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FINANCE MONGOLIA



MINISTRY OF ENVIRONMENT
AND TOURISM



SUSTAINABLE PUBLIC PROCUREMENT ACTION PLAN

Ulaanbaatar City

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
BDS	Non-Governmental Organization
EC	Evaluation Committee
EU	European Union
GCC	General Conditions of Contract
GDP	Gross Domestic Product
GGGI	Global Green Growth Institution
GPA	Government Procurement Agreement of WTO
ILO	International Labor Organization
ITB	Instructions to Bidders
MFALI	Ministry of Food, Agriculture and Light Industry
MNET	Ministry of Nature, Environment and Tourism
MNT	Mongolian national currency (tugrik)
MOF	Ministry of Finance
MOJHA	Ministry of Justice and Internal Affairs
MFA	Ministry of Foreign Affairs
MNCCI	Mongolian National Chamber of Commerce and Industry
NAP	National Action Plan
NGDP	National Green Development Policy
PAGE	Partnership for Action on Green Economy
PCSP	Department of State Property Policy and Coordination
PPD	Procurement Policy Department
PPLM	Public Procurement Law of Mongolia
UN	United Nations
SBD	Standard Bidding Documents
SCC	Special Conditions of Contract
SME	Small and medium size enterprises

SPP	Sustainable public procurement
TOR	Terms of Reference
UNCITRAL	United Nations Commission on International Trade Law
USD	United States Dollar
USA	United States of America
WB	World Bank
WTO	World Trade Organization

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The Action Plan for implementation of Sustainable Public Procurement (SPP) is developed as part of the Partnership for Action on Green Economy (PAGE) -- an initiative of UN Environment, the International Labour Organization (ILO), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO) and the United Nations Institute for Training and Research (UNITAR) – as well as the European Commission-funded and UN Environment-led Stimulating Demand and Supply of Sustainable Products through Sustainable Public Procurement and Eco-Labeling (SPPEL) Project.

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The NAP is based on the publication of UN Environment in the areas of SPP and incorporates the reports and studies of Mongolia taken with the support and technical assistance of PAGE/UN Environment on SPP and SPP Guidelines for Mongolia developed between 2015 and 2017.

The present NAP was carried-out by the national consultant Dagvaa Javkhlan and PAGE national coordinator for Mongolia Sodnomtseren Altantsetseg under the supervision of Mr. Farid Yaker, programme officer of UN Environment; Agnes Wierzbicki, a consultant for UN Environment; and the Ms. Luvsan Amgalan, a senior officer at the Procurement Division of the Ministry of Environment.

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EXECUTIVE SUMMARY

Creating a National Action Plan (NAP) for Sustainable Public Procurement (SPP) is a key part of SPP implementation. It provides a clear direction and mandate for SPP implementation and a sound basis for building a coherent and well-coordinated approach.

This NAP is based on a desk study and findings of the Status Assessment Report, Market Readiness Report, SPP Prioritization Report, Legal Review Report as well as feedback from the technical consultative meeting organized on 18th of September of 2017.

In addition, in order to conduct a desk study, the following documents were reviewed:

1. Public Procurement Law of Mongolia (PPLM);
2. Comprehensive National Development Strategy;
3. Green Development Policy;
4. Action Plan for Implementation of the Green Development Policy;
5. Law on Development Policy and Planning.

The Action Plan contains the following Chapters.

Chapter 1 (Context and background) outlines the history of SPP implementation in Mongolia and provides overview the following chapters of NAP.

Chapter 2 (Sustainable Development Priorities) describes links between the Agenda for Sustainable Development 2030, national long-term development policies and SPP.

Chapter 3 (Legal framework) summarizes the PPLM, describes findings from the SPP Legal Review and highlights key amendments to the PPLM for integration of sustainability into the public procurement process.

Chapter 4 (Political support and definition of responsibilities) presents the institutional structure and respective roles of the central state administrative agency and its relevant division.

Chapter 5 (Capacity building) introduces the results of the Status Assessment Report regarding SPP training and presents target groups and capacity building trainings for stakeholders to introduce SPP concepts, tools and methodologies.

Chapter 6 (Communication strategy and awareness-raising) identifies key stakeholders for public awareness and information dissemination and communication actions.

Chapter 7 (Sustainable public procurement implementation) describes the integration of sustainability in the procurement process in Mongolia.

Chapter 8 (Priority products) presents market assessment and sustainability criteria of A4 printing and copy paper, toner cartridges and concrete blocks and ways to apply SPP approaches for procurement purposes.

Chapter 9 (Market engagement) gives a brief description of activities to engage with the market and suppliers.

Chapter 10 (Monitoring and evaluation) describes how SPP is evaluated throughout the procurement cycle and how outputs are monitored to achieve the targets of SPP implementation reflected in the Green Development Policy.

Chapter 11 (Budget) gives briefing on the budget for implementation of activities.

I. CONTEXT AND BACKGROUND

1.1 SPP implementation in Mongolia

In an effort to support Mongolia's transition to a green economy and promote sustainable and green development, Mongolia joined the Partnership for Action on Green Economy (PAGE) in 2013. Following this initiative, the National Green Development Policy (NGDP) was adopted by the Mongolian Parliament Resolution No. 43 in 2014. In response to Mongolia's Green Development Policy Objective 3, the Ministry of Finance in collaboration with Ministry of Nature, Environment and Tourism and support from UN Environment PAGE initiated a "Sustainable Public Procurement and Green Buildings" project, which aims to reach 20% green procurement by 2020 and 30% green procurement by 2030. The Green Public Procurement project involves conducting a status assessment of public procurement, a review of the legal framework and developing proposals for necessary legal amendments, prioritization of the products to be procured during a pilot period and market research. In order to develop and implement a comprehensive and feasible action plan, it is necessary to share the findings of these studies with Ministries, agencies, universities, international organizations and other stakeholders and reflect their responses, proposals and recommendations in SPP initiatives.

The objectives of the National SPP Action Plan in Mongolia are as follows:

- To review the Status Assessment Report, Market Analysis and Legal Study,
- To extract key recommendations to be included in the NAP,
- To identify key stakeholders associated with the implementation of the National Action Plan and define their roles and responsibilities,
- To draft a SPP policy and Action Plan to be implemented in 2018-2020 to achieve the NGDP target of "share of green public procurement will be at least 20% of the total public procurement by 2020";
- To raise awareness among key Government stakeholders and obtain their feedback to incorporate into the Action Plan;
- To obtain approval of the Action Plan by the Cabinet.

This National SPP Action Plan is based on a desk study and a review of outcomes of the Status Assessment Report, Market Readiness Report, SPP Prioritization Report, and the Legal Review Report, as well as feedback from a technical consultative meeting

organized on 18th of September, 2017. With assistance from UN Environment, PAGE, MNET and MOF, this technical consultative meeting on the National SPP Action Plan was held at the City Tower Hotel in Ulaanbaatar attending by approximately 60 participants from the Ministry of Finance, Ministry of Nature, Environment and Tourism, Ministry of Road and Transportation Development, Ministry of Education, Science, Culture and Sport, Ministry of Defense, Ministry of Construction and Urban Development, Ministry of Justice and Internal Affairs, Ministry of Defense, Ministry of Health, Department of State Property Policy and Coordination. The draft content of National SPP Action Plan and findings of the Legal Review Report were shared and their comments and opinions were incorporated and reflected in this revised Action Plan document.

In addition, in order to conduct a desk study, the following documents were reviewed:

1. Public Procurement Law of Mongolia (PPLM);
2. Comprehensive national development strategy;
3. Green Development Policy;
4. National Action Strategic Plan on Green Development Policy;
5. Law on Development Policy and Planning;

The National SPP Action Plan is designed for the 2018-2020 period and covers the following areas:

Legal framework for SPP implementation: Making amendments to the Law of Mongolia on Public Procurement (PPLM) will enable enforcement and implementation of SPP by procuring entities. The key changes are amendments to the relevant clauses of Articles 5, 10, 11 and 52 of the PPLM. In connection with the amendments to the law, the Sustainable Public Procurement (SPP) Guidelines and amendments to relevant procedures will be made:

- Procedure for Planning and Reporting Procurement,
- Methodology of Margin of Preference,
- Tender Evaluation Guidelines and
- Standard Bidding Documents.

Furthermore, a procedure for awarding eco labels and green certificates will be developed and approved by the Government. This measure will enable a shift to sustainable production and consumption, further promote environmentally friendly technology introduction and ensure availability of green products and services in the market.

The Ministry of Finance (MOF) will take measures to develop and approve a procedure and guideline on common contracts for goods to be procured through SPP. This will enable the procurement of certain goods including printing and copy paper and office equipment from eligible suppliers that meet legal compliance criteria as well as environmental sustainability criteria. It is advisable to develop a "Green office" method and use common requirements for purchasing office equipment and materials.

Political support and definition of responsibilities: This part describes the political support and presents the institutional structure and respective roles of the public procurement authority.

Capacity building: The objectives of the measure are to develop a SPP training syllabus and materials and provide target-oriented trainings for:

- a) certified trainers,
- b) procurement officers of state administrative organisations (ministries, agencies),
- c) procurement officers of local administrative organisations (Governor's Office of Aimag, Capital City, Soum and District, Agencies under Governors),
- d) policy makers, and
- f) suppliers.

Communication strategy and awareness: Effective communication tools to raise awareness and disseminate information to stakeholders. The MOF will be mainly responsible for communication actions, including organizing workshops/trainings among the stakeholders, developing information materials, developing media contents and publishing them through TV, radio and online newspapers and social networks such as Facebook, Twitter and YouTube.

Sustainable public procurement implementation: The key activities will centered on integrating sustainability criteria throughout the procurement cycle. To implement SPP MOF will establish a task force on SPP affiliated to the Procurement Division. The task force will have members from the Ministry of Finance (Procurement Division), Ministry of Environment and Tourism (MET) and General Authority of State Property Policy and Coordination (GAPCSP).

It is also foreseen to re-define the roles and responsibilities of the staff of Procurement Division. The following activities are planned:

- Develop SPP guidelines;
- Develop sample Standard Bidding Documents;
- Develop sustainability criteria for goods and works commonly purchased through state budget and technical specifications of products in key sectors taken into consideration each specific Ministry's demands and needs;
- Develop database of green products;
- Include procurement of goods, works and services in the Annual Procurement Plan of the Annual Budget Planning of all levels of procuring entities (certain percentage to achieve);
- Establish a single point service center to provide information, tools and guidelines for Small and Medium-size Enterprises (SMEs) on SPP;
- In the E-shop include green goods/products (E-shop will be developed from 2018)

- Start purchasing A4papers, printer toner, and concrete blocks for building through SPP approach.
- Organize frequent meetings with suppliers/manufacturers, traders and conduct information sessions.

Priority products: The Action Plan specifies SPP criteria of the products, market availability and approach to purchase these products by applying sustainability criteria.

Market Engagement: It is an important part of pre-selection process of the procurement. Therefore, the Action Plan identifies key actions to be taken into account to engage with suppliers from initial dialogue and to long-term relationship building.

Monitoring and Evaluation: The audit and control functions are important mechanisms to ensure the effective and successful implementation of sustainable public procurement. The SPP Action Plan addresses how the internal audit process will evolve to reflect the incorporation of environmental and socio-economic concerns in the procurement system and define monitoring and reporting activities, frequency, responsibilities and set of indicators to be measured across de board. That will include the regular completion of the Status Assessment Questionnaire.

Budget: The SPP Action Plan should include a component which will establish a financial estimate of the budgetary cost of the various actions needed to implement SPP.

II. SUSTAINABLE DEVELOPMENT PRIORITIES

2.1. Agenda for Sustainable Development 2030

At the UN Summit, held on 25-27 September 2015, the member states of the United Nations adopted the 2030 Agenda for Sustainable Development with a set of Sustainable Development Goals (SDGs) that includes 17 SDGs and 169 targets¹. The Agenda is a commitment to eradicate poverty and achieve sustainable development by 2030 worldwide, ensuring that no one is left behind. Among 17 goals of SDGs, SDG 12: Ensure sustainable production and consumption patterns are relevant to sustainable public procurement. SDG 12 requires a systemic approach and cooperation among actors operating in the supply chain and involves engaging consumers through awareness-raising and education on sustainable consumption and lifestyles, providing consumers with adequate information through standards and labels and engaging in sustainable public procurement².

