal Framework

In Peru, public procurement is governed by the Law of Public Procurement and its Regulations, dated January 30, 2019. These legal provisions are oriented towards maximizing public resource value and promoting a results-based management approach for procurement of works, goods and services, so that it is done in a timely and under the best price and quality conditions.

The Law includes the Principle of Environmental and Social Sustainability, stating that “Design and development of public procurement procedures takes into account criteria and practices contributing to both environmental and social protection and to human development.” The Regulations of the Law state that during the requirement development stage, public entities may include features and/or functional requirements connected with social and environmental sustainability. Meanwhile, the Regulations of Peru’s Law of Procurement grant preference, in case of a tie, to MSMEs composed by persons

with disabilities or to consortia entirely formed by enterprises like these.

Actions towards Implementation

A possible way to unify the application of sustainability criteria is an action carried out by OSCE (Spanish initialism for State Procurement Supervising Body) by disseminating standard documents for public procurement procedures. These documents, called Approved Standard Conditions, contain valuable assessment factors such as social protection and human development, employment of persons with disabilities and the “Safe enterprise, free from violence and discrimination against women” certification, as well as social and environmental sustainability.

A mechanism for applying pressure about, and complying with, sustainable duties of a social nature in Peru is to apply Supreme Decree 003-2002 TR (“Transitory and final provisions”) about terminating a contract made with a public agency based on a breach of the contractor’s duties related to labor and social security⁶¹.

Connected supporting institutions are the Project Steering Committee of SPPEL (Sustainable Public Procurement and Ecolabelling). Participants are representatives from five public entities: MINAM (Spanish initialism for Ministry of the Environment), MEF (Ministry of Economy and Finance), MINEM (Ministry of Energy and Mining), MTPE (Ministry of Labor and Work Promotion) and OSCE.



Another important element in Peru is the Pacific Alliance, which the country integrates. Participants are representatives from four public entities: APCI (Spanish initialism for Peruvian Agency for International Cooperation), MINAM (Ministry of the Environment), MEF (Ministry of Economy and Finance) and OSCE.

Under the project “Encouraging Supply and Demand of Sustainable Products through Sustainable Public Procurement and Ecolabel-SPPEL”, funded by UNEP (United Nations Environment Programme), Peru has conducted market research for four priority products: (i) paper; (ii) wood and laminate furniture; (iii) surveillance services; and (iv) cleaning services, with the purpose of confirming the supply of these products and services complying with sustainability criteria, as well as confirming the existence in the market of tools to verify those criteria.

There is also a preliminary SPP action plan whereby goals and deadlines have been defined for SPP implementation in the country. As a goal, social and environmental sustainability criteria have been established for cleaning and surveillance services.

As for training, OSCE trained 31,664 people in 2019⁶². This includes both procurement standards operators and members of the public interested to know how State procurement is conducted. In these training sessions diverse topics are developed, among them Assessment Factors, including social and environmental sustainability criteria.

Something relevant about Peru is 2015’s project “Regional Integration for the Promotion of Sustainable Consumption and Production in the Pacific Alliance”, which seeks to encourage regional integration in SCP (Sustainable Consumption and Production) in Alliance countries taking as an inspiration the experiences of Chile and Mexico. Supporting countries for this project are Mexico, Chile and

Germany, while Peru and Colombia are the beneficiary countries. In this context, research was conducted to suggest strategic products and services shared by Alliance countries. Three products were identified: furniture, printing/copy paper and vehicle, and two shared services: food services and printing services. Required sustainable criteria were defined, as well as an implementation methodology for them.

The budget for SPP implementation is a rough USD 164,308. This is composed by the financial contribution of UNEP (USD 74,206) and Peru’s contribution in kind, which comes from the Ministry of the Environment and OSCE (USD 90,102).

Tools

No strategies have been developed in Peru to reduce or control the cost of goods and services.


Monitoring and measurement

In terms of monitoring and measurement, Peru uses assessment factors related to social and environmental sustainability, taking into account:

1. Demand: Entities which adopt assessment factors related to social and environmental sustainability.
2. Supply: Suppliers which can prove compliance with assessment factors related to social and environmental sustainability (December, 2020).

SPP implementation level and SDG alignment

Peru has a diverse legal framework connected with sustainability at all levels: laws, regulations, policies, standard documents and international agreements. OSCE is the

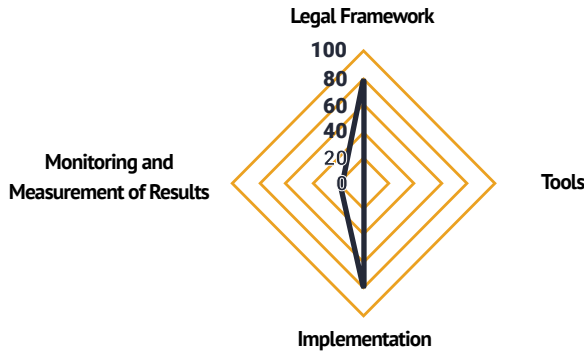


supervising body in charge of training and dissemination programs facilitating execution of SPP procedures.

Due to the country's legal framework leading to environmental conservation and to strengthening MSME participation and development, and especially due to the implementation of the certification "Safe enterprise, free from violence and discrimination against women", Peru can be placed at Level 3 (High) in SPP implementation, aligned with SDGs 5, 8 and 12.



