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IMPLEMENTATION OF SUSTAINABLE PUBLIC PROCUREMENT

ACTION PLAN

Final Report

State Public Procurement Agency
Republic of Moldova



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INTRODUCTION

Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves “value for money on a whole life basis” in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment¹.

Among these actions, there are also those regarding the introduction of environmental issues in public management. The need to adopt a sustainable and environmental approach to implement public procurement derives from the reality, according to which communities from the whole world are facing the dramatic consequences of climate change, overexploitation of natural resources and threats to biodiversity. Our habit of unsustainable consumption, without considering long-term effects, is the key problem involving all other problems mentioned above. Sustainable procurement - spending public money in a responsible manner for goods, services and works that contribute to sustainable development - must therefore be a priority.

For many years, contracting authorities did not really take account of the environmental value of goods, services or works. However, the global economic and political background has changed, with the emergence of the concept of sustainable development – development that meets the needs of the present without compromising the ability of future generations to meet their own needs – and the need to take environmental considerations into account in all other policies (alongside economic and social concerns).

Sustainable public procurement is implemented through a careful strategy on what the public authorities procure: the procurement of goods, services and works with high performance in terms of environmental protection and consideration of the environmental impact of public procurement. Sustainable procurement also means procurement based on needs and avoiding waste.

From construction of energy-efficient buildings to procurement of low emission vehicles, from procurement of organic food to installation of low-flow toilets, public procurement can have a significant impact on sustainable market orientation.

The public sector, through its purchasing power, can orient market towards providing environmental goods, services and works. However, this objective depends

¹ Definition from “Procuring the Future” – the report of the UK Sustainable Procurement Task Force, June 2006.

on the majority of contracting authorities at central and local level, as well as on the manner in which they work together to send a clear signal to the market.



CHAPTER I

CONTEXT AND PRIORITIES

Each product or service purchased has environmental impact throughout its life-cycle, from raw material extraction, manufacture of product and to its use and recycling/disposal. Sustainable Public Procurement helps to reduce these impacts, the benefits being felt both locally and globally.

Until now, contracting authorities did not really consider or take account the environmental value of goods, services and works. With the emergence of the concept of sustainable development – development that meets the needs of the present without compromising the ability of future generations to meet their own needs – the global economic and political background has changed and the need to take environmental considerations into account in all other policies, alongside economic and social concerns, has appeared.

Sustainable public procurement falls within this framework of sustainable development, however the environmental impact of procuring goods, services and works cannot be reduced unless all public purchasers work together so as to send a clear signal to the market.

The Moldovan public sector has currently little experience in terms of sustainable public procurement. There is now a growing need to adopt sustainable public procurement policy in our country linked to both the **signing of the EU-Moldova Association Agreement and the requirement to align the national legislation with the EU acquis.**

The project “Greening economies in the Eastern Neighbourhood (EaP Green)” funded by the European Commission aims at promoting the development of a market of sustainable products and services leading to improved environmental performance of services and products, as well as technologies for their manufacturing. It aims at expanding and promoting sustainable products market in the Republic of Moldova by raising the awareness and building the capacity of public institutions and authorities so that they adopt sustainable procurement standards. The objective is **that by 2020, at least 15% of total public purchases fall within sustainable procurement.**



According to the RELIEF study ("Environmental Relief Potential of Urban Action on Avoidance And Detoxification of Waste Streams through Green Public Procurement"), the largest research project on green public procurement in Europe, conducted in 2001-2003, within the European research program for Environment and Sustainable Development, if all public authorities purchased electricity produced from renewable sources, this would **save 61 million tonnes of CO2 equivalent each year**. Also, if all public authorities switched from purchasing conventionally grown food to purchasing organically grown food, this would **save the use of tonnes of phosphates**. Phosphate is one of the main components of organic fertilizers and its excessive use leads to groundwater pollution and landslides. In terms of IT, large-scale purchase of energy-efficient computers – which meet higher standards than the EnergyStar criteria – would reduce electricity bills and greenhouse gas emissions in Europe by up to eight million tonnes of CO2.