¹ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

²Goal 12 "Ensure sustainable consumption and production" is about promoting resource and energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs and a better quality of life for all. Its implementation helps to achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty. Source <http://www.un.org/sustainabledevelopment/>

The government sustainable procurement initiatives can transform environmental objectives into economic opportunities and help SMEs materialize sustainable production in reality. By introducing sustainable public procurement countries are able to shift million dollars of funds in support of SMEs to boost green entrepreneurship and green jobs, produce goods and services with sustainability standards and eco labels, provide the government, among all other consumers with sustainable goods and service and motivate people to shift to green lifestyles.

2.2. Sustainable Development Vision of Mongolia 2030

In February 2016 the State Great Khural of Mongolia adopted the Sustainable Development Vision of Mongolia-2030, which is based on the Global Sustainable Development Goals and closely linked to national circumstances, development priorities and challenges. The Sustainable Development Vision of Mongolia specifies that by 2030 Mongolia aspires to be amongst leading middle-income countries based on per capita income and will be a country with a multi-sector stable economy, and a society dominated by middle and upper-middle income classes, which would preserve ecological balance, and have stable and democratic governance. Mongolia would achieve the following through implementation of the Sustainable Development Vision (SDV) - 2030:

- Increase its GNI per capita to USD 17,500 and become an upper middle-income country based on its income per capita.
- Ensure average annual economic growth of not less than 6.6 percent through 2016-2030.
- End poverty in all its forms.

The Vision outlines 44 objectives in 14 areas to achieve by 2030. Four strategic areas have been identified: sustainable economic development, sustainable social development, environmental sustainability and governance. Sustainable economic development focuses on agriculture, tourism, mining, industry, energy and infrastructure sector, favorable business environment and macroeconomic sector. Sustainable social development focuses on ensuring social equality through inclusive growth; an effective, high quality and accessible health care system; and knowledge-based society. Environmental sustainability focuses on integrated water resource management, coping with climate change, and protecting the ecosystems. Under the strategic area Governance the following objectives have been determined:

- Establish and strengthen an accountable and proficient governance structure to formulate, implement, monitor and evaluate sectorial and local development policies, for giving shape to the Sustainable Development Vision;
- Improve the leadership of civil service organizations at all levels, and develop transparent and accountable governance at the national and local levels, based on public participation and public-private partnership;
- Judiciously enforce laws and procedures on ethics for politicians and civil servants, and eliminate all forms of corruption; and

- Actively participate in international cooperation, aimed at achieving the Sustainable Development Goals.

SDV does not have a statement in relation to public procurement, however both economic sustainable development and environmental sustainability encourage principles such as adopting environmentally-friendly technology, encouraging new products, ensuring production and services through innovations and encouraging production methods that is natural resource-efficient, low greenhouse emissions and pollution. Furthermore, the environmental sustainability clearly indicates environmental sustainability, efficient and effective use of resources and sustainable production and consumption.

2.3. The National Green Development Policy of Mongolia (NGDP)

In 2014, in response to the outcomes of the 2012 Rio+20 conference, Mongolia adopted the Green Development Policy (Resolution of the Parliament No. 43/2014). The NGDP defined the rationale, principles, strategic goals and targets to achieve in two steps 2020 and 2030 respectively. Furthermore, it has identified 20 key indicators to measure progress on implementation of NGDP. In 2016 the Government approved the Action Plan for implementation of Green Development Policy for the period 2016-2030 (2016 Governmental Resolution No. 35). The Action Plan has specified 255 activities to implement up to 2030.

Table 2. National Green Development (NGDP) Policy targets, 2020 and 2030

Criteria\indicators		2020	2030
1.	Share of renewable energy in total installed capacity of energy production	20	30
2.	Share of reduction of building heat loss	20	40
3.	Waste recycling share	20	40
4.	Share of expenditure in green development in total GDP	2	3
5.	Share of expenditures for science and technology research in total GDP	2	3
6.	Share of green procurement in total government procurement	20	30
7.	Share of protected areas	25	30
8.	Increased investment in environmental protection and restoration	20	30
9.	Share of forest area in total territory	8.5	9
10.	Percentage of population with access to qualified drinking water	80	90
11.	Percentage of population with access to improved sanitation facilities	40	60
12.	Poverty level	24	15
13.	Percentage of green facilities in Ulaanbaatar city and other urban areas	15	30
14.	Share of agriculture and manufacturing in total GDP	28	30

Source: Green development policy of Mongolia, MET

In the NGDP it is stated “to introduce financing, tax, lending and other optimal incentives for supporting green economy and increase investments for promoting environmental protection, human development and clean technologies”. This target states, “Ensure that at least 20% of public procurement will be the procurement of environmentally sound, effective and resource efficient goods, works and services”. Furthermore, the

Action Plan for implementation of NGDP identified the following sustainable public procurement related activities to implement by 2020 and 2030 respectively:

- Conduct policy research to introduce sustainable public procurement;
- Develop legal environment that support green investment through public procurement;
- Conduct research on green goods and products that are on the market;
- Create databases of such product and utilize the database in government investment and procurement decisions;
- Gradually transform public procurement to sustainable procurement;
- In accordance with the international green office approach develop and implement requirements and regulations regarding green procurement of office equipment and materials; and
- Develop and implement legal procedures to procure green products available in the domestic market through public procurement.

2.4. Paris Agreement

In September 2016, Mongolia ratified its Intended Nationally Determined Contributions (INDCs) to the Paris Agreement on Climate Change. Mongolia's INDC has its conceptual roots in the Green Development Policy of Mongolia (2014) and its Action Plan (2016). Therefore, Mongolia's overall commitment is to reduce 14% of greenhouse gas emissions (GHG) by 2030 compared to Business-As-Usual (BAU) will be achieved through concrete measures outlined in NGDP including the strategic goal 3 towards "introducing financing, tax, lending and other optimal incentives for supporting green economy and increase investments for promoting environmental protection, human development and clean technologies". The policies and actions in priority sectors including construction, agriculture and energy are also the basis for implementation of INDCs Mongolia.

In order to achieve INDCs by the year 2030, Mongolia estimates that it will require approximately USD 3.5 billion in investments in mitigation measures and USD 2.7 billion for adaptation. The Government of Mongolia has projected that more than 80% of the required financing needs will be mobilized from international sources, such as the Green Climate Fund, Multilateral Development Banks and the joint crediting mechanisms.

III. LEGAL FRAMEWORK

3.1. Summary of the PPLM

The Public Procurement Law of Mongolia (PPLM) became effective in May 2000. The Law was drafted with technical assistance from the Asian Development Bank (ADB) based on the UNCITRAL Model Law on Procurement. It complies with international best

procurement practices and shares the common objectives of public procurement systems. The Law regulates the public procurement of goods, works and services (consultancy and non-consultancy).

Regarding the scope of the PPLM, the Law does not regulate the following.

- procurement of special purpose equipment and facilities, works, services, and weapons in connection with national security and state secrets;³
- procurement of works and services related to maintenance of national roads, executed by the state owned legal entity;
- procurement of works, goods and services related to activity of the Development Bank of Mongolia.

By the PPLM, the following principles⁴ shall be pursued in public procurement.

- Transparency;
- Equal opportunity to compete;
- Economy;
- Efficiency; and
- Responsibility.

For the purpose of providing equal opportunities to tenderers and securing fair competition overall, financial, technical qualification and expertise of tenderers shall be examined and evaluated against the relevant criteria and requirements for qualification. In evaluating responsive tenders and qualifying the «best» tender, the procuring entity uses the criteria pursuant to the procedures specified in the bidding documents.

The **key criterion** in evaluating responsive tenders is **price**. **Responsive tender** means that the tender qualifies overall, and satisfies technical and financial requirements at the same time. The tendering is carried out and completed within 45 days from the date of its opening and a tender is valid during this period. It applies to procurement of works, goods and services.

The PPLM defines a “procuring entity” as a legal entity with state and local ownership, and a legal entity with a minimum of 50 percent of state and local ownership. The Law determines a bidder as a sole bidder or several entities who submitted one tender on the basis of a cooperation contract.

The Law also permits foreign bidders to participate in tenders for works with cost estimates of more than MNT 10,000,000.001 (about 4,1 mil. USD by official exchange rate from Central Bank of Mongolia) and goods and/or services with cost estimates of more than MNT 100,000.001 (about 41.000 USD).

The procuring entity can grant a margin of preference⁵ to a bidder based on Mongolian origin.

³ Central Intelligence Agency shall administer and define the state secrets by the law on Central Intelligence Agency. /Legal Review Report, 2016/

⁴ Source: PPLM, Article 6. /Legal Review Report, 2016/

3.2. Outcomes from the SPP legal review

The following clauses regarding the socio-economic and environmental aspects have been included in the current PPLM:

- Domestic preferences /Clause 10 of PPLM/
- Community participation in public procurement (Clause 7¹ of PPLM)
- Procurement of domestic products (Clause 10¹ of PPLM)
- Transparency, equal opportunity to compete, economy and efficiency, and responsibility shall be pursued in Public Procurement /Article 6.1/.
- The key criterion in evaluating responsive tenders shall be the tendering price /Article 28.3/.
- The procuring entity may select appropriate factors that affect its economic efficiency taking into account the feature of goods, works or services to be procured except consultant services /Article 28.4/. The factors shall be shown in monetary terms and included in the tendering price: current expenses or cost and efficiency estimations; after-sales service and technical assistance; commitments to supply spare parts and the price thereof.
- The professional organization in charge of the procurement process shall have a certain percentage of its activities executed by private and/or professional nongovernment organizations and shall organize not less than 20 percent of total tenders to be announced through an electronic procurement method /Article 53.7/.

Making amendments to the Law of Mongolia on Public Procurement (PPLM) will enable enforcement and implementation of SPP by procuring entities. The key changes are amendments to the relevant clauses of the law including a) add the term of green public procurement, b) grant a margin of preference to bidders based on resource efficiency, with no adverse impacts on environment and human health, and low emission and low-waste and c) grant power to the state central administrative body for budgetary matters to identify needs and procure goods, works and services that ensure sustainability and d) develop Standard Bidding Documents and technical specifications by inclusion of sustainability criteria.

MOF is responsible for proposing the draft amendments of PPLM and submitting it to the Cabinet. The Cabinet is in turn in charge of presenting the draft to the State Great Khural for approval. Hence, the State Great Khural will play a crucial role in amending the law for integrating SPP in PPLM.

⁵ The tendering price shall be discounted by 10 percent for goods of Mongolian origin. /Legal Review Report, 2016/

The changes to be considered in the existing legal framework are the **amendment of the relevant clauses of the Article 5, 10, 11 and 52 of PPLM** and the preparation of technical specifications.

The steps which are **necessary to integrate into the national SPP legislation** appear as follows:

1. Prepare and submit amendments to PPLM to the Parliament for approval;
 - To **add the “Clause 5.1.28” in Clause 5 (Terms of the Law)** of PPLM:
“5.1.28. “Green procurement” means procurement of goods, works and services that aim to establish green environment that provide economical consumption of energy and natural resources, with no adverse impact on environment and human health, and with low-emission and low-waste.”
 - To **add the “Clause 10.1.8” in Clause 10 (Granting a margin of preference to tenderers)** of PPLM:
"10.1.8. The offered goods, works and services are aimed to create green environment that provide economical consumption of energy and natural resources, with no adverse impact on environment and human health, and with low-emission and low-waste."
 - To **add the “Clause 52.5” in Clause 52 (Powers of the state central administrative body for budgetary matters)** of PPLM:
"52.5. The state central administrative body in charge of budgetary issues shall define guidelines for the procurement of goods, works and services that aim to establish green environment that provide economical consumption of energy and natural resources, with no adverse impacts on environment and human health, and with low-emission and low-waste."
 - To **add into the “Clause 10.2” in Clause 10 (Granting a margin of preference to tenderers)** of PPLM:
"... by 20 percent of bid price submitted by the bidder specified in the clause 10.1.8 ..." to be added after "... by 7.5 percent of bid price to perform work ..."
 - To **add into the “Clause 10.3, 10.4” in Clause 10 (Granting a margin of preference to tenderers)** of PPLM:
"... 10.1.8 ..." shall be added after "... 10.1.7 ..."
 - To **revise the “Clause 11.1.1” in Clause 11 (Technical Specifications)** of PPLM:
"11.1.1. define the goods, works, and services not in terms of their design or descriptive characteristics but in terms of their purpose, application, economical consumption of energy and natural resources, usage, quality, and technical characteristics and applying criteria that establishes green environment with no adverse impacts on environment and human health, and with low-emission and low-waste"
 - **Article 27.1** Following the opening of tenders, individual tenders shall be reviewed to check whether they satisfy the following requirements: technical specifications.