DOMINICAN REPUBLIC



Legal Framework

The Dominican Republic shows considerable progress in the matter. The country’s Law of National Development Strategy establishes as a goal to enhance the quality of public expenditure by giving priority to the social dimension of human development, among other mechanisms. The Dominican Republic incorporates environmental sustainability in State management through public procurement based on sustainable consumption and use practices. The Strategic Plan of the governing body for public procurement, DGCP (Spanish initialism for General Direction of Public Procurement) hinges around, among other axes, “encouraging inclusive access to the SPP market from an economic, social and environmental perspective.”

The country’s legal framework is based on the Constitution of the Republic, the Law of National Development Strategy, the Law on Procurement with its amendments and regulations, the Law on the Environment and Natural Resources and the Law for the Regime

Regulating MSME Development and Competitiveness, among others.

Nevertheless, the country has seen an obstacle in how dispersed SPP provisions are, scattered throughout the legal system and across various legal ranks. Another obstacle is the pending amendment to the Law of Procurement so that binding, explicit environmental sustainability criteria are adopted⁶³.

Actions towards Implementation

The main actions conducted in Dominican Republic for SPP implementation are:

- *A Decree was issued for the exclusive procurement of agricultural products, which is a step forward for the country in terms of public market access for family farms and small-scale producers.*
- *A prequalification system for small-scale, family producers of up to one year; removal of offer maintenance guarantee and guarantee of seriousness; preferential payment; targeted and regionalized procedures, among others.*
- *DGCP’s Strategic Plan to foster transparency, equality of opportunities, and a lesser environmental impact of the goods and services acquired, taking into account the product’s lifecycle.*
- *Initiatives for the execution of the National SPP Plan:*



- Pilot SPP for electronic equipment (2017).
- Creation of a draft for the Rules for Sustainable Public Procurement.
- Training delivered to purchasing units in public institutions and State suppliers, etc.
- Reduced use of paper, time, logistics, carbon gas emissions, among others, thanks to the transactional portal used by purchasing units and suppliers.

The implementation team is formed by the Ministry of the Environment, the Ministry of Agriculture, ECORED, CONADIS (Spanish initialism for National Council for Development and Inclusion of Persons with Disabilities) and INDOCAL.

Strategies for SPP communication and supplier training become very important factors for SPP dissemination. In the Dominican Republic, these are carried out in the context of business rounds. A case in point is a training event done with the ECORED National Network for Entrepreneurial Support (2019) and a Social Responsibility pilot for 10 suppliers. DGCP's 2019 Communications Plan included publications on SPP in social networks and other media. The institution took on a greener approach to its social media, videos and data by including statistics on SDGs, environmental impact, and strategies for procurement of goods and services complying with environmental criteria.

In terms of internal training, the governing body of the Dominican Republic is focused mainly on purchasing units. A workshop was conducted including basic definitions and emphasizing the importance of SPP as a driver of development and for SDG achievement, as well as presenting sensitization strategies for suppliers. Basic information on SPP was delivered, including an educational video.

As for the country's implementation budget, a monthly DOP 500,000 (USD 10,000.00) has been reported, considering training sessions throughout the country for sensitization about Decree 168-19 and the articulation and launching of actions to favor family, small-scale producers, as well as training workshops on sustainable procurement.

Tools

Dominican Republic has not reported specific strategies to reduce or control the cost of sustainable goods and services.

Monitoring and measurement

In its report, Dominican Republic mentioned as a monitoring and measurement mechanism the collection and distribution of information on contracts awarded under a gender perspective (women) and MSMEs.

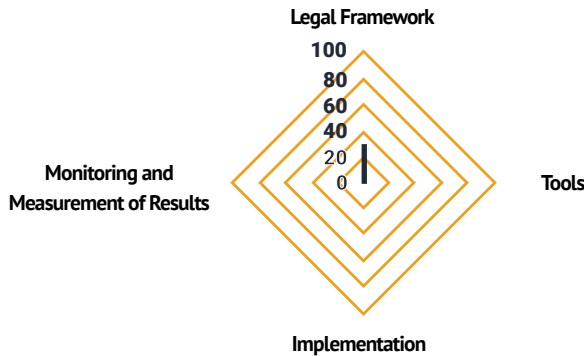
SPP implementation level and SDG alignment

As stated in the country's report, "Dominican Republic has focused on identifying and removing access barriers; conducting market research and statistical surveys; achieving procedure transparency; including a gender perspective; having a social impact approach; and providing technical support and training to the participants in SNCCP (Spanish initialism for National Public Procurement System)"⁶⁴.

In view of the above, Dominican Republic is at Level 3 (High) in terms of SPP implementation, and is strongly aligned with Goals 5, 8 and 12.



SURINAME



Legal Framework

Suriname is currently working on its public procurement legal framework. So far, a task force with IDB's technical assistance has composed a bill including all fundamental principles of Public Procurement and some Sustainable Procurement criteria. The document was presented for approval before Parliament in June, 2018, and is still undergoing the debate phase. The Parliament's internal Committee is revising it and the task force is awaiting comments.

At the moment, the country does not have a specific SPP policy, but rather some policies connected with the encouragement of sustainable development factors such as governance, the environment and labor.

Actions towards Implementation

The institutions involved in the implementation process are the Ministry of the Interior, the Ministry of Social Affairs, the Ministry of Health, and the Ministry of Labor, Technology and the

Environment. There is no budget approved for SPP implementation.

Tools

Market analysis has not been reported; goods or services with which it is a priority to make progress have not been defined; goals and deadlines have not been established; and manuals or guides have not been developed.

Strategies to reduce costs and implement measurement and monitoring systems are awaiting definition.