Objectives

- **development of a market of sustainable products**, services and works that would lead to improved environmental performance of works, services and products, as well as technologies for their manufacturing;
- **raising awareness of public institutions** about the purchasing of sustainable products, services and works through the inclusion of environmental criteria in the tender documentation.

To achieve the objectives proposed, the Action Plan on Sustainable Public Procurement also seeks to carry out the following actions:

- **establishing the environmental criteria** for groups of products, services and works;
 - drafting the Handbook on Sustainable Public Procurement;
 - disseminating the concept of sustainable public procurement (including through training);
 - developing a web page dedicated to sustainable public procurement.

The macroeconomic impact and impact on business

Sustainable Public Procurement stimulates the industrial sector – especially small and medium enterprises – by developing and promoting clean technologies on the



market. The development of this sector will create new jobs and contribute to economic growth.

The purchasing cost of sustainable products, services and works is higher than the one for traditional alternatives, which explains the reluctance in adopting sustainable procurement model.

Although the short-term financial effort is higher, if considering the whole life-cycle of the product, **in the medium and long term, sustainable public procurement leads to saving money and resources.**

Social impact

Sustainable public procurement leads to the development of products, services and works that meet recognized quality standards, including in terms of social impacts.

Sustainable public procurement improves the quality of life, while organic farming creates new jobs, especially in rural areas and thus contributes to the rural revitalization. Implementation of the Action Plan on sustainable procurement can influence consumers' attitude by raising their awareness of the fact that when purchasing sustainable works, services or products, the quality of life can be improved.

Environmental impact

Given that the share of public procurement represents a considerable amount of GDP of each country, environmental impact generated by sustainable public procurement is significant; and environmental objectives can be achieved thanks to the financial power of public authorities.

Thus, we highlight some major benefits that would be achieved if the sustainable public procurement became a general practice:

- Electricity: greenhouse gas emissions

If all public authorities purchased electricity produced from renewable sources, or installed energy-efficient doors and windows when executing construction or repair works, this would save thousands million tonnes of CO₂ (equivalent) each year.

- Food and drinks certified in organic farming

If all public authorities switched from purchasing conventionally grown food and drinks to purchasing organically grown food and drinks, this would save tonnes of phosphates (PO₄ equivalent).



Synthetic chemicals used as fertilizers and soil improvers, pesticides and high degree of chemization specific of conventional agriculture cause groundwater pollution, soil fertility depletion and rapid desertification.

To implement sustainable procurement in the Republic of Moldova, actions need to be carried out. The main directions are included in the Action Plan on the implementation of sustainable procurement:

- Organizational changes
- Capacity building
- Communication
- Modification of the legal framework
- Introduction of sustainable component in the process of public procurement
- Priority groups
- Market attraction strategy
- Monitoring and reporting