- Also, according to the General conditions of contracts, **technical specifications shall be a part of the contract to be signed with bidders.**

Other measures to be implemented to strengthen legal framework for SPP implementation include:

- Make amendments to the Procedure for Planning and Reporting on Procurement by all budgetary organisations. The purpose of the Procedures for Planning and Reporting Procurement is to provide necessary arrangements for state budgetary organisations to plan SPP and ensure effective organization of the sustainable procurement throughout fiscal year.
- Develop a Standard Bidding Documents. Technical specifications will be developed integrating social, economic and environmental sustainability criteria.
- Update the Procedure for Common Contract to reflect social, economic and environmental sustainability criteria that will apply to goods to be purchased by all procuring entities based on the Common contract.
- Update a Methodology of Margin of Preference and Tender Evaluation Guidelines in order to ensure effective tender evaluation tools. The Tender Evaluation Guidelines shall specify General and specific criteria (selection/exclusion) as well as sustainability criteria.
- Develop a procedure for awarding eco labels and green certificates and obtaining approval by the Government.
- Conduct a study on international green office, in accordance with the international "Green office" method, develop common requirements and criteria. Green Office method will promote green practices in public offices and continuous improvements towards reducing the environmental impacts of office work. Green Office aims for concrete results to improve the environmental performance of the involved organisations.

IV. POLITICAL SUPPORT AND DEFINITION OF RESPONSIBILITIES

4.1. Current institutional framework for public procurement

The public procurement system of Mongolia is **semi-decentralized**, and **most high value procurements are done by the PCSP** (Department of State Property Policy and Coordination, established in 2012), line ministries and other public institutions. The following stakeholders participate in the system:

- Procuring entities (GAPCSP, ministries, public administrative institutions and agencies);
- Bidders (private sectors);
- MOF (overseeing and policy making body);

- National audit office (a role of supervision of contracts); and
- Public (citizens, NGOs for monitoring)

Procuring entities are the key stakeholders of implementation of PPLM and other legislative procedures and actions. By the law, they have rights to:

- set up an **Evaluation committee**, to oversee the respective compliance of the evaluation committee's operations and evaluation reports and take measures to remove violations, issue a decision to authorize a contract subject to a decision from the evaluation committee;
- effectively **plan and organize the procurement** of goods, works or services within the estimated budget, initiate the procurement when funds for financing given goods, works, and services are allocated,
- review the **performance of contractual obligations**,
- immediately initiate the procurement of goods, services or works with **specific characteristics** and executed in particular seasons such as construction, road, and engineering networks following the state budget approval of a given year and require establishment of an information board in a visible public area for the duration of works and service guarantee period, that contains information on contractor's brief introduction; contact details; contract amount; finance schedule; work starting and finishing date; and routine map for road and engineering pipelines.

GAPCSP is in charge of procurement of large works, goods and services to be financed from the **central state budget** and of **establishing common contracts** for common use items (such as office supplies etc.) that are purchased by line ministries as well as for e-procurement. The list of national and regional projects and activities to be undertaken by the procurement professional organization (GAPCSP) shall be approved by the Cabinet within 5 working days after approval of the state budget.

MOF is responsible for overseeing and assessing the procuring entity's **compliance with relevant procurement procedures**, providing professional and practical **advice** to the procuring entity on procurement matters, drafting and adopting policies and procedures, guidelines, instructions, manuals and standard documents pertaining to procurement and reporting annually to the Government on implementation of procurement legislation.

According to the PPLM, **MOF** is legally responsible for management of public procurement, developing **procurement related legislation** and submitting the draft proposal to the Government (Cabinet). The Cabinet in turn submits the proposal to the Parliament of Mongolia for discussion and approval. Thus, MOF has a crucial role for proposing changes in the law.

4.2. Institutional structure and roles and responsibilities for SPP implementation

Taking into account the specific conditions of Mongolia, it is advised to first of all identify responsible organizations and define their roles and responsibilities in the implementation of the SPP.

- At the MOF level there should be established the Steering Committee or the taskforce. Members of the task force should be representatives of the Ministry of Finance (MOF), Ministry of Environment and Tourism (MET) and General authority for policy coordination of state property (GAPCSP).
- The Procurement Division of the Ministry of Finance will have a responsibility for the implementation of SPP including formulation of the policy, laws and regulations and action plan, planning, implementation and monitoring. Currently, the division has six staff of which two officers are senior officers. The division is managed by the Head of the Division. The Division is understaffed and workload is high. According to the staff employment contract none of the staff has been officially assigned the responsibility for sustainable public procurement. However, a senior officer is responsible for SPP project implementation and the Division is keen to work on implementation of SPP. To coordinate and enforce SPP, the division needs to re-organise staff roles and responsibilities. It is advisable to hire one full time officer responsible for SPP from planning to monitoring.
- All level procuring entities should ensure that the procurement officer participates in trainings and information meetings, updates all the programs, forms and templates, carries out study on needs and conducts market study on the goods, works and services that the relevant procuring entity is planning to purchase through the SPP approach. Jointly with the Head of investment and planning department the procurement officer (usually it is the officer from investment or financial department) should develop SBDs, provide information session and orientation to the people from the procuring entity who will be selected as members of the Evaluation Committee. It should be noted that in each procuring entity a number of staff holds A3 certificates and they have a right to be member of Evaluation Committee. These people should be re-trained in order to retain its right.

V. CAPACITY BUILDING

5.1. Results of the status assessment report regarding the training

The Government has begun procurement training for public officials since effectiveness of the PPLM in 2000. There is a nationwide system for public procurement capacity development. In order to prepare procurement officers at national and local levels, the national public procurement capacity development program was approved in 2006. As a result, training curricula and materials were standardized. Several academic institutions and non-governmental organizations (NGOs) were accredited for specialized procurement trainings and now deliver three types of procurement training.

The changes in the overall structure of procurement activities from the national to the local level had large implications for capacity building. There was an urgent need to train the new cadre of procurement officials who would manage activities at the national and local levels not only on the procurement law but in detailed functions such as preparation of technical specifications, tender documents, evaluation of prequalification and bidding documents, among others. The challenge was to make sure that there were adequate numbers of training institutions that would provide quality training as this service was expected to increase exponentially by local governments. MOF has formulated a policy for creating training institutes at the subnational level that is expected to reduce dependency on central level training institutions and to develop local professionals and experts who would serve as regional knowledge hubs for procurement management.

There are three types of procurement-related trainings that are currently implemented to address the capacity building requirements:

- **A1 course** (one-day training) that provides a general overview of the PPLM designed to create awareness and understanding of its importance;
- **A3 course** (three-day training) that covers fundamental knowledge on the salient provisions of the PPLM with the goal to prepare participants to take the test and to be certified as members of the Evaluation Committee (EC);
- **B5 course** (five-day training of trainers) that prepares procurement trainers to have deeper understanding of the PPLM, receive a trainer certification as well as certification to serve as members of EC.

The **standard training syllabus and materials** on the PPLM was developed by the Procurement Division of the MOF. All the certified procurement training institutions are mandated to follow and use the course syllabus and as well as the materials prepared by Procurement Division of MOF. The Procurement Division of MOF has entered into a **Memorandum of Understanding (MOU) with several training institutions** to carry out the A1 and A3 trainings for various stakeholders for a period of two years as part of its policy to delegate the function of training. The Procurement Division provides guidance, policy directions, information and other materials related to the conduct of training, the preparation of certification exams, and training of trainers.

The above mentioned trainings are provided by the School of Business of the National University of Mongolia, School of Computer Science and Technology, Academy of Management, Fiscal Management Institute, Procurement Guide (NGO), Procurement Development Center, Procurement Education Center, Human Development Research and Training Center (NGO), Procurement Development Center (NGO) and 14 local procurement offices in aimags (provinces). The training institutions make available their trained faculty and facilities to conduct the training and submit reports on the status of their training activities on a quarterly basis. There is no state budget allocated for training and national government agencies, these institutions charge fees for delivery of trainings and to support their training related activities.

5.2 Capacity building training on SPP

The MOF should develop two types of trainings on SPP targeting a) policy makers involved in developing and setting up sectoral policy, planning, budgeting and procurement management, government officials and officials from all stages of state organisations who are responsible for public procurement and investment from planning to monitoring and evaluation and reporting; and trainers of public procurement; and b) private sector-suppliers of goods, work and service.

The objectives of all types of training for policy makers, procurement officers and trainers are to enable participants to learn about the basic principles of sustainable public procurement and tools to integrate social, economic and environmental sustainability into the procurement process and to acquire skills necessary for applying sustainable procurement approaches to policy, planning, implementation and monitoring.

The objectives of the training for private sector-suppliers are to introduce basics of SPP and renewed PPLM and give understanding on sustainability related requirements and other requirements to be included in the technical specifications and the contract. It is also essential to introduce them to the importance of legal compliance such as labor relations, social welfare and taxation, occupational health and safety issues and environmental protection and raise awareness on environmental standards, certificates and eco labeling.

Capacity building should not be limited to only classroom type of training. Taken into consideration workload and time constraints of working people, MOF should consider developing short online training programme. Such training can be useful for reaching out to rural areas.

In addition to having a special or independent training on SPP it is advised to integrate SPP concepts into A3 training syllabus (3-day) and B5 training syllabus (5-day training of trainers).

Table 2. Capacity building activities

<i>Methods to implement the objectives</i>	<i>No</i>	<i>Activities</i>	<i>Implementation period</i>	<i>Implementing</i>		<i>Expected results /Assessment/</i>
				<i>Main implementing</i>	<i>Co-implementing</i>	
Enhancing human resources for the purpose of implementing the green public procurement	1	Develop the training syllabus and materials on SPP targeting all levels of budgetary organisations	2018	MOF, PCSP	NGOs	Conduct a public awareness targeting green procurement so that green procurement culture amongst the public will be introduced and enhanced.
	2	Organise the training of Trainers (B5-certified trainers)	2018	MOF	NGOs	60-70 B5-certified trainers will be prepared.

3	Organize the trainings for procurement officers of state administrative organisations (ministries, agencies)	2018-2020	MOF, PCSP	ministries, agencies	Knowledge concerning the Clients and Supplying Organs will be enhanced for green procurement purpose.
4	Organize the trainings for procurement officers of local administrative organisations (Governor's Office of Aimag, Capital City, Soum and District. Agencies under Governors)	2018-2020	MOF, PCSP	Governor's Office of Aimag, Capital City, Soum and District. Agencies under Governors	Knowledge concerning the Clients and Supplying Organs will be enhanced for green procurement purpose.
6	Organize the training for policy makers interested to learn about SPP and incorporate into planning and budgeting process	2018-2020	MOF, PCSP	All levels of State Organisation	Knowledge of the Decision Makers regarding green procurement will be enhanced.
7	Develop short online training contents on SPP	2018	MOF	NGOs	Developed short online training contents on SPP
8	Develop the training syllabus and materials on SPP targeting private sector (suppliers)	2018	MOF, PCSP	NGOs	Conduct a public awareness targeting green procurement so that green procurement culture amongst the public will be introduced and enhanced.
9	Integrate SPP aspects into A3 certified training on public procurement to introduce basics on SPP	2018	MOF	NGOs	Integrating SPP aspects into A3 certified training on public procurement

5.3. Training for policy makers, procurement officers and trainers

Learning objectives.