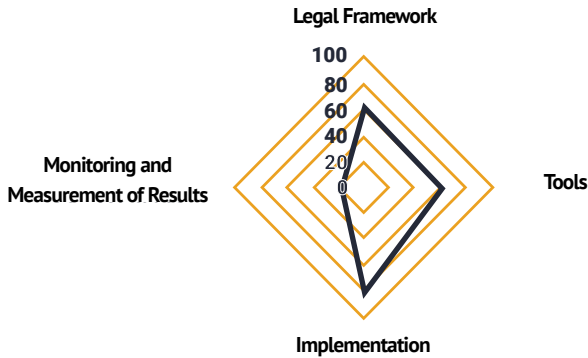
SPP implementation level and SDG alignment

Suriname is at an initial phase of SPP implementation. This process has started with the creation of a legal framework and the passing of the first bills. By applying the corresponding policies in matters of governance, the environment and labor, Suriname would place itself at Level 1 (Low) in its progress towards SPP implementation, although the country is still in too incipient a phase to establish an alignment towards SDG achievement.





TRINIDAD AND TOBAGO



Legal Framework

Trinidad and Tobago has a Public Procurement and Disposal of Public Property Act (2015), as well as provisions on Sustainable Development and Sustainable Procurement Guidelines developed by the Office of Procurement Regulation.

Actions towards Implementation

Among the initiatives conducted by the country, the 2020 Budget stands out, in particular the tax removal on LED lamps; the increase in fiscal credit for solar water heaters; the ban on expanded polyethylene and single-use plastics, which also requires that food packaging manufacturers must introduce additives to make their products biodegradable; the ban on plastic water bottles across government offices, among others.

Trinidad and Tobago has reported that the following institutions are crucial for the SPP process:

the Presidency, the Parliament, the Judicial Power, Ministries, the House of Assembly or a part thereof, a Municipal Corporation, the Regional Health Authority, a services committee, a corporate or consensual body established by the President together with a corporate body.

In terms of priority good and services, it is expected that public institutions purchase goods or services taking into account the following factors:

- *Considerations of Value for Money.*
- *Price, Quality, Availability and Functionality.*
- *Product lifecycle.*
- *Environmental aspects: effects on the environment of assets, goods, and/or services throughout their entire lifecycle (green purchasing).*
- *Social aspects: effects on matters such as eradication of poverty, inequalities in resource distribution, working conditions, human rights and fair trade.*
- *Sustainable or recycled materials/products.*

Trinidad and Tobago acknowledges the importance of creating technical training programs to develop SPP initiatives. It is considered fundamental to train and guide all stakeholders in procurement procedures so that they understand sustainable public procurement, including lifecycle analysis of goods.



There is no specific budget for SPP implementation.

Tools

The following tools have been reported as essential:

- *To communicate Policies clearly to all organizations in order to ensure that everyone is aware of the strategy.*
- *To conduct audits and periodical follow-ups in order to assess where organizations stand in the context of sustainable procurement, and determine opportunities for improvement.*
- *To highlight the commitment to sustainable development as part of the organizational policy.*
- *To cooperate with other organizations in order to learn from their experience.*
- *To group purchases together by creating purchasing consortia, if appropriate.*

Monitoring and measurement

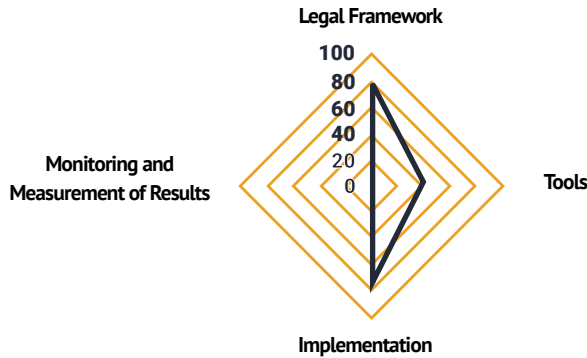
Trinidad and Tobago develops monitoring and measurement activities by controlling costs under the product lifecycle approach.

SPP implementation level and SDG alignment

Finally, according to the four assessment factors and the actions carried out by Trinidad and Tobago towards the implementation of sustainability criteria, the country can be placed at Level 3 (Advanced) in its SPP implementation. A subsequent conclusion is that the country is aligned with SDGs, particularly with Goal 12 and 8, considering the steps taken relating to follow-up and assessment of compliance with the standards included in the environmental and social legislation developed as Guidelines for Sustainable Procurement.



URUGUAY



Legal Framework

Uruguay’s SPP-related legal framework is composed by the Law on Prison Humanization and Employment of Persons Released from Prison; the Law on Public Employment of Persons with Disabilities; the Law on Energy Efficiency; the Decrees on Energy Efficiency Labeling; the Decree on Environmental Criteria for Vehicles Acquired by the State; the Law and Decree on Packaging Management; and the Decree on the Sustainable Public Procurement Policy.

Additionally, there is a program on public procurement for development seeking to strengthen suppliers who, due to their structural characteristics, are left behind (small- and micro-sized enterprises, family farms, etc.); as well as those suppliers requiring a considerable investment in order to develop. There is also a specific law on family agriculture establishing a marketsharing quota as a tool to prioritize the supply from partnerships of small-scale producers.

Uruguay’s ACCE (Spanish initialism for Agency for State Procurement), in collaboration with DINAMA (National Direction for the Environment) and UNOPS (United Nations Office for Project Services), took part of UNEP’s 10YFP program with the purpose of obtaining funding for the first SPP implementation activities; a strategic axis established for the 2015-2020 period. In 2015, Uruguay’s proposal was one of the three winners among 51 participants.