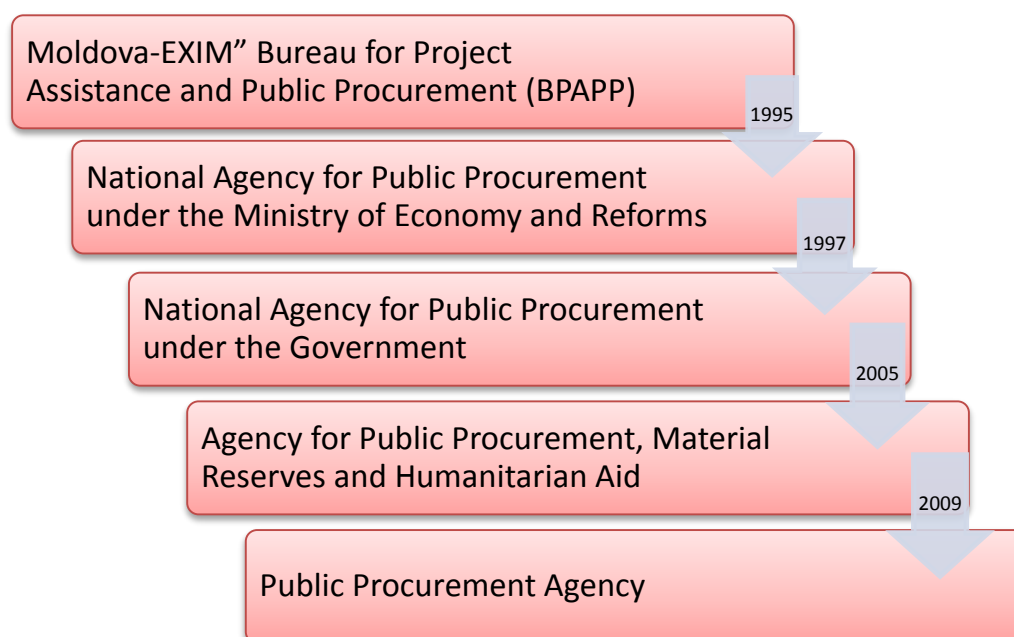
CHAPTER II

INSTITUTIONAL AND ORGANIZATIONAL CHANGES

The public procurement system in the Republic of Moldova has a relatively short history, however it has been successful in implementing reforms, including institutional ones. Due to these reforms, there has been a shift from public procurement centralization made by a private company to a delegation of powers to a specialized state structure in terms of the initiation and conduct of public procurement procedures and later decentralization of the system by delegating these powers to each contracting authority.

Thus, the public procurement system was originally centralized, i.e. public procurement procedures were undertaken at central level to meet the purchasing needs of all public institutions. The responsibility of initiating and conducting public procurement procedures in 2005 was delegated to contracting authorities, especially to the members of working groups who are responsible for identifying needs, preparing specifications, inviting bidders, evaluating tenders, selecting winners, etc.

Fig.2.1 Evolution of the specialized body in public procurement field





Currently, **the Public Procurement Agency is a specialized body under the Ministry of Finance**, which under the Law No.96-XVI dated April 13, 2007 on public procurement **ensures the implementation of state policy on public procurement**.

Public Procurement Agency's mission is regulation, supervision, control and intersectoral coordination in the area of public procurement.

In order to achieve its mission, the **Agency exercises the following functions:**

- develops and implements standardized documentation for public procurement procedures;
- provides to contracting authorities methodological assistance and counseling in the area of public procurement;
- provides training for the staff of contracting authorities involved in the organization and management of public procurement procedures, as well as for the representatives of economic operators;
- edits "Public Procurement Bulletin" including in electronic form;
- manages the webpage www.tender.gov.md in Internet;
- keeps record of the Automated State Registry of Public Procurement;
- examines and registers tender documentation submitted by contracting authorities;
- examines reports on public procurement procedures;
- examines and registers public procurement contracts concluded as a result of procurement procedures, with the exception of contracts concluded as a result of request for price quotations procedure;
- requests the review or cancellation, where appropriate, of the results of procurement procedures;
- examines and settles disputes between the participants in the public procurement procedures;
- draws up, updates and keeps record of the list of trusted economic operators, as well as the list of banned economic operators;
- coordinates foreign assistance activities in the area of public procurement;
- performs other activities established by law.



Public Procurement Agency's priorities:

- Automation of the public procurement process and implementation of public e-procurement;
- Harmonization of national legislation with the EU requirements and the WTO Agreement on public procurement;
- Simplification of public procurement system, increase in transparency and efficiency of public procurement procedures;
- Increase in accountability of those involved in the implementation of public procurement procedures;
- Attraction and involvement of economic operators in the process of public procurement implementation.

Given the fact that the Public Procurement Agency is subordinated to the Ministry of Finance, **the Ministry has the function of developing and promoting the state policy on public procurement.**

The process of aligning the procurement legislation with EU directives resulted in the strengthening of institutional capacities of the Ministry of Finance. As a result of this, based on the Government Decision No. 766 dated September 18, 2014, **the Service of policies regulating public procurement was created**, the main functions of which is the development and promotion of state policy on public procurement, including through its **harmonization with the *acquis communautaire*.**

Of course, the main actors in the public procurement system are contracting authorities who meet their needs for goods, works and services through public procurement procedures.