The participants will learn about the basic principles of sustainable public procurement and ways to integrate social, economic and environmental sustainability into the procurement process. Additionally, the participants will acquaint themselves with skills and tools for applying sustainable procurement to real policy, planning, organization and monitoring. After completing the course, the participants will be able to:

- Interpret current development trends and make sound argument on importance of sustainable public procurement in Government policy implementation and budgetary and investment decisions;
- Discuss and present principles and benefits of sustainable public procurement based on global best practices and experience;
- Identify possibilities for and make cases on opportunities, challenges and enabling conditions for applying sustainability in the public procurement process;
- Apply social, economic and environmental sustainability approaches to real life SPP-related cases.
- Learn to develop standard bidding documents and technical specifications.

Contents of the training

MODULE	TITLE
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Module 1	Nexus between sustainable development and sustainable public procurement <ol style="list-style-type: none"> 1. International and national policy contexts of sustainable public procurement 2. Basic concepts of SPP: Definition, principles, objectives, benefits and advantages
Module 2	Tools for Implementation of Sustainable Public Procurement <ol style="list-style-type: none"> 1. UN Environment approach to Sustainable Public Procurement 2. Integration of sustainability and innovation into public procurement process 3. International best practices (EU, China, South Korea)
Module 3	Mongolia's pathway towards sustainable public procurement <ol style="list-style-type: none"> 1. Public procurement system of Mongolia 2. Implementation of sustainable public procurement throughout the procurement process
Module 4	Standard bidding documents with integration of sustainability: Priority products <ol style="list-style-type: none"> 1. Overview of Standard bidding document (Mongolia) 2. Technical specifications: Environmental, social and economic sustainability of A4 paper, printer cartridge and concrete block 3. Sustainability criteria for some selected products: EU cases

The delivery method of the training is adapted to professionals in full-time work. The course could be taught in class or through online/web-based delivery. In some cases, both methods can be used depending on the participants' work location. For example, the first two modules can be taught through web-based method (16 hours) and the modules 3 and 4 could be delivered in class over 2 days (16 teaching hours). To support learning, the course will bring to class a range of learning activities including presentations, cases and reading materials:

- A course trainer will develop the presentations to deliver in 40-45 minutes in each lesson. Cases of Mongolia and some selected countries will be available in the Mongolian language.
- Group discussion and open discussion will be held in each lesson. The course trainer or facilitator will prepare the questions to discuss following the presentation and supplemented by reading cases.
- List of additional resources and reading materials presented by the course team, however most of the available materials are in English.
- After completion of the course the participants will submit an individual work in the type of a case study. Each participant will peer-review one Case submitted by other participants. To ensure that their cases are reviewed in a timely manner the participants need to meet the deadlines for this course component.

VI. COMMUNICATION STRATEGY AND AWARENESS RAISING

6.1 Main SPP stakeholders

Communication has been recognized as an important tool for facilitating SPP implementation nationwide. Whether discussing sustainable development, transition towards green economy or economic reforms to private sector development it is important to build consensus between different stakeholders. In the pursuit of communication strategy MOF sets the following objectives:

- Inform and engage different stakeholders about SPP implementation;
- Maintain positive perception and good understanding of SPP from the beginning through engagement with general public and key stakeholders.

Well-informed stakeholders could create a favourable environment for SPP implementation. The following stakeholders should be targeted when implementing communication and awareness raising strategy:

1. Procurement officers who will manage SPP implementation;
2. Private sector as suppliers of goods, works and services;
3. The media: all forms of media organizations, as well Journalists' Union of Mongolia, Press Institute and content producers;
4. Industry associations including Chamber of Commerce and Industry of Mongolia to reach SMEs/suppliers; and
5. Universities as well as non-governmental organizations which can help MOF disseminate SPP related information. They may include universities and non-governmental organizations, which provide procurement trainings. For example, the School of Business of National University of Mongolia, School of Computer Science and Technology, Academy of Management, Fiscal Management Institute, Procurement Guide (NGO), Procurement Development Center, Procurement Education Center, Human Development Research and Training Center (NGO), Procurement Development Center (NGO) and 14 local procurement offices in aimags (provinces) provide procurement trainings.

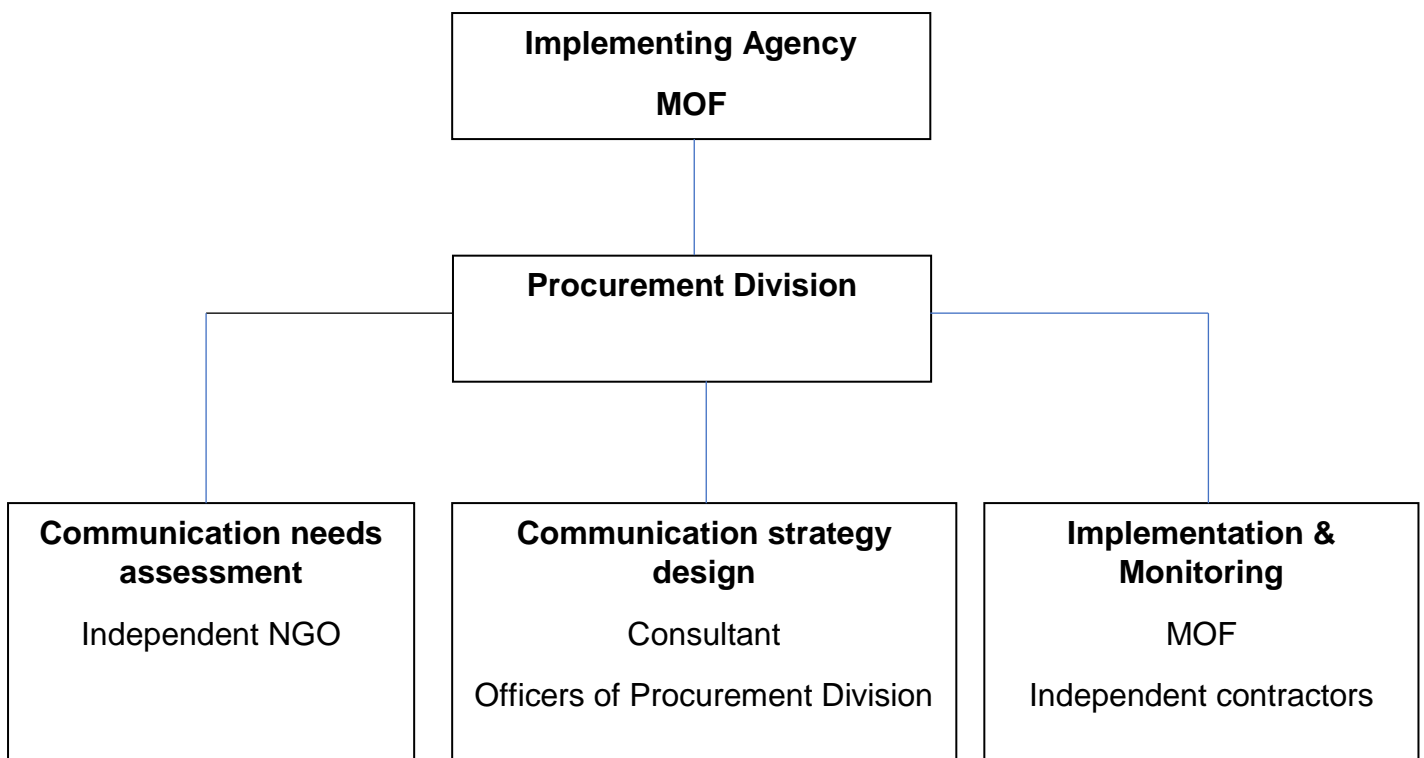
The communication strategy development should start with the survey study of these stakeholders to better identify appropriate and most effective and efficient mix of channels, prepare appropriate messages to reach various stakeholders, build capacities to implement the communication strategy and design mechanisms for monitoring and evaluation of effectiveness of communication strategy.

6.2. Communication activities, tools and key messages

The design and supervision of the communication strategy will lie with the MOF. Communication programs/projects involve multiple media institutions due to specific expertise. It would be important to have and communication or PR specialist at MOF, however MOF currently does not have PR or media office. Therefore, MOF may consider getting into a contract into selected media organisations depending on the specific circumstances and serviced needed. Besides the assistance provided by the media agency the implementation of communication activities consist of other services. For example for the development of an interactive Website and social media contents IT specialists and graphic designers are needed. Such skills may be lacking at MOF.

Therefore, these services should be contracted out. For the most effective and economical implementation of communication activities we propose MOF to consider the below organizational structure.

Figure 1. Institutional arrangements for communication strategy implementation



A right mix of media including radio, television, newspapers, online newspapers and social media should also be taken into account.

Based on the survey results the following activities should further be implemented:

- Design communication strategy and action plan;
- Build MOF's capacity for communication;

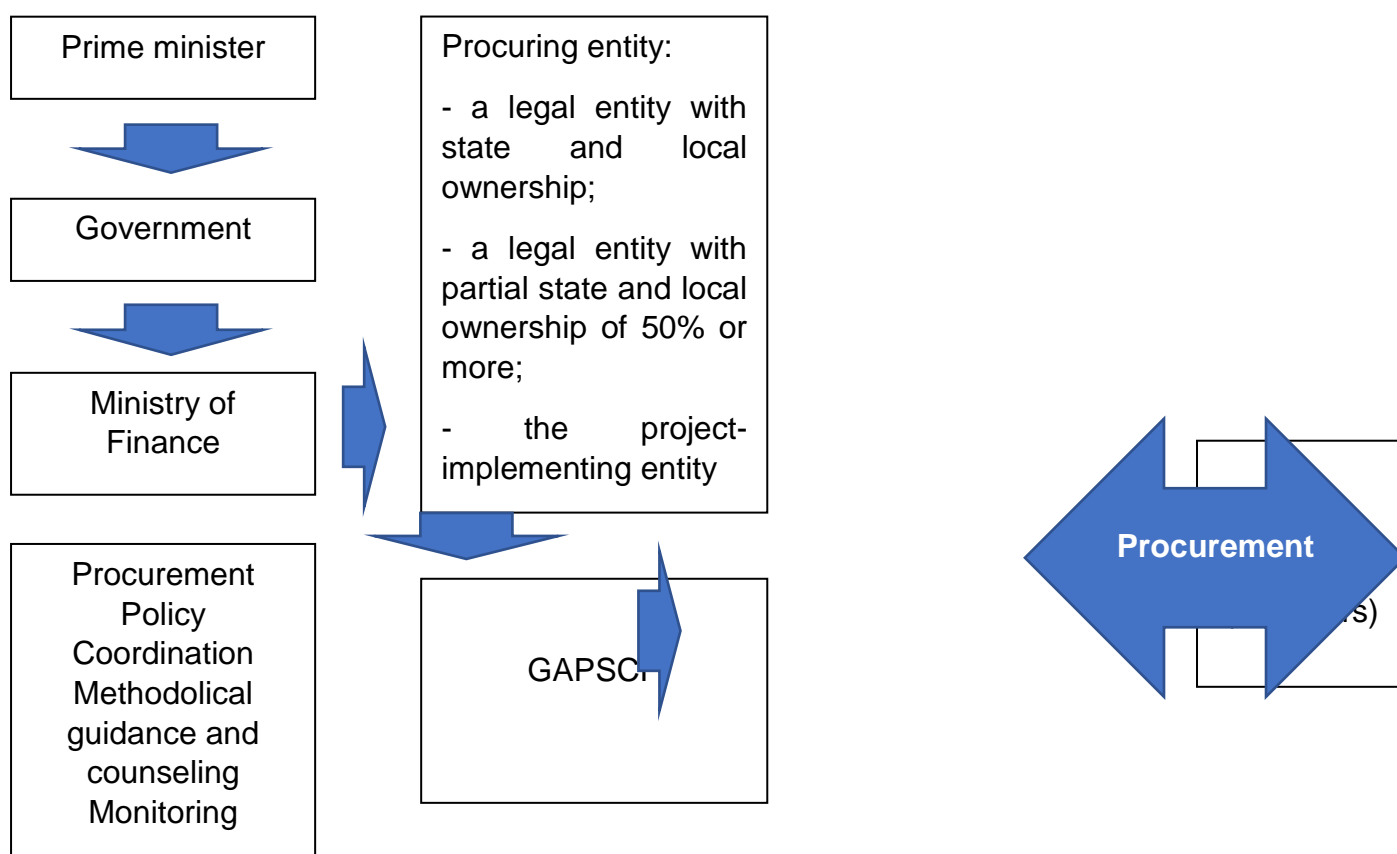
- Prepare information materials (posters, brochures, leaflets) for the different target groups;
- Organize SPP events with the support of media;
- Frequently arrange press conferences and other events (monthly-based);
- Launch a SPP Awake campaign;
- Develop and organize a series of TV and radio programs including debates and discussions;
- Develop interactive website;
- Organize and introduce the workshop/training amongst the media and journalists;
- Develop media contents and publicize and disseminate to the media agencies- TVs, radio and online newspapers and social networks such as Facebook, Twitter, YouTube, blogs targeted for public and stakeholders; and
- Launch Business Awards for SMEs/suppliers jointly with the Chamber of Commerce and Business.