The corresponding project was developed between late 2016 and 2018, with the following achievements:

- *Instruments were developed in order to strengthen existing criteria.*
- *New criteria were defined for the short-, mid- and long-term and products were prioritized (printing/copy paper, cleaning services, wooden furniture, standard cars, A/C units, printers, computers).*
- *A Sustainable Public Procurement Policy was designed.*

In December, 2018, Uruguay’s Executive Power approved an SPP policy which, among other measures, created an SPP Advisory Board formed by agencies with competence in environmental, social and economic matters and coordinated by ACCE.



Actions towards Implementation

Uruguay has made progress in three greater aspects:

- 1) *A baseline has been identified in matters of sustainability and a strengthening proposal for already-existing criteria has been created;*
- 2) *New criteria for priority products have been identified, both cross-cutting and specific in nature; and*
- 3) *An explicit national SPP policy has been created and sanctioned.*

Additionally, Uruguay has recently approved technical standards on the Implementation of Energy Efficiency Criteria for Procurement of A/C Units in the context of the application of the SPP policy⁶⁵.

The implementation used the budget for the UNEP-funded project ended in 2018; the amount actually executed was USD 107,844. Currently, ACCE and agencies participating in the SPP Advisory Board have their own functioning budgets.

Tools

Uruguay has ACCE's technical team and the support of the SPP Advisory Board, composed by representatives from agencies with competence in environmental, social and economic matters. Participants are:

ACCE, UNOPS and the advisory board composed by:

- *National Direction for the Environment.*
- *Ministry of Economy and Finance.*
- *Ministry of Industry, Energy and Mining.*
- *Ministry of Social Development.*

- *General Direction of Rural Development.*

- *Planning and Budgeting Office.*

As for research on market-preparedness to offer sustainable goods and products, there is no market research yet, but there is a list of preselected goods (details: Table 2, Chapter IV of this document).

Uruguay's strategic plan for SPP aims to achieve an orderly and consistent legal framework, including identifying the criteria to be applied in procurement procedures and their incorporation into the public market logic.

The strategy for communication and supplier training is performed through ACCE's Suppliers Council and governmental agencies with competence in the matter.

Monitoring and measurement

Strategies aiming to reduce or control the cost of sustainable goods or services have not been reported, since at the moment mechanisms of evaluation and monitoring of SPP actions are at the design stage.

SPP implementation level and SDG alignment

Uruguay has a variety of legal provisions allowing to implement sustainability criteria in the country's public procurement procedures while including specific SPP policies, both optional and mandatory. The 10YFP funds that were executed gave the country a new impulse towards sustainability implementation by identifying goods and services and developing criteria in keeping with those in order to encourage a sustainable market. In view of the above, Uruguay is at Level 3 (High) in terms of SPP implementation, and is aligned towards achieving SDGs 8 and 12.

IV. Regional situation analysis

Table 1. Summary of SPP implementation level and SDG alignment by country

Country	Legal Framework		Actions towards implementation				Tools	Monitoring and measurement		Alignment
	SPP policy	Law / Regulations	Other policies or strategic plans	Pilots	Procedures with sustainable criteria	Budget	Manuals/ guides/ cost-reduction strategies	Measurement systems	Indicators	SDGs
Argentina		■			■		■			■
The Bahamas			■		■					
Belize			■	■	■	■				■
Brazil		■	■		■		■			■
Chile		■	■	■	■		■	■	■	■
Colombia		■	■	■	■		■		■	■
Costa Rica	■	■	■	■	■		■		■	■
Ecuador		■	■	■	■		■			■
El Salvador		■			■		■			■
Guatemala		■	■		■				■	■
Guyana		■								
Haiti		■								
Honduras		■			■					■
Jamaica		■		■	■					■
Mexico		■	■	■	■					■
Nicaragua		■	■	■	■					■
Panama		■	■	■	■					■
Paraguay	■	■	■	■	■		■	■	■	■
Peru		■		■	■	■		■	■	■
Dominican Republic		■	■	■	■	■		■	■	■
Suriname			■							
Trinidad and Tobago		■	■				■		■	■
Uruguay	■	■	■	■	■	■	■			■

High level

Intermediate level

Low level

No elements found in the country

GDS: ■ Aligned - ■ Not yet aligned.



According to the information collected from the 23 countries participating in this diagnosis, 20 countries have a legal framework for public procurement which facilitates SPP implementation; 21 countries have already performed implementation actions in the matter; 10 countries have implementation tools; and 4 countries have measurement and monitoring systems. Additionally, 3 countries have a specific budget allocated for the implementation of an SPP strategy. Lastly, 19 out of the 23 countries analyzed are aligned with the SDGs.

Generally, it can be observed that in the region there is outstanding work underway in terms of social and environmental sustainability, as well as MSME support, through SPP. Looking at individual information, countries such as Dominican Republic and Chile have specific programs to support MSMEs led by women. Paraguay is a regional referent in family agriculture⁶⁶.

Countries such as Costa Rica and Chile lead their respective subregions, followed by the significant advances of Dominican Republic and Uruguay. These countries' achievements serve as confirmation that adopting sustainability criteria in public procurement procedures is doable, and that the objectives set can be reached.

Legal Framework

As mentioned above, 20 out of the 23 countries analyzed in Latin America and the Caribbean have a legal framework (either constitutional or legislative) promoting or supporting the adoption of sustainability criteria: except for the Bahamas, Belize and Suriname, the remaining countries already have a Law of Public Procurement as well as other related or parallel provisions allowing the adoption of sustainability criteria in public procurement procedures. Among these three countries, Belize, while not having a specific

Law in the matter, stands out for having clear public procurement guidelines reflecting basic governing principles, as well as a variety of policies already implemented. This shows how legal integration can be used to overcome obstacles linked to a lack of specific legislation in the matter.