According to the law of the Republic of Moldova, **a contracting authority may be any legal entity under the public law** and shall mean any entity:

- established exclusively to satisfy public needs, without any profit targets (industrial or commercial);
- with a separate legal identity;



- whose operations are secured with public funds, or whose management is subject to the controls exercised by a public authority or other legal entities under the public law, or whose Administrative, Management or Supervision Board has more than 50% of the members appointed by the above entities.

Furthermore, **the Contracting Authority may be an association of contracting authorities**, whose members appoint a legal entity from their midst by a civil law act to represent them, as the sole purchaser in relation to any economic operator, contractor or service provider.

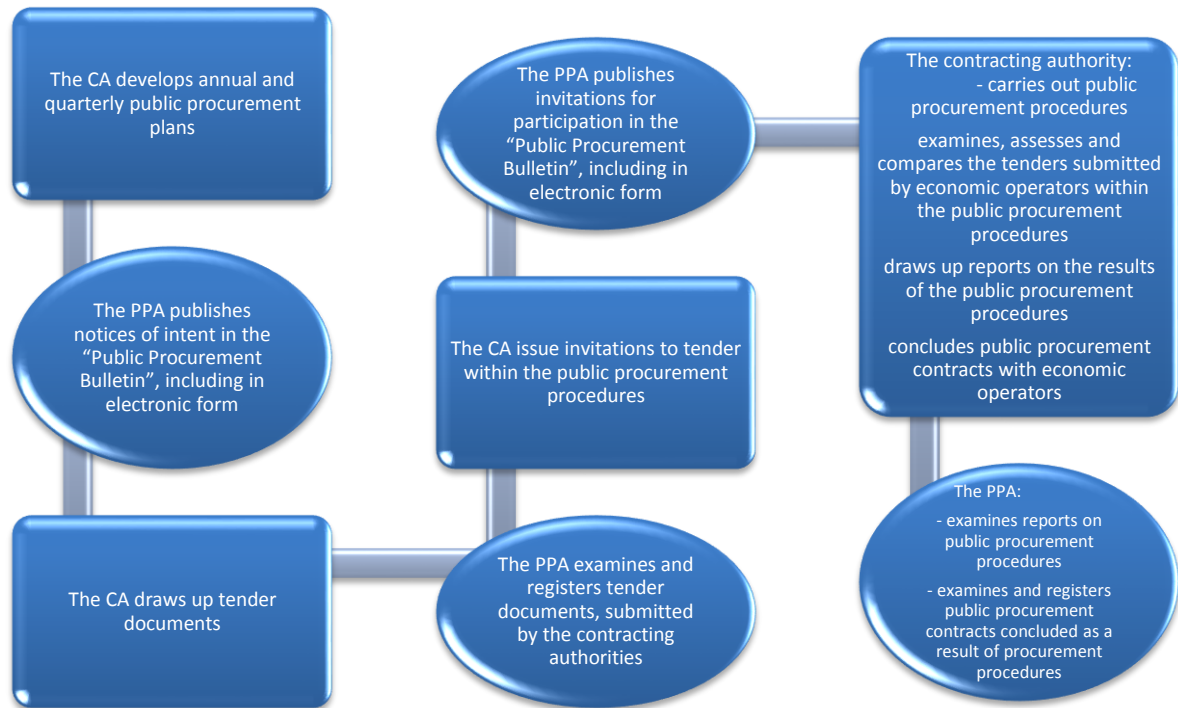
Other legal entities with an obligation to perform public procurement may be qualified as the contracting authorities by a Government decision according to the Law on Public Procurement, where they operate at the markets in which the competition is excluded on the force of a regulation or an administrative ruling or due to the existence of a monopoly.

Any other entity may be qualified upon request or decision of a competent governance body as a Contracting Authority subject to the performance of the procurements in strict compliance with the Law No. 96-XVI dated April 13, 2007 on Public Procurement.