VII. SUSTAINABLE PROCUREMENT IN ACTION

7.1. Procurement planning

The Procurement Division of the Ministry of Finance will be responsible for the implementation of SPP including formulation of the policy, laws and regulations and action plan, planning, implementation and monitoring. It is advisable to hire one full time officer responsible for SPP from planning to monitoring.

Figure 2. Institutional structure for public procurement



According to the PPLM, procuring entities prepare a draft of the procurement plan (including technical and economic feasibility study) and submit the plan in a time of preparing a draft annual budget and submitting to the respective budget general governor. The budget general governor prepares a combined draft of the procurement plan along with the budget proposal and submits it to MOF (PAGE, 2015). Hence, at the stage of budget and procurement planning during the preparation of technical and economic feasibility study the procuring entity has to identify the needs for procuring goods, works or services with sustainability criteria.

Since the responsibility for an annual budget plan lies with the MOF it should request each procuring entity (ministries, agencies etc.) to include green procurement in the budget plan. In general, the budget plan of the ministry shows the current and capital expenditure categories. The current expenditure includes goods and services, which consist of wages and salaries, social insurance, accommodation (electricity, heating, water, rent), supply and goods, normative expenses (medicine, medical equipment, food), stationary, repair and maintenance, other purchase of goods and services, and other expenditures. The capital expenditure includes construction, capital repairs, equipment, other capital and other expenditures. Hence, accommodation, supply and goods, normative expenses and stationary, repair and maintenance could be procured by applying sustainability criteria. The budget for construction, capital repairs and equipment could also be procured through sustainability criteria. For this account MOF could request each ministry to describe goods, works and services, which will be purchased through the SPP approach. In the procurement plan each ministry/agency should describe names and types, quantity/size and capacity of goods, works, and services, budget, procurement method and time of procurement for which the SPP approach will be applied. At the bottom of this procurement plan sheet percentage of sustainable public procurement in relation to total public procurement, types of procurement-goods, works, services and categories of products and service can be elaborated.

7.2. Sustainable procurement implementation

According to the ICLEI (2016) the procurement process has been divided into the following stages:

- Pre-procurement;
- Deciding on the procurement procedure;
- Defining the subject of the contract;
- Selection/exclusion of bidders;
- Technical specifications;
- Award criteria; and
- Contract management

These steps are well explained in the SPP guidelines, therefore we limit our explanations.

Pre-procurement: In the pre-procurement stage needs assessment and market analysis and engagement are carried out. In a case of Mongolia each procuring entity is responsible for needs assessment and market engagement in a time of planning. The procuring entity has an officer who is responsible for the procurement planning, monitoring and reporting. His/her responsibilities do not really specify a role for needs assessment and market engagement and the procuring entities lack understanding of necessity for such assessment and market engagement. Therefore, with SPP implementation it is crucial to identify why procurement is needed and whether the products and services are available in the market. The UN Environment SPP Approach (2012) explains tools to identify the institutional needs for procuring goods, works or services. Some techniques can be identified and used in the case of Mongolia. These may include auditing energy use, water use and waste generated, establishing a web-based exchange for products and services between departments and e-shop.

Determination of procurement procedure. In Mongolia most of the procurement process involves competitive bidding. If the threshold for goods is above 50 mln. MNT the open bidding procedure applies. However, flexible procedures should be taken into account including joint procurement.

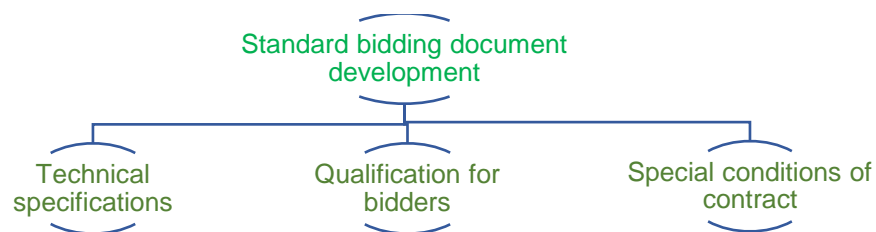
One of the key considerations is to allow SMEs to participate in bidding. Measures such as minimizing the complexity of tender documentation, dividing contracts into smaller lots, limiting the number of lots which will be awarded to any one bidder, allowing longer periods of time for the submission of expression of interests will expand opportunities for SMEs to participate in bidding.

Defining the subject matter of the contract. The contract subject matter should clearly indicate what will be purchased. Provision of sustainable catering service for schools, supply of low emission vehicles, construction of green school building, supply of energy saving LED lighting and supply of sustainable printing and copy paper are some examples of subject matter.

Selection/exclusion of bidders. In a case of Mongolia the selection/exclusion criteria are included in the Standard Bidding Document. The Evaluation Committee, established by the procuring entity has to prepare technical specifications, determine qualifications for bidders and draft special conditions of the contract.

Technical specifications. In accordance with PPLM, the procuring entity has to prepare technical specifications in line with the following requirements.

Figure 3. Standard Bidding Document elements



Source: UNEP. PAGE (2015) Review of the public procurement legal framework of Mongolia

Producing specifications with sustainability criteria is not an easy task for the Evaluation Committee. Therefore, the SPP officer of the Procurement Division of MOF should provide advice and guidance and frequently organize trainings to relevant officers of procuring entities. The Procurement Division of MOF will provide a sample bidding document and provide advice on defining sustainability specifications.

Evaluate bids and award criteria . According to the PPLM the following actions are carried out to evaluate the bidder:

- At first stage (Documents review) the Evaluation Committee reviews all the bidding documents. Of the total bidders, the Evaluation Committee selects the responsive bidders.
- At next stage, the Evaluation Committee carries out the price comparison and chooses the best (lowest price) bidder.
- Prior to awarding the contract and contract signing the Evaluation committee makes the post review.

With SPP implementation MOF will renew Guidelines for bid evaluation. Accordingly, all bids which have met the minimum general criteria, financial criteria and qualification and expertise criteria will be evaluated against a specific set of award criteria for sustainability:

- Social criteria (5 points)
- Economic criteria (5); and
- Environmental criteria (10).

Unlike pass/fail criteria the award criteria allow the possibility for procuring entities to progressively reward better points if specific thresholds are reached or conditions are

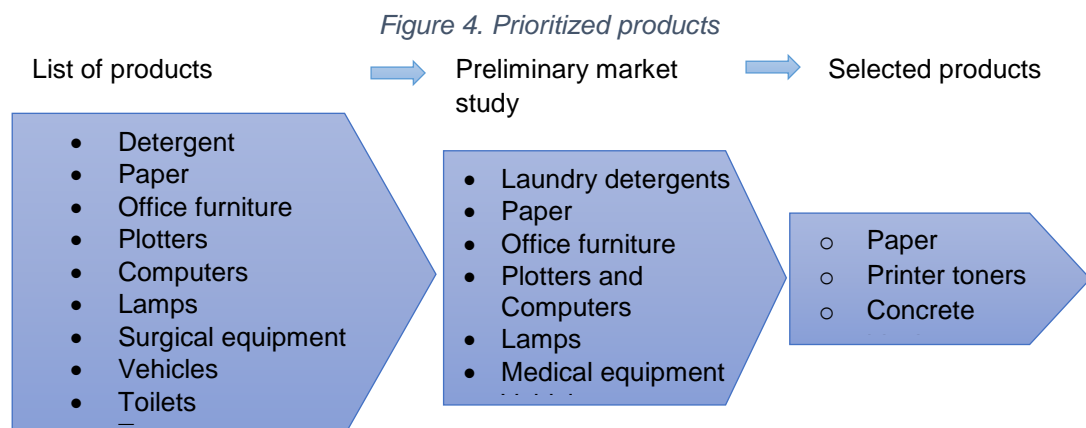
met. To maximize transparency, the call for tenders or request for quotation should indicate clearly the award criteria specifying the points given to each of them and the formula according to which the points will be given.

Contract management. According to the PPLM the Evaluation Committee carries out the post review prior to contract signing. The post review covers conditional price discount, re-validation of tenderers' capability and alternative bids. Furthermore, the procuring entity informs the winning bidder. Managing contract implementation covers elaborating a contract management plan, performance monitoring, reporting, managing the relationship with the supplier and disposal (WB, 2016).

The best way to manage contract implementation and maintain a relationship with the supplier is to develop a comprehensive contract management plan. The contract management plan can be developed with a review meeting schedule, performance measurement targets and measures.

VIII. PRIORITY PRODUCTS

As a result of the Prioritization exercise A4 copy paper, printer ink cartridges and lightweight concrete blocks were selected as priority product categories to be procured via pilot tenders.



Source: PAGE (2015) Market Readiness Analysis on Sustainable Public Procurement in Mongolia

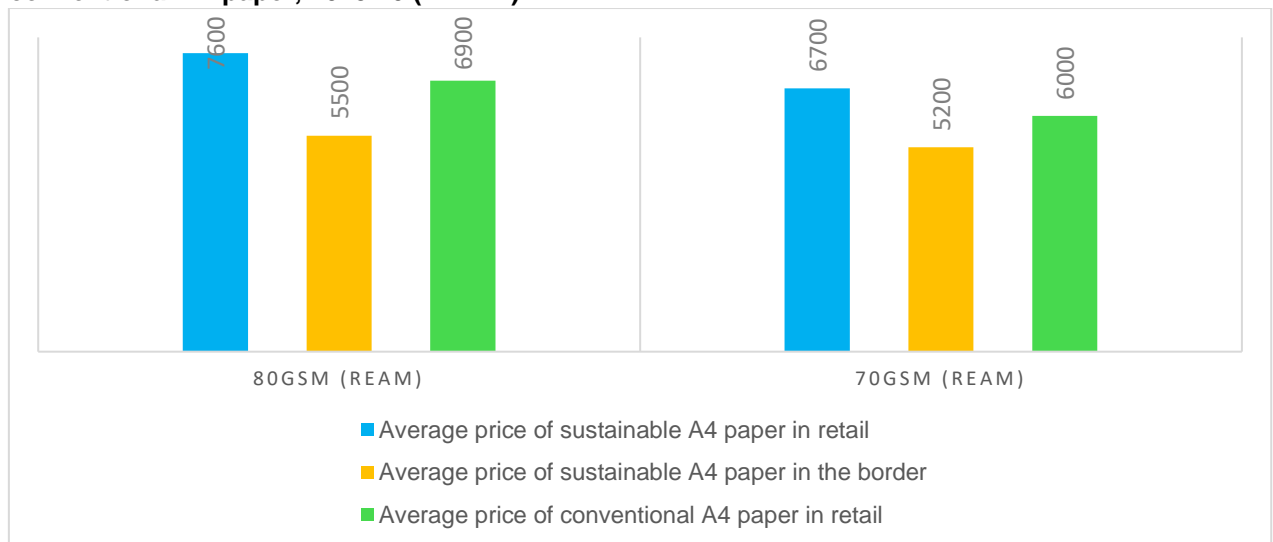
The market availability and key specifications of each priority product are discussed below:

A4 copy paper: In Mongolia, particularly in Ulaanbaatar city, A4 paper is sold in official stores, branches, stationery shops, shops providing copying services, supermarkets, markets, wholesale stores to postal shops. Among them, stationery shops and supermarkets made the most sales. Depending on units of supply chain, the price of A4 copy paper is different. As of October of 2015, the average retail price of 80gsm paper

was MNT 7600 per ream and the average retail price of 70gsm paper is MNT 6700 in the case of importers. An average price of sustainable A4 copy paper in the border has been relatively stable for the whole decade. For ten consecutive years, the average price of A4 copy paper per kilogram was \$1, \$1.8 at most and \$0.6 at least.