Sustainable criteria appear in a dispersed way in the countries' legal frameworks. For instance, environmental criteria are included in the laws or other provisions for environmental protection and social criteria appear in labor laws or development plans. It is necessary to adopt sustainable criteria under a single policy or directive in order to increase clarity and facilitate SPP implementation, so that the adoption of these criteria becomes the general rule for public procurement procedures.

In the case of the Caribbean countries, there is a need to have normative instruments supporting the adoption of sustainability criteria in their public procurement procedures. Among the challenges identified, a lack of priority afforded to the matter in the countries' public agenda may be mentioned, as well as a lack of political will. However, there is an incipient development in Belize, Jamaica and Trinidad and Tobago which would allow these three countries to become forerunners in the region.

Among the Southern countries of the region Chile stands out for its Direction of Public Procurement (ChileCompra), which has made efforts to shape through directives and in an executive way the main sustainability aspects to be adopted by bidders in their proposals, with the purpose of facilitating dealings with the State. Tardiness in paying invoices to State suppliers affects negatively MSMEs in particular, as these enterprises have to carry the financial burden of providing goods or services and then waiting for 60-90 days to receive the payment. Chile has managed to overcome this difficulty through Directive No.

03, “Payment to suppliers within 30 days”⁶⁷, which ensures payment deadlines and removes an entry barrier for this productive sector. Another relevant normative example is Costa Rica’s case, with the adoption of the first National Policy for Sustainable Consumption and Production (2018). This Policy stands out for bringing together international treaties or agreements which Costa Rica has signed with local provisions in a highly effective integrative move. Additionally, the fact that all the State institutions involved in the SPP implementation process are working in coordination and have reached a consensus lends more weight and bindingness to the Policy at the moment of its application. This is a good practice which several countries in the region are aiming to replicate.

Actions towards Implementation

Over the last few years, countries such as Chile, Colombia, Costa Rica, Paraguay, Peru, Dominican Republic and Uruguay have generated relevant results in SPP, thus becoming referents in the region through success stories and lessons learned. This has created a path of continued learning for other countries to follow.

The concept of Value for Money as applied to public procurement is at an advanced stage in Chile, Colombia, Ecuador and Paraguay. This innovative concept, necessary to make public procurement effective, is starting to be adopted by the rest of the countries. In order to implement this principle in the procedures, instead of “buying at the lowest price”, it is necessary to overcome the fear of potential objections or administrative sanctions on the part of controlling bodies.

As for specific SPP implementation budgets, Peru, Dominican Republic and Uruguay have a budget line allocated to this purpose. The remaining countries still face challenges regarding allocation of the financial and technical resources necessary to replicate

good practices and implement social, economic and environmental criteria in their public procurement procedures and thus make progress towards, and achieve, the goals proposed.

In most Latin American countries it has been determined which goods and/or services can be amenable to be acquired at the initial stage of the implementation of SPP procedures. In the Caribbean, only Belize has identified specific products. In general, it is recommended to start with goods or services with uniform technical features and commonly used. This favors the creation of standard technical documents; these products are also easy to find in the market.

The following table shows the goods and/or services selected by the countries to start implementing SPP:



Table 2. Goods or Services selected for SPP implementation

Country	Actions towards implementation
Belize	<ul style="list-style-type: none"> •LED lighting in public buildings and street lights •Solar energy for off-the-grid locations •Reduction of plastic products and expanded polyethylene •Recycled paper products •Construction of waste transfer stations •Centralized waste treatment unit
Brazil	<ul style="list-style-type: none"> •Energy efficient goods •Paper
Chile	<ul style="list-style-type: none"> • Paper • Vehicles • Computers and printers (electrical products in general) • Light bulbs
Costa Rica	6 open framework agreements on goods
Ecuador	<ul style="list-style-type: none"> • Computing equipment • Printing equipment • Vehicles • Medical equipment
Guatemala	Stationery
Mexico	10 goods and 5 services
Paraguay	<ul style="list-style-type: none"> • Paper materials and products • Electrical supplies, components and accessories • Cleaning supplies and equipment • Office supplies and accessory equipment • Furniture

Country	Actions towards implementation
Peru	<ul style="list-style-type: none"> • Paper • Wood or laminate furniture • Surveillance services • Cleaning services <p>Pacific Alliance:</p> <ul style="list-style-type: none"> • Furniture • Printing/copy paper • Vehicles <p>Strategic services:</p> <ul style="list-style-type: none"> • Food services • Printing services
Dominican Republic	<ul style="list-style-type: none"> • Event services (in DGCP and other institutions) • Technological equipment (progress has been made since 2016, with the publication of the Nortic A8 standard) • Event services (in institutions) • Paper • Technological and electronic equipment (all institutions)
Uruguay	<ul style="list-style-type: none"> • Integral cleaning of commercial property • Plastic products • Surveillance services • Computers, monitors and printers • Medicines for human use • Building and repairs: streets and sidewalks • Paper, forms • Foods from agricultural origin • Construction of roads and highways • Lamps • Textiles: garments • Paint • Vehicles • Thermometers • Computing services • A/C equipment • Water heaters • Office supplies

Lastly, a highlight among the actions carried out are the training sessions for sustainability criteria implementation, delivered with the purpose to promote MSME access, create equality of opportunities for women in public procurement procedures, and protect the environment and the good use of energy resources. These training sessions are considered a fundamental tool, since they deliver both knowledge and applicable techniques to participants. Peru's OSCE is a case in point, with nearly 31,000 people who have attended training programs.

Tools

The main tools developed have been technical in nature. SPP implementation manuals, guides for application of sustainable criteria, information sheets for goods or services, standardized or capable of being standardized, allow countries to take their first steps towards an alignment with Target 7 of SDG 12.