A contracting authority may be a public authority appointed by the Government to organize and perform in a centralized way the public procurement procedures with the objective to satisfy certain needs in the respective goods, works or services for some other contracting authorities.

The functions of the contracting authorities in the sphere of public procurements are described in the Annex 3.

Fig. 2.2. The functioning of the procurement system and interconnection of the institutions within a public procurement process²



Thus, the Public Procurement Agency may at any stage of the procurement process guide the contracting authorities in the implementation of sustainable criteria in the public procurement process, while the Ministry of Finance may amend the relevant regulatory framework so as to ensure the implementation of sustainable principles in the process.

Further to the assessment of the current functions and duties of the Public Procurement Agency and the Ministry of Finance with regards to public procurement, it can be concluded that these institutions have the necessary public procurement tools and system to promote and implement the concept of sustainable public procurement in the Republic of Moldova.

To ensure implementation of measures provided in the Action Plan for the implementation of Sustainable Public Procurement, an SPP Implementation Unit has

² CA: Contracting Authority
PPA: Public Procurement Agency



been created, involving more line institutions. It will be in charge of implementing the core activities of the SPP Action Plan with the support of international partners. In addition, the former Steering Committee will become the SPP Task force which will also be in charge of implementing part of activities foreseen in the Action Plan. For the list of the SPP Implementation Unit and Task Force members, please refer to the annex 4.

The Public Procurement Agency will be the main actor involved in the implementation of this Action Plan.

This institution will have a number of functions and powers, including:

- ❖ Coordination of the Task Force;
- ❖ Coordination and implementation of the Action Plan for SPP;
- ❖ Identification and implementation/ monitoring of the planned legal amendments, aimed at strengthening the capacity (training and awareness raising), development of instruments for SPP;
- ❖ Review of conclusions submitted to the Task Force for SPP implementation for approval;
- ❖ Monitoring of the fulfillment of tasks by consultants;
- ❖ Together with UNEP, liaison on and coordination of sustainable public procurement implementation measures;
- ❖ Monitoring and reporting on the Action Plan implementation;
- ❖ etc.

The Task Force will represent the decision making body for the implementation of this Action Plan. It will be composed of the representatives of specialized central bodies, such as the Ministry of Finance, Ministry of Agriculture and Food Industry, National Food Safety Agency and the Energy Efficiency Agency, which will have the following responsibilities:

- Supervision of Action Plan implementation;
- Follow-up on the actions of the Public Procurement Agency;
- Examination and approval of the results of implemented actions;
- Strategic planning.



Where appropriate, foreign consultants and experts will be engaged in the implementation of actions included in the Plan.

To successfully implement the actions included in the Plan, assistance from UNEP will be required. UNEP will provide experts, materials and best practice guides in line with the actions to be taken. All results achieved for the implementation of measures included in the Plan will be coordinated with UNEP in advance.



CHAPTER III

CAPACITY BUILDING

Since no concept of sustainable public procurement has been so far developed in the Republic of Moldova, capacity building is necessary for the successful implementation of sustainable public procurement.

In order to strengthen sustainable public procurement, training activities will be carried out for stakeholders involved in the public procurement process. The main objective of the training sessions will be to improve the knowledge and professional skills of staff on the insertion of sustainability criteria and the reference to relevant ecolabels (if applicable) in line with the EU directive on public procurement throughout the procurement process. The training will also focus on the application of SPP and ecolabelling as policy tools to create the demand for and enhance supply of sustainable products.

Based on this objective, **a target group has been identified**. It is composed of **public procurement agency's staff and staff of the contracting authorities** falling within scope of the public procurement law and involved in the procurement process.

According to the Law No.96-XVI dated April 13, 2007 on public procurement, the PPA initiates and supports training efforts for the contracting authorities' staff involved in the organization and management of the public procurement procedures and awarding of the public procurement contracts.

In this context of training of central and local public authorities' staff the **Public Procurement Agency annually approves a Training Plan**.