The average price of sustainable A4 paper copy papers is MNT 500-2000 higher than the average price of conventional (non-brand) A4 paper mainly imported from China. Thus, sustainable A4 papers has a price premium of about 15%. What is more, the average price of sustainable A4 paper is about MNT 2000-3000 higher than its average price in the border.

Figure 5. Average retail and border price of sustainable A4 paper and average retail price of conventional A4 paper, 2015.10 (in MNT)



Source: Customs data

All basic sub-categories of sustainable A4 copy paper that are recognized at the international level are available in Mongolia, namely:

- Paper produced from virgin fibres stemming from legally harvested woods and from sustainably harvested wood;
- Elemental chlorine free;
- Brightness;
- Environmentally friendly packaging;
- Technical quality;
- Environmental management system;
- Quality management system; and
- Recyclable (post-consumer).

Table 4 below proposes sustainable criteria and their verification means that can be applied in sustainable public procurement within the specified timeframe.

Table 4. Sustainability criteria and corresponding verification for SPP of A4 copy paper

Environmental sustainability criteria			
Sustainability criteria	Short term	Medium term	Long term
	Verification	Verification	Verification
Recycled paper	This criterion does not	This criterion does not	-Any type I Eco label, such

	seem appropriate due to the lack of provision of recycled paper	seem appropriate due to the lack of provision of recycled paper	as Blue Angel, or Recycled label. -Any other appropriate means of proof
Paper produced from virgin fibre stemming from legally harvested woods and from sustainably harvested wood	Appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized body	FSC or PEFC label, European label, Nordic Swan label	FSC or PEFC label, European label, Nordic Swan label
Elemental chlorine free	Appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized body	European ecolabel, Blue Angel, Nordic Swan, Eco Mark Japan, Chlorine-Free Products Association (CFPA)	European ecolabel, Blue Angel, Nordic Swan, Eco Mark Japan, Chlorine-Free Products Association (CFPA)
Brightness	Written proof that they meet this criterion.	Written proof that they meet this criterion.	Written proof that they meet this criterion.
Environmentally friendly packaging	Declaration by the packaging producer where the percentage of recycled content for cardboard in their packaging is specified	Declaration by the packaging producer where the percentage of recycled content for cardboard in their packaging is specified	Declaration by the packaging producer where the percentage of recycled content for cardboard in their packaging is specified
Technical quality	A sample of the paper must be provided to the procurer in order to test the quality of paper.	A sample of the paper must be provided to the procurer in order to test the quality of paper.	Paper certified that compatible with machinery in accordance with DIN 190309, AFNOR Q11-013, or equivalent.
Environmental management system	-Written corporate environmental policy, consistent with ISO 14001, or equivalent. - -Any other appropriate evidence	ISO 14001	ISO 14001
Quality management system	-	ISO 9001	ISO 9001
Long life	-	ISO 9706	ISO 9706
Recyclable (post-consumer)	Appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized body	Recyclable labels	Recyclable labels
Social sustainability of suppliers			
Social responsibility	-	Appropriate proof that the requirement has been met.	Appropriate proof that the requirement has been met.
Supply chain according to labour standards and human right laws	-	Appropriate proof that the requirement has been met.	Appropriate proof that the requirement has been met.
Economic sustainability of suppliers			
Job creation in local economy	Appropriate proof that the requirement has been met.	Appropriate proof that the requirement has been met.	Appropriate proof that the requirement has been met.

Cooperation with SMEs and individuals through paper supply chain	Appropriate proof that the requirement has been met.	Appropriate proof that the requirement has been met.	Appropriate proof that the requirement has been met.
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Based on recommendations of the Market Analysis the following measures will be taken:

- SPP criteria need to be launched in stages.
 - Namely, basic criteria on environmental sustainability need to be applied to public procurement in the short term.
 - Criteria related to social and economic sustainability should be introduced in public procurement in the medium term. The main reason is that only few companies that hold the main share of the market will immediately meet all requirements in SPP. By introducing sustainability criteria in public procurement stage-by-stage, small and medium-scaled suppliers will be able to compete in this environment.
- SPP should be first introduced in central state administrative organisations and larger local state organisations of the country that have high consumption of A4 paper.

Toner cartridges: In Mongolia, **80% of the total printer cartridges** supplied in the market are **imported** from foreign countries, whereas the rest are produced domestically. Sustainable toner cartridges supplied in the Mongolian market can be categorized as follows:

- **Sustainable original toner cartridges:** This type of cartridge is imported from OEMs to Mongolian market by official distributors. Most of original toner cartridges in the market meet sustainability criteria, except for the take-back service (See Table 19). They are verified with ecolabels, technical data from OEMs and standards such as ISO 14001, ISO 9001, DIN and ISO/EIC family. In the case of the price, the original cartridges are 2.5 times higher than sustainable remanufactured cartridges and 2.7 times higher than domestic cartridges on average.
- **Sustainable remanufactured toner cartridges:** Small- and medium-scaled suppliers and individuals mainly import this type of cartridges to the market. Currently, some of these suppliers have documentation for sustainability verification, while others do not. **Some remanufactured cartridges have an ecolabel and standards such as ISO 14001 and ISO 9001** on the package. In addition, there is **no take-back service** for remanufactured cartridges. However, suppliers importing remanufactured toner cartridges involved in the survey stated that they could get technical data for sustainability verification from producers if needed. In terms of price, remanufactured cartridges are **relatively cheap** compared to original cartridges. Remanufactured cartridges are **commonly consumed** in Mongolia due to their cheaper price.
- **Toner cartridges** produced by local and domestic companies with imported components **assembled in Mongolia:** About 5 domestic manufacturers of printer

cartridges are operating in the Mongolian market. **One of them tries to produce cartridges that are consistent with environmentally sustainable criteria.** The company uses case and components imported from original manufacturers for the production of cartridges, and employs environmentally friendly packaging practices. This company also offers take-back service for remanufacturing. Generally, the price of toner cartridges produced domestically is **slightly cheaper** than the price of remanufactured cartridges.

In Mongolia, some basic **sub-categories of sustainable toner cartridges** that are recognized at an international level are available at present, namely:

- Heavy metals and azo-colorants;
- Environmentally preferred packaging;
- Quality management system (for original cartridge);
- Ease of re-use/recycling;
- Environmental management system (for original cartridge); and
- Technical quality.

Most original and some remanufactured toner cartridges imported to Mongolia **already meet some sustainability requirements.** As mentioned before, most validation of sustainability criteria at international level can be applied to toner cartridges. However, a certain period will be needed to append a few sustainable criteria in public procurement.

Table 5. Sustainability criteria and their means of verification for SPP implementation of toner cartridges

Environmental sustainability criteria			
Sustainability criteria	Verification		
	Original toner cartridge	Remanufactured toner cartridge	Toner cartridges produced by domestic companies
Heavy metals and azo-colorants	<p>Short term: Appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized body will be accepted.</p> <p>Medium term: Cartridge carrying type I ecolabel such as the Blue Angel, the Umweltzeichen (Austrian ecolabel), the Eco Mark Japan, Ecologo, Thai Green Label, and the Nordic Swan can also serve as means of proof.</p>	<p>Medium term: Appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized body will be accepted.</p>	<p>Long term: Appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized body will be accepted.</p>
Requirements for case parts and other components (for remanufactured toner cartridges)		<p>Medium term: Appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized body will be accepted.</p>	<p>Medium term: Any other appropriate means of proof, such as a technical dossier of the manufacturer or a test report from a recognized</p>

		Long term: All products carrying the Blue Angel, the Umweltzeichen (Austrian ecolabel), the Eco Mark Japan, Ecologo, Thai Green Label or the Nordic Swan can also serve as means of proof.	body will be accepted. Bidders shall demonstrate compliance with the criterion of “quality and guarantee” in writing
Ease of re-use/recycling:	Medium term: Bidders must provide a written declaration of compliance with this criterion. Upon request, they may be asked to provide samples of the product and/or documentation from manufacturers of cartridges or their components.		Medium term: Bidders must provide a written declaration of compliance with this criterion. Upon request, they may be asked to provide samples of the product and/or documentation from manufacturers of cartridges or their components.
Take-back scheme	Medium term: Bidders must provide appropriate documentation of the existence of a toner cartridge take-back scheme. Bidders must demonstrate the existence of appropriate information/instructions on handling cartridges.	Medium term: Bidders must provide appropriate documentation of the existence of a toner cartridge take-back scheme. Bidders must demonstrate the existence of appropriate information/instructions on handling cartridges.	Medium term: Bidders must provide appropriate documentation of the existence of a toner cartridge take-back scheme. Bidders must demonstrate the existence of appropriate information/instructions on handling cartridges.
Environmentally preferred packaging	Short term: Bidders must provide appropriate documentation	Short term: Bidders must provide appropriate documentation	Short term: Bidders must provide appropriate documentation
Environmental management system	Short term: ISO14001	Medium term: ISO14001	Medium term: Written corporate environmental policy, consistent with ISO 14001, or equivalent. Any other appropriate evidence
Quality management system	Short term: ISO9001	Medium term: ISO9001	-
Social sustainability of key suppliers in Mongolia			
Social contribution ⁶	Short term: Appropriate proof that the requirement has been met.	Long term: Appropriate proof that the requirement has been met.	Long term: Appropriate proof that the requirement has been met.

⁶ It can include all activities related to the local sustainability such as building and maintaining healthy, strong communities, supporting social inclusion and enhancing the well-being of local residents by generating local employment. Currently, the main local suppliers in Mongolia have created a number of jobs, and support SMEs and individuals through their supply chains. Moreover, some of them spearhead funding programs to give assistance for the education of Mongolian children.

Supply chain according to labour standards and human right laws	Short term: Appropriate proof that the requirement has been met.	Long term: Appropriate proof that the requirement has been met.	Long term: Appropriate proof that the requirement has been met.
Technical quality	Short term: A sample of toner must be provided to the procurer in order to test quality	Short term: A sample of toner must be provided to the procurer in order to test quality	Short term: A sample of toner must be provided to the procurer in order to test quality
Economic sustainability of key suppliers in Mongolia			
Job creation in the local economy	Short term: Appropriate proof that the requirement has been met.	Medium term: Appropriate proof that the requirement has been met.	Medium term: Appropriate proof that the requirement has been met.
Cooperation with SMEs and individuals through the supply chain	Short term: Appropriate proof that the requirement has been met.	Medium term: Appropriate proof that the requirement has been met.	Medium term: Appropriate proof that the requirement has been met.

Based on findings the following measures will be carried out:

- Currently, original toner cartridges meet almost all sustainability criteria. However, the high price of the original toner cartridges is the main obstacle to the introduction of sustainable criteria in public procurement. Therefore, sustainability criteria applying to toner cartridges need to be introduced in public procurement in stages, with basic criteria on environmental sustainability being applied in public procurement in the short term, and more advanced criteria being applied in due course.
- Criteria related to social and economic sustainability should be introduced in public procurement in the medium term. The main reason for this is that only few companies, which hold the majority of the market share, currently meet all requirements of SPP. By introducing sustainability criteria into public procurement stage-by-stage, small- and medium-scaled suppliers will be able to compete in this environment.
- SPP should first be introduced in larger public organizations that have high consumption of toner cartridges in the central regions of the country. Following this, it should be rolled out more widely.

Concrete blocks: First produced in Mongolia in 1967, lightweight concrete blocks are now produced by 33 autoclave factories, out of which 30 are located in Ulaanbaatar and three are located in the countryside. The combined production output of these factories is 1358 000 m³ which is enough to completely cover the demand of capital Ulaanbaatar city and aimags in the central region.

Although total ash resource is sufficient for the current production volume, the absence of economically efficient technology for the use of wet ash limits the useable ash. In order to continuously develop fly ash based material production, the need for

technology to process wet ash must be introduced, and the need for necessary equipment to transport and store the ash in large amounts must be met by companies.

Although concrete block factories are highly interested in using fly ash in lightweight concrete blocks, this type of block accounts for only a 3.6%-share of the total market due to low demand. The absence of standards, regulations and rules for the use of ashes at different levels, for different purposes as well as for controlled use, creates difficulties in production.