The tools already implemented, to a great extent from the countries analyzed, have the support of a robust legal framework or a general policy guiding their use or creation.

The Chilean case stands out, with two important tools for SPP implementation and the consequent contribution to SDG achievement. These tools have contributed to great achievements in the matter, namely: a) a digital transformation towards efficiency and less paper use, a basic tool that can be an example for other countries starting their implementation process, and b) the program to encourage women's participation in the Chilean public market by opening up the public procurement market to women entrepreneurs so that public procurement serves as a tool to reduce the gap implied in gender inequality.

Also worthy of mention is Costa Rica's work on its Matrix for Evaluation of Sustainable Criteria (MECS), which allows institutions to assess their

SPP procedures from a uniform, standardized and easily applicable viewpoint. This Matrix is supplemented by a variety of guides on the procurement of sustainable goods.

Monitoring and measurement

65% of the countries have not reported measures related to monitoring and measurement of the implementation of their SPP strategy.

The Peruvian case is worth noting, with the development of a monitoring and measurement system based on two assessment factors, with the purpose of measuring the extent to which SPP procedures have been implemented. This is focused both on supply and demand and assesses two aspects: social and environmental sustainability. From the point of view of demand, the system measures the entities adopting assessment factors on social and environmental sustainability; and from the point of view of supply, it monitors the suppliers which can prove compliance with assessment factors related to social and environmental sustainability. This is an example of simple monitoring which has the capacity to show how many institutions are applying sustainability criteria in their documents as well as how many bidders are offering goods and services complying with the criteria established. The lack of mechanisms for monitoring and measurement of results in SPP implementation is, without doubt, a symptom of a dispersed legal framework, and equally dispersed actions and tools in the matter. Constant monitoring and measurement should be the responsibility of governing bodies for public procurement and should be prioritized when implementing an SPP strategy: a fundamental element is the construction of a baseline to communicate and assess accurately the benefits of applying these policies.

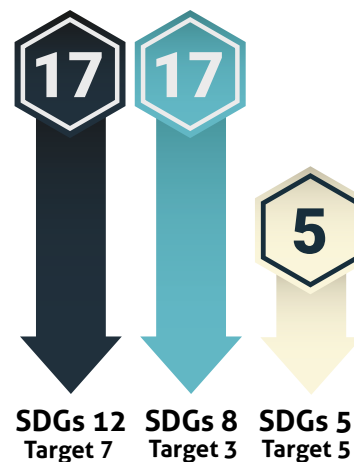
SPP implementation level and SDG alignment

83% of the countries surveyed have an alignment with at least one of the SDGs analyzed here. While SPP strategies are dispersed, and even those countries which have shown the greatest advances consider that implementation is still incipient, there is a will to adopt sustainability criteria (social, environmental and economic) in State procurement procedures.

In particular, on close inspection of the legal framework coming from national public procurement offices, these being each country's governing body which should lead, monitor and assess the implementation of SPP strategies, it can be seen that the offices that have implemented this concept in their legal framework are already aligned with Goal 12, Target 7⁶⁸, since they "promote public procurement practices that are sustainable, in accordance with national policies and priorities", and, consequently, with Goal 8, Target 3: to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", since most of the actions implemented are connected with MSME promotion and compliance with provisions on workers' rights, followed by the application of environmental criteria in the technical specifications of certain goods and services.

Graph 1: Alignment of SPP with SDGs

18 Countries with Sustainable Public Procurement



It can be seen in an incipient way that in some countries there is a certain alignment with SPP strategies connected with SDG 5, Target 5: "achieve gender equality and empower all women and girls" and "ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life" through the adoption of market quotas, procurement goals or the implementation of stamps certifying that businesses are in fact led by women.

V. Conclusions

1. The diagnosis shows how SPP is an ally towards SDG achievement. Although levels in the region still vary widely, it can be observed that the implementation of a sustainable procurement strategy on the part of the State contributes towards achieving SDGs 5, 8 and 12.

2. It is necessary to redouble efforts to raise awareness at every level: from procedure operators to highest-ranking authorities, and from the inside of institutions to controlling bodies, to transform the traditional paradigm of awarding the contract to the lowest price to a new one favoring the greater Value for Money. As we have noted, in various situations it is possible to create policies or guidelines of an administrative nature through which the concept can be adopted and applied in public procurement procedures.

3. As part of the awareness-raising process it is necessary that procurement agencies and buyers in general internalize the idea that specific provisions are not needed to implement the first SPP strategies. It is enough to have political will and a willingness to experiment with the legal framework currently in force

4. It is possible to start by adopting sustainable criteria for widely-used products or services connected with energy efficiency, recycled paper products, purchasing from micro- and small-sized enterprises, contracts with social responsibility and labor standard clauses, and so on. This can be done through the integration of the various, dispersed,


legal provisions, or via legal integration, expounding the arguments behind the decision in the text of the resolutions.

5. It can be observed that the diversity of regulations, policies, manuals, instructions or guides is linked to the wide spectrum of sustainability criteria to be applied, such as environmental criteria, MSME support, gender equality, etc. These criteria are not necessarily centralized in one Law promoting SPP, but they are bound to make progress as SDGs are achieved.

6. It is necessary for countries to develop feasibility studies that help determine legal aspects, market capacity, and baselines for monitoring and measurement, with the purpose of obtaining the information necessary to design a strategic SPP implementation plan. This demands the commitment of the main institutions involved in SPP procedures.