Thus, a section dedicated to training and skills development on sustainable public procurement implementation will be included when elaborating the training curriculum for contracting authorities.

However, in order to provide adequate training on sustainable public procurement to the contracting authorities' staff, the Public Procurement Agency trainers need additional training to acquire and develop relevant skills in this new field.

The UNEP-funded expert will be delivering a training for trainers session focusing on SPP and ecolabels, in the framework of the EaP-GREEN project.



Thus, **a group of trainers will be formed within the Agency**. In future, they will **carry out training sessions with the representatives of the contracting authorities at local and central levels** to support the process of sustainable public procurement implementation and **train the contracting authorities' staff to include sustainability criteria in the procurement process**.

The purpose of implementing the Training Plan is to **increase the level of knowledge and tools**, used by the experts of contracting authorities at local and central level, responsible for the preparation, award and execution of sustainable public procurement contracts. Special attention must be given to the selection of training sessions at an appropriate level so as to obtain the maximum benefit for participants.

The training plan may be modeled according to the practice, established by the composition of continuous training, within which the approach is regional, **bringing together participants from several districts**. Thus, not only the location, but also the number of training sessions may be reconfigured depending on the number of persons from each contracting authority interested in participating.

The content of the training sessions will be configured in such a way so as to ensure that all contracting authorities' needs are taken into account and also to provide the most important knowledge and analytical tools to identify the needs of contracting authorities, to draw up/plan, award and execute sustainable public procurement contracts successfully.

Since the concept of sustainable public procurement has not been implemented in the Republic of Moldova so far, initial training sessions must be based on the assumption that most participants will have only an overview on sustainable public procurement process. In this respect, initial training sessions will address general concepts encountered and will go through the entire process of sustainable public procurement covering areas of interest expressed by the participants in greater detail.

The **following seminars involve a step by step approach** in difficulty of the concept of sustainable public procurement and a detailing of analytical tools at hand of experts from contracting authorities.



Subsequently, **a curriculum will be drawn up** to describe specific topics in detail and to **provide specific good practice solutions for the purpose of the successful implementation of a sustainable public procurement contract.**

The exact contents of the training sessions can be determined when taking the decision to carry out training sessions depending on the implementation of the Training Plan, the level of knowledge stated and tested among participants and topics towards which potential participants express their reasonable level of interest.

In this regard the Training tools will be developed, based on the UNEP training toolkit. These shall can also include the procurement guidelines and customized tender documents for the products prioritized for SPP, as well as a section on relevant ecolabels.

As a result, in order to strengthen the capacities of actors who will be involved in implementing sustainable public procurement, the following actions will be taken:

- development of the Training Plan for the staff of the PPA;
- development of the training schedule for trainers;
- organisation of training seminars for the staff of the PPA;
- organisation of training courses for trainers;
- inclusion of the course dedicated to sustainable public procurement in the Annual Training Plan for contracting authorities;
- development of the Training toolkit;
- organisation of training seminars for the staff of contracting authorities involved in the procurement process.

Another training will be organized to build the capacity of the private sector on the compliance with SPP criteria and product sustainability certification through a training session. The training will also disseminate best practices for practical implementation of ecolabel-related EU directives. It will be held back to back with the training for trainers of public procurers and will be delivered by a UNEP-funded expert.



CHAPTER IV

COMMUNICATION

In order to involve other actors in the process of sustainable public procurement process, a communication strategy will be developed.

Effective communication is the key to success in the implementation of sustainable public procurement, since communication will ensure dissemination of information on its benefits to the general public.

Since sustainability principles in the Republic of Moldova are to be implemented through public procurement, **the Public Procurement Agency will be responsible for the communication itself** based on its powers in this regard.

Thus, in order to carry out the actions related to communication, a **Coordination Group on the communication process will be created within the Public Procurement Agency**. It will be established by the internal order of the Public Procurement Agency.

The Coordination Group will coordinate and monitor the implementation of planned activities and plan ahead the complementary use of different communication tools. (for example, distribution of