Almost half of the market participants believe that the use of fly ash in construction materials has a negative impact, based on the findings of market research relevant to fly ash based building material⁷. This might have resulted from the low knowledge of consumers on ash use, as well as from the lack of scientifically proven, reliable information on ashes, which could be disseminated by thermal power plants through media channels.

The following points should be included in public procurement procedures with respect to lightweight concrete blocks:

- In tendering, it should be considered an asset if entities' operations or products are certified with ecolabels or standards, (i.e. preference should be given to entities certified by ecolabels when such vendors participate in public tenders);
- Points should be given during the procurement process to entities focusing on sustainable development concepts in their products and production processes
- Evaluation criteria for public procurement must be gradually introduced in the procurement process year after year. Procurement must be aimed at supporting domestic producers since they do have capacity to fully meet domestic market needs, as well as at supporting SMEs in order to prevent the creation of a monopolized market. The technology to process wet ash must be adopted, and the need for necessary equipment to transport and store the ash in large amounts must be met by companies. Supporting actions by the government, such as subsidies, incentives etc., are needed to create a standard for ash use, and to constantly maintain ash resources. If the government supports the fly ash based product consumption through SPP, producers will see no problem in using fly ash in lightweight concrete blocks.

IX. MARKET ENGAGEMENT

The market analysis enables to identify potential bidders, build capacity in the market to meet the requirements and inform the design of the procurement and contract (ICLEI, 2013). Engaging the market can help plan and identify the procurement procedure, determine potential suppliers, build trust and confidence with suppliers, create market conditions and identify innovation and sustainability. In the stage of pre-selection the following activities can be undertaken:

⁷ MIRIM Consultant LLC- Market research for ash based building material, 2015

Table 6. Market engagement actions

Actions
<ul style="list-style-type: none"> • Publish forward procurement plan
<ul style="list-style-type: none"> • Attend trade shows
<ul style="list-style-type: none"> • Meet the buyer events
<ul style="list-style-type: none"> • Issue a request for information
<ul style="list-style-type: none"> • Call a “show&tell” to allow suppliers to explain their proposed solutions
<ul style="list-style-type: none"> • Meet with industry associations and group of key suppliers individually

X. MONITORING AND EVALUATION

The monitoring and evaluation of the Action Plan is vital and it demonstrates responsibility of stakeholders concerned and achievements of the plan itself.

According to PPLM the state administrative authority of all levels shall have a unit responsible for monitoring and evaluating the implementation of the functions specified in the law within the scope of his responsibilities.

The unit responsible for monitoring and evaluation at each government agency is responsible for evaluation of procurement according to the General rules for monitoring and evaluation for the implementation of the policy and the actions (Government Resolution # 89 of 2017).

The Procurement division of MOF is responsible for monitoring of objectives, targets and achievements of the annual Procurement Plan and presents each year to the Cabinet. Following the monitoring and evaluation the following measures are implemented:

- Disseminate best practices of the Central Government Agency, Government Agency, Governor's Office of the Aimag and Capital City, to make public through the media, to correct the mistakes and shortcomings; and
- Provide guidance and recommendations on improving the effectiveness of the administrative organizations and provide on-site supervision and conclusion as appropriate.

In addition, the 2011 amendments to the PPLM has determined the following power of state inspectors in charge of procurement process:

- The chief state inspector /now State Secretary of MOF/ and state inspector for overseeing implementation of procurement activities shall be a member of the state administrative central body in charge of budget affairs /MOF/;
- When overseeing the procurement process, the state inspector in charge of procurement procedures shall exercise the following rights in addition to the general plenary rights of the law on state inspection and monitoring:
 - To propose a bidder who is identified as fulfilling the conditions stated in provisions of the law to be included in the registry of bidders with limited rights;
 - To annul an invalid contract; and
 - To annul contracts that transferred contract obligations to a third party without approval of the procuring entity or made payments that exceed the amount previously stated in the bidding documents.

To assess progress towards SPP targets MOF needs to take the following measures.

- Determine what administrative data needs to be collected, how, and by whom will be central to an effective monitoring system;
- Develop database records;
- Assign responsibility for monitoring at MOF and PCSP, as well as at each procuring entity (who should and could be responsible for internal review);
- Define frequency of updating/reporting and carry out regular reviews and evaluation and reporting ((quarterly reporting and compilation and annual compilation at MOF and submission by MOF to Cabinet); and
- Engagement of external organisations in monitoring including NGOs (for independent external review).

XI. BUDGET

An overview of the required budget, broken down by year and by activity, is shown in Appendix 2. The sources of financing for the SPP implementation are mainly the state budget, however for some activities external sources are identified.

Appendices

APPENDIX 1: ACTION PLAN FOR SUSTAINABLE PUBLIC PROCUREMENT

<i>Methods to implement the objectives</i>	<i>No</i>	<i>Activities</i>	<i>Implementation period</i>	<i>Implementing</i>		<i>Funding /million.MNT/</i>	<i>Funding source</i>	<i>Expected results /Assessment/</i>
				<i>Main implementing</i>	<i>Co-implementing</i>			
<i>One. Strengthening legal framework for SPP implementation and ensure enforcement</i>								
Creating a legal environment for "at least 20% of the government procurement is to be environmentally sound and efficient"	1	To make an amendment to the Public Procurement Law of Mongolia	2017-2018	MOF	PCSP	-	SB	Green procurement legal environment is expected to be in place.
	2	Develop and approve the Sustainable Public Procurement Guidelines	2017-2018	MOF	-	7.5	IO	The guidance on the criteria and requirements for qualification, will be approved to implement the adherence of goods, works and services for the green procurement purpose.
	3	Develop sample standard bidding documents for selected priority products	2017-2018	MOF	-	7.5	IO	Developed sample standard bidding documents for selected priority products
	4	Make an amendment to Procedures for Planning and Reporting	2017-2018	MOF	PCSP	-	SB	An amendment to the Procedures for Planning and Reporting Procurement,

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		Procurement, Methodology of Margin of Preference, Tender Evaluation Guidelines and the Standard bidding documents						Methodology of Margin of Preference, Tender Evaluation Guidelines and as well as the Standard bidding documents, will be made.
	5	Develop a procedure for awarding eco labels and green certificates and get approval by the Government	2018	MNET	legal entities and organizations	15	SB	A regulation on incentives for citizens, legal entities and organizations to shift sustainable production and consumption, introduce green (low waste, low emission and resource efficient) technologies
	6	Reapprove a Procedure and guideline on common contract for goods to be procured through SPP	2018	MOF	MOJHA, PCSP	-	SB	Common contract applied and used by procuring entities
	7	Conduct a study on international green office, in accordance with the international "Green office" method, develop common requirements and criteria	2018-2020	MOF, MNET	PCSP, MNCCI	15	SB	A study will be undertaken and the criteria will be formalized and Increased savings while decreasing waste.
<i>Two. Implementation of Sustainable Public Procurement</i>								
Integrating sustainability criteria throughout the procurement	1	Re-organise staff roles and responsibilities of the Procurement Division of MOF and full time officer responsible	2018	MOF	-	-	SB	SPP procurement officer

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cycle		for SPP from planning to monitoring.						
	2	Establish task force or committee on SPP	2018	MOF	MNET, PCSP	-	SB	Established task force or committee on SPP
	3	Conduct research on green products available on the market. Create a database of such products (for example, construction materials) and utilize the database in government investment and procurement decisions.	2018-2019	MOF, MNET	PCSP	50	IO	Expanded supply and demand of sustainable products. Increased percentage of sustainable goods and products in total public procurement.
	4	Develop SPP guideline to be used by public procurers	2018	MOF, MNET	PCSP	20	IO	Sustainable procurement features, material, environmentally sound, zero harm on human health, and other applicable standards, all of which will be reflected on the guidance.
	5	Develop sample Standard bidding document including technical specifications	2018	MOF	PCSP	-	SB	Sustainable procurement features, material, environmentally sound, zero harm on human health, and other applicable standards, all of which will be reflected on the sample Standard bidding document including technical specifications
	6	Establish Single point service center to provide information, tools and	2018-2020	MNET, PCSP	private sector's legal	300	SB, PS	Demand and Supply will be broadened; The percentage of the Government's sustainable

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		guideline for SMEs on SPP			entities and organizations			procurement will be increased.
	7	Develop database of green building materials	2018-2019	MCUD	affiliated organization	50	IO	Expanded supply and demand of sustainable products. Increased percentage of sustainable goods and products in total public procurement.
	8	Develop database of organic food	2018-2019	MFALI	affiliated organization	50	IO	Expanded supply and demand of sustainable products. Increased percentage of sustainable goods and products in total public procurement.
	9	Develop national ecolabels based on international labels	2017-2020	MNET, MFALI	MNCCI	15	SB	The number of sustainable producers and products, as well as, an incentive mechanism will be increased.
	10	Include procurement of goods, work and service in the Annual budget planning (certain percentage to achieve)	2017-2020	All level Budget Portfolio	MOF, PCSP	-	SB	The 20% of green procurement will be a part of the current/normal government procurement expense.
	11	Develop sustainability criteria for goods and work commonly purchased through state budget: computer, electrical appliances, lighting, washing detergents etc.	2018-2020	MNET, MOF	All levels of State Organs	-	SB	Demand and Supply of green market including computer, it's equipment, agricultural products, washing powder and detergent, office furniture, medical equipment, and lamps etc., will be broadened. Also, the percentage of government sustainable procurement will be increased

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	12	Develop the green/sustainability criteria and technical specifications of products in key sectors taken into consideration each specific Ministry's demand and need.	2018-2020	MNET, MOF	All levels of State Organisations	-	SB	Demand and Supply of Green market including computer, its equipment, agricultural products, washing powder and detergent, office furniture, medical equipment, and lamps etc., will be broadened. Also, the percentage of government green procurement will be increased.
	13	Considering priority goods, works and services, start purchasing A4papers, printer toner, and concrete blocks for building.	2018-2020	MOF, MCUD, PCSP	All levels of State Organisation	-	SB	Demand and Supply of the Market will be broadened, as well as the percentage of government procurement will be increased.
	14	Organize frequent meetings with suppliers/manufacturers, traders and conduct information session	2018-2020	MOF, PCSP	MNCCI, legal entities and organisations	60	IO	Human Resource in respect of sustainable procurement will be enhanced.
	15	In the E-shop include green goods/products (E-shop will be developed from 2018)	2018-2020	MOF, PCSP	All levels of State Organisation	150	SB	Demand and Supply of green market will be broadened.
Three. Capacity building								
Enhancing human resources for the purpose of	1	Develop the training syllabus and materials on SPP targeted to all levels of budgetary	2018	MOF, PCSP	NGOs	20	IO	Conduct a public awareness targeting green procurement so that green procurement culture amongst the public will be

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implementing the green public procurement		organisations						introduced and enhanced.
	2	Organise the training of Trainers (B5-certified trainers)	2018	MOF	NGOs	7.5	IO	20-25 B5-certified trainers will be prepared.
	3	Organize the trainings for procurement officers of state administrative organisations (ministries, agencies)	2018-2020	MOF, PCSP	ministries, agencies	25	IO	Knowledge concerning the Clients and Supplying Organs will be enhanced for green procurement purpose.
	4	Organize the trainings for procurement officers of local administrative organisations (Governor's Office of Aimag, Capital City, Soum and District. Agencies under Governors)	2018-2020	MOF, PCSP	Governor's Office of Aimag, Capital City, Soum and District. Agencies under Governors	25	IO	Knowledge concerning the Clients and Supplying Organs will be enhanced for green procurement purpose.
	5	Organize the trainings for procurement officers of legal entity with state and local	2018-2020	MOF, PCSP	legal entity with state and local	25	IO	Knowledge concerning the Clients and Supplying Organs will be enhanced for green procurement purpose.
	6	Organise the training for Decision Makers	2018-2020	MOF, PCSP	All levels of State Organisation	22.5	IO	Knowledge of the Decision Makers regarding green procurement will be enhanced.
	7	Develop short online training contents on SPP	2018	MOF	NGOs	15	IO	Developed short online training contents on SPP
	8	Develop the training syllabus and materials on SPP targeted to private sector (suppliers)	2018	MOF, PCSP	NGOs	20	IO	Conduct a public awareness targeting green procurement so that green procurement culture amongst the public will be

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								introduced and enhanced.
	9	Integrate SPP aspects into A3 certified training on public procurement	2018	MOF	NGOs	6	IO	Integrating SPP aspects into A3 certified training on public procurement
Four. Communication strategy								
Ensure effective information dissemination and raise awareness on SPP	1	Design the strategy and action plan	2018	MOF	NGOs	25	IO	Designed the strategy and action plan
	2	Build MOF's capacity for communication	2018	MOF	IO	75	IO	Builded MOF's capacity for communication
	3	Prepare information materials (posters, brochures, leaflets) for the different target groups	2018	MOF	GAPSCP	40	IO	100.000-150.000 posters, brochures, leaflets prepared for the different target groups.
	4	Organize SPP events with the support of media	2018-2020	MOF	The Media	60	IO	Organized fixed SPP events with the support of media
	5	Frequently arrange press conferences and other events (monthly-based)	2018-2020	MOF	The Media	36	IO	Press conference and other events are organized monthly and SPP is promoted
	6	Launch a SPP Awake campaign	2018	MOF	The Media	20	IO	The public has an understanding of SPP
	7	Develop and organize a series of TV and radio programs including debates and discussions	2018-2020	MOF	GAPSCP	120	IO	Every month developed and organized a series of TV and radio programs including debates and discussions
	8	Develop interactive website	2018	MOF	GAPSCP	30	IO	Developed interactive website
	9	Organize and introduce the workshop/training amongst the media and	2018	MOF	MNCCI, The Media	10	IO	Introduce the information about green procurement activities.