7. Most countries enjoy constitutional prerogatives to foster micro- and small-sized enterprises, which is why this is a usual initial SPP implementation action. Strategies such as allocating a part of the budget to purchasing from MSMEs; delivering training for MSMEs in matters of public procurement; or giving preference to this sector do not imply a breach of equality rights, but rather a development in their favor of those constitutional prerogatives





8. Public procurement patterns such as framework agreements and reverse auctions facilitate the implementation of SPP procedures by minimizing entry barriers for suppliers and ensuring free competition.

9. With the purpose of making further progress in SPP implementation and contributing to SDG achievement, it is necessary to make greater efforts in the design and use of new monitoring and measurement systems so that actions can be assessed and an analysis can be performed of the need to reinforce the relevant public procurement initiatives and/or policies. This measurement could be performed at regular intervals, on an annual or biannual basis, through technical reports and data analysis.



VI. Annex

Questionnaire sent out to obtain information
from the countries involved

UPDATE – ACTION PLAN FOR SPP IMPLEMENTATION

WORKSHOP ON SUSTAINABLE PUBLIC PROCUREMENT 2019
12-14 APRIL 2019, COSTA RICA

Country: _____

TABLE 1:

PREPARATORY INFORMATION FOR THE ACTION PLAN	Briefly describe
Development plan, relevant legislation in force or other forms positioning/fostering public procurement as a driver for development	
Laws, regulations, policies, or guidelines permitting the adoption of sustainability criteria in public procurement procedures; identify any legal voids or obstacles	





PREPARATORY INFORMATION FOR THE ACTION PLAN	Briefly describe
Mention any initiatives taken, progress made, or achievements in SPP	
Human resources, technical capacities and support from other entities which might be counted on to implement SPP	
Approximate budget required to implement the plan	



TABLE 2: 2019 UPDATED ACTION PLAN:

ACTIONS TAKEN OR YET TO BE TAKEN	Existing action (description)	Future action (description)	Approximate action deadlines, if applicable
Identifying organizations (both internal and other governmental agencies) and other actors (academia, NGOs, private sector) which should be involved in SPP implementation			
Analyzing market preparedness to offer sustainable goods and services			
Defining SPP goals and deadlines			
Prioritizing which goods/services to begin implementing SPP with in the short- and medium-term, and why			
Preparing an SPP manual/instructions to guide purchasing agents in SPP implementation in their country			



ACTIONS TAKEN OR YET TO BE TAKEN	Existing action (description)	Future action (description)	Approximate action deadlines, if applicable
Training purchasing agents; communication strategy vis-à-vis other State agencies			
If pertinent, establishing strategies to reduce or control the cost of sustainable goods and services, with the aim of making them more competitive			
Communication strategies and SPP training for suppliers			
Measuring the impact of SPP actions and communicating their benefits (indicators)			
Monitoring and reporting SPP advances to INGP			



VII. Footnotes

¹*Manual para Agentes de Compras Públicas de la RICG: Implementando Compras Públicas Sostenibles en América Latina y El Caribe*. 2015.

²*Government at a Glance*, OECD, 2015.

³*Evaluación del Impacto y de los Beneficios de las Reformas en los Sistemas de Contratación Pública en América Latina y el Caribe*, INGP, 2013.

⁴*Conceived as the optimization of public resources in terms of time, money and human talent capacities and procedure efficiency in order to satisfy the needs of State Entities and accomplish their mission (see: <https://www.colombiacompra.gov.co/content/que-es-valorordinero>).*

⁵*Conclusions of the Inter-American Network on Government Procurement (INGP) SPP workshop carried out in Bogotá, Colombia April 5-6, 2016.*

⁶The term “calls for bids” is used in a general way to encompass procurement documents or public tender documents.

⁷https://www.argentina.gob.ar/sites/default/files/manual_compras_p%C3%BAblicas_sostenibles_0.pdf.

⁸http://www.oas.org/juridico/PDFs/mesicic5_bhs_resp_annex1.pdf.

⁹As of February, 2020, the public procurement bill has been passed by the Cabinet of the Bahamas, and is subject to public consultation.

¹⁰<http://www.mma.gov.br/desenvolvimento-rural/bolsa-verde>.

¹¹<http://cpsustentaveis.planejamento.gov.br/>.

¹²<http://189.9.150.57/noticias/manual-paraetiquetagem-de-edificacoes-publicas>.

¹³<http://189.9.150.57/assets/conteudo/uploads/1procuramanualcomplete.pdf>.

¹⁴<http://189.9.150.57/boas-praticas>.

¹⁵<http://189.9.150.57/pls-e-aco-es-sustentaveis>.

¹⁶http://www.comprassustentables.cl/index.php?option=com_phocadownload&view=category&id=2&Itemid=2.

¹⁷[Spanish-specific footnote.].

¹⁸Article 20 of Chile’s Public Procurement Regulations.

¹⁹Article 2 of Colombia’s Political Constitution.

²⁰Metropolitan Agreement No. 6, dated April 30, 2015.

²¹https://www.ohchr.org/Documents/Issues/Business/NationalPlans/PNA_Colombia_9dic.pdf.

²²For example, Colombia is part of the Pacific Alliance (PA), which seeks to promote a regional integration of Sustainable Consumption and Production (SCP).

²³<https://www.globalreporting.org/Pages/default.aspx>.

²⁴MAPS Recommendation (2017) as reported in the document “RICG, COMPRAS PÚBLICAS SOSTENIBLES (CPS)” 2019. Colombia.

²⁵https://www.seguridadpublica.go.cr/transparencia/planes/planes_inst/otros_planes/PNDIP_2019-2022.pdf.



²⁶http://www.digeca.go.cr/sites/default/files/de_39310_politica_nal_compras_publicas_sustentables-creacion_comite.pdf.

²⁷<https://www.hacienda.go.cr/contenido/13023compras-publicas-sustentables>.

²⁸According to the Final Report of the INGP SPP Workshop (San José, Costa Rica, 2019) SPP training numbers had reached 1,662, with plans to expand over the next years.

²⁹<http://www.hacienda.go.cr/contenido/13023compras-publicas-sustentables>.

³⁰DGABCA (General Direction for Goods Administration and Administrative Procurement) / CDNCS (National Directive Committee for Sustainable Public Procurement) has requested support from the Energy Efficiency Laboratory of ICE (Institute of Electricity) for the continual improvement of the datasheets.

³¹⁻³²Article 25.2 of the Organic Charter of the National Public Procurement System.

³³"RICG, COMPRAS PÚBLICAS SOSTENIBLES (CPS)" 2019, Ecuador.

³⁴Id.

³⁵Constitution of the Republic of El Salvador, Article 118.

³⁶Constitution of the Republic of El Salvador, Article 117.

³⁷The term "Economic Value" as used in the Annual Policy for Acquisitions and Procurement refers to the concept of Value for Money.

³⁸<http://ricg.org/es/publicaciones/publicacionestudio-de-caso-implementando-compraspUBLICASSOSTENIBLES-en-el-salvador/>.

³⁹<https://www.segeplan.gob.gt/downloads/2016/PGG2016-2020.pdf>.

⁴⁰https://www.undp.org/content/dam/guatemala/docs/publications/undp_gt_PND_Katun2032.pdf.

⁴¹<https://planetavivo.cienradios.com/sabes-que-son-los-sitios-ramsar/>.

⁴²The Presidency's Planning and Programming Office has established as a rule for all Public Institutions that the "Environmental Impact Assessment" must be included in all investment projects, as well as approved the "Analytical Review on the Environmental Impact Assessment" by the Ministry of the Environment and Natural Resources; publication of both these documents on the GUATECOMPRAS system is mandatory.

⁴³<http://www.guatecompras.gob.gt/>.

⁴⁴Progress has been made by identifying a first item for implementation, related to paper and disposable products, but this is still in the development phase.

⁴⁵<http://gcci.gy/wp-content/uploads/2013/07/Procurement-Act.pdf>.

⁴⁶Article 147 of the Law of Public Procurement.

⁴⁷Id. Articles 149 to 151.

⁴⁸"RICG, COMPRAS PÚBLICAS SOSTENIBLES (CPS)" 2019, Honduras.

⁴⁹<https://japarliament.gov.jm/attachments/article/530/The%20Public%20Procurement%20Regulations,%202018.pdf>.

⁵⁰https://www.dof.gob.mx/nota_detalle.php?codigo=5565599&fecha=12/07/2019.

⁵¹Article 60 of the Constitution of the Republic of Nicaragua.



⁵²<https://www.el19digital.com/app/webroot/tinymce/source/2018/00- Enero/Del22al28Enero/Viernes26Enero/EJES%20DEL%20PROGRAMA%20NACIONAL%20DE%20DESARROLLO%20HUMANO.pdf>.

⁵³Article 80 of the Law of Administrative Procurement.

⁵⁴Articles 10, 20 and 34 of the Single Text of Law 22 dated June 27, 2006, prescribed by Law 61 dated September 27, 2017 and Article 34 of Executive Decree 40 dated April 10, 2018, which regulate Public Procurement in Panama.

⁵⁵In accordance with Law 69 dated October 12, 2012, which establishes the general guidelines for a national policy for a rational, efficient energy use in the national territory.

⁵⁶"RICG, COMPRAS PÚBLICAS SOSTENIBLES (CPS)" 2019. PANAMA.

⁵⁷https://www.undp.org/content/dam/panama/docs/Documentos_2017/PlanPanama2030.pdf.

⁵⁸Law 2051/03: Article 4: "...it will be ensured that agencies, entities and municipalities be obliged to plan and program their procurement requirements so that public needs shall be satisfied under timing, quality and cost conditions that will ensure that the Paraguay State will obtain the best conditions, subject to provisions of rationality, austerity and budget discipline...".

⁵⁹Update bulletin of SPP implementation, February 2020, DNCP (National Direction of Public Procurement), Paraguay.

⁶⁰Final Report of the INGP SPP workshop, 2019, San José, Costa Rica.

⁶¹[http://www2.congreso.gob.pe/sicr/cendocbib/con4_uibd./20B1CD4BE633DA4A05257E22005A2018/\\$FILE/2_DECRETO_SUPREMO_003_28_04_2002.pdf](http://www2.congreso.gob.pe/sicr/cendocbib/con4_uibd./20B1CD4BE633DA4A05257E22005A2018/$FILE/2_DECRETO_SUPREMO_003_28_04_2002.pdf).

⁶²Follow-up document, 2020, OSCE (State Procurement Supervising Body), Peru.

⁶³There is currently a bill for a Law of Procurement with amendments tending towards adopting sustainability criteria.

⁶⁴Final Report of the INGP SPP workshop, 2019, San José, Costa Rica.

⁶⁵ACCE (Agency for State Procurement) Resolution 47/019 (November 20, 2019; enactment: January 1, 2020); Technical Standard 2/2019.

⁶⁶Final Report of the INGP SPP workshop, 2019, San José, Costa Rica.

⁶⁷<https://www.chilecompra.cl/wp-content/uploads/2016/11/directiva-n03.pdf>.

⁶⁸Except for Nicaragua, which, while including the definition of SPP in its legal provisions, does so only in a declarative way.



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