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		journalists						
	10	Develop media contents and publicize and disseminate to the media agencies-TVs, radio and online newspapers and social networks such as Facebook, Twitter, YouTube, blogs targeted for public and stakeholders;	2018-2020	MOF, GAPCSP	NGOs	70	IO	A Module and guidance will be in place.
	11	Launch Business Awards for SMEs/suppliers jointly with the Chamber of Commerce and Business.	2018	MOF, MET	MNCCI	150	SB	At least 20 SMEs/suppliers are awarded annually
Five. Market engagement								
Build better engagement with suppliers and ensure that SMEs benefit from SPP	1	Publish forward procurement plan	From 2018	MOF, GAPCSP				Better information dissemination to SMEs
	2	Attend trade shows and buyer events	2018	Procuring entities	MOF			Better understanding of market
	3	Issue a request for information	2018	MOF and all procuring entities				Increased knowledge about sustainable goods, work and service
	4	Call a "show&tell" to allow suppliers to	2018	Procuring entities				Increased knowledge about sustainable goods, work and

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		explain their proposed solutions						service and better relations with suppliers
	5	Meet with industry associations and group of key suppliers individually	2018-2020	Procuring entities				Increased knowledge about sustainable goods, work and service and better relations with suppliers
Six. Monitoring and review								
Monitoring on sustainable procurement activities	1	Determine what administrative data needs to be collected, develop a methodology (how) for collection, compilation, processing and dissemination	2018	MOF, NSO	MET, GAPCSP, All levels of State Organisation	-	SB	Administrative data and relevant methodology for collection, compilation and processing is in place
	2	Develop database records;	2017-2020	MOF	All levels of State Organisation	-	SB	Database is available to use the data for target assessment and policy and implementation plan improvement
	3	Assign responsibility for monitoring at MOF and PCSP as well as at each procuring entity (who should and could be responsible for internal review);	2017-2020	MOF, PCSP	All levels of State Organisation	-	SB	Responsible unit/person is in place with appropriate knowledge and skills
	4	Define frequency of updating/reporting and carry out regular reviews and evaluation and reporting (quarterly reporting and compilation and annual	2017-2020	MOF	All levels of State Organisation	-	SB	Frequent reporting system in place

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		compilation at MOF and submission by MOF to Cabinet);						
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APPENDIX 2: BUDGET

<i>Methods to implement the objectives</i>	<i>No</i>	<i>Activities</i>	<i>Implementation period</i>	<i>Funding /million.MNT/</i>	<i>Funding source</i>	<i>Cost estimation /Breakdown/</i>
One. Strengthening legal framework for SPP implementation and ensure enforcement						
Creating a legal environment for "at least 20% of the government procurement is to be environmentally sound and efficient"	1	To make an amendment to the Public Procurement Law of Mongolia	2017-2018	-	SB	No budget is required for this action.
	2	Develop and approve the Sustainable Public Procurement Guidelines	2017-2018	7.5	IO	3 months consultant salary – 7.5 mil. MNT
	3	Develop sample standard bidding documents for selected priority products	2017-2018	7.5	IO	3 months consultant salary – 7.5 mil. MNT
	4	Make an amendment to Procedures for Planning and Reporting Procurement, Methodology of Margin of Preference, Tender Evaluation Guidelines and the Standard bidding documents	2017-2018	-	SB	No budget is required for this action.
	5	Develop a procedure for awarding eco labels and green certificates and get approval by the Government	21017-2018	15	SB	No budget is required for this action.
	6	Reapprove a Procedure and guideline on common contract for goods to be procured through SPP	2018	-	SB	No budget is required for this action.
	7	Conduct a study on international green office, in accordance with the international "Green office" method, develop common requirements and criteria	2018-2020	15	SB	6 months consultant salary – 15 mil. MNT

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Two. Implementation of Green Public Procurement						
Integrating sustainability criteria throughout the procurement cycle	1	Re-organise staff roles and responsibilities of the Procurement Division of MOF and full time officer responsible for SPP from planning to monitoring.	2018	-	SB	No budget is required for this action.
	2	Establish task force or committee on SPP	2018	-	SB	No budget is required for this action.
	3	Conduct research on green products available on the market. Create a database of such products (for example, construction materials) and utilize the database in government investment and procurement decisions.	2018-2019	50	IO	consultant salary and cost for creating databases /2 years/
	4	Develop SPP guideline to be used by public procurers	2018	20	IO	10 months consultant salary – 20 mil. MNT
	5	Develop sample Standard bidding document including technical specifications	2018	-	SB	No budget is required for this action.
	6	Establish Single point service center to provide information, tools and guideline for SMEs on SPP	2018-2020	300	SB, PS	100 mil. MNT for each year and cost for establishing Single point service
	7	Develop database of green building materials	2018-2019	50	IO	consultant salary and cost for creating databases /2 years/
	8	Develop database of organic food	2018-2019	50	IO	consultant salary and cost for creating databases /2 years/
	9	Develop national ecolabels based on international labels	2017-2020	15	SB	5 months consultant salary – 15 mil. MNT
	10	Include procurement of goods, work and service in the Annual budget planning (certain percentage to achieve)	2017-2020	-	SB	No budget is required for this action.
	11	Develop sustainability criteria for goods and work commonly purchased through state budget: computer, electrical appliances,	2018-2020	-	SB	No budget is required for this action.

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		lighting, washing detergents etc.				
	12	Develop the green/sustainability criteria and technical specifications of products in key sectors taken into consideration each specific Ministry's demand and need.	2018-2020	-	SB	No budget is required for this action.
	13	Considering priority goods, works and services, start purchasing A4papers, printer toner, and concrete blocks for building.	2018-2020	-	SB	No budget is required for this action.
	14	Organize frequent meetings with suppliers/manufacturers, traders and conduct information session	2018-2020	60	IO	20 mil. MNT for each year and the workshop will be conducted twice a year. About 40-50 persons will be involved in the workshop at a time.
	15	In the E-shop include green goods/products (E-shop will be developed from 2018)	2018-2020	150	SB	150 mil. MNT cost for establishing E-shop
Three. Capacity building						
Enhancing human resources for the purpose of implementing the green public procurement	1	Develop the training syllabus and materials on SPP targeted to all levels of budgetary organisations	2018	20	IO	10 months consultant salary – 20 mil. MNT
	2	Organise the training of Trainers (B5-certified trainers)	2018	7.5	IO	About 20-25 persons will be involved in the training.
	3	Organize the trainings for procurement officers of state administrative organisations (ministries, agencies)	2018-2020	25	IO	7.5 mil. MNT for each year and the training will be conducted once a year. About 25 persons will be involved in the training
	4	Organize the trainings for procurement officers of local administrative organisations (Governor's Office of Aimag, Capital City, Soum and District. Agencies under Governors)	2018-2020	25	IO	15 mil. MNT for each year and the training will be conducted once a year. About 50-60 persons will be involved in the training
	5	Organize the trainings for procurement officers of legal entity with state and local	2018-2020	25	IO	7.5 mil. MNT for each year and the training will be conducted once a

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						year. About 25 persons will be involved in the training
	6	Organize the training for Decision Makers	2018-2020	22.5	IO	7.5 mil. MNT for each year and the training will be conducted once a year. About 20 persons will be involved in the training.
	7	Develop short online training contents on SPP	2018	15	IO	5 months consultant salary – 15 mil. MNT
	8	Develop the training syllabus and materials on SPP targeted to private sector (suppliers)	2018	20	IO	10 months consultant salary – 20 mil. MNT
	9	Integrate SPP aspects into A3 certified training on public procurement	2018	6	IO	2 months consultant salary – 6 mil. MNT
Four. Communication strategy						
Ensure effective information dissemination and raise awareness on SPP	1	Design the strategy and action plan	2018	25	IO	10 months consultant salary – 25 mil. MNT
	2	Build MOF's capacity for communication	2018-2019	75	IO	Expenses for MOF staff training for 2 years
	3	Prepare information materials (posters, brochures, leaflets) for the different target groups	2018-2020	40	IO	100.000-150.000 posters, brochures, leaflets - 20 mil. MNT
	4	Organize SPP events with the support of media	2018-2020	60	IO	Expenses for organizing SPP events for 3 years
	5	Frequently arrange press conferences and other events (monthly-based)	2018-2020	36	IO	Expenses for press conferences and other events (every month)
	6	Launch a SPP Awake campaign	2018	20	IO	Expenses for SPP Awake campaign
	7	Develop and organize a series of TV and radio programs including debates and discussions	2018-2020	120	IO	expenses for developing and organizing a series of TV and radio programs (every month)
	8	Develop interactive website	2018	30	IO	for making website - 30 mil. MNT
	9	Organize and introduce the workshop/training amongst the media and	2018	10	IO	Number of days:1 Number of participants: 30

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		journalists				Venue: 5 mil. MNT Meal: 2 mil. MNT Coffee break: 1 mil. MNT Announce and invitation: 1 mil. MNT Handouts: 1 mil. MNT
	10	Develop media contents and publicize and disseminate to the media agencies-TVs, radio and online newspapers and social networks such as Facebook, Twitter, YouTube, blogs targeted for public and stakeholders;	2018-2020	70	IO	10 months consultant salary – 25 mil. MNT It is the cost of TV air and lasts from 2018 to 2020. /3 years/
	11	Launch Business Awards for SMEs/suppliers jointly with the Chamber of Commerce and Business.	2018-2020	150	SB	Expenses for awarding (3 years)
Five. Market engagement						
Build better engagement with suppliers and ensure that SMES benefit from SPP	1	Publish forward procurement plan	From 2018	-		
	2	Attend trade shows and buyer events	2018	-		
	3	Issue a request for information	2018	-		
	4	Call a “show&tell” to allow suppliers to explain their proposed solutions	2018	-		
	5	Meet with industry associations and group of key suppliers individually	2018-2020	-		
Six . Monitoring and review						
Monitoring on sustainable	1	Determine what administrative data needs to be collected, develop a methodology	2018	-	SB	No budget is required for this action.

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procurement activities		(how) for collection, compilation, processing and dissemination				
	2	Develop database records;	2017-2020	-	SB	No budget is required for this action.
	3	Assign responsibility for monitoring at MOF and PCSP as well as at each procuring entity (who should and could be responsible for internal review);	2017-2020	-	SB	No budget is required for this action.
	4	Define frequency of updating/reporting and carry out regular reviews and evaluation and reporting (quarterly reporting and compilation and annual compilation at MOF and submission by MOF to Cabinet);	2017-2020	-	SB	No budget is required for this action.
TOTAL				1.542		Expenditures for 2017-2020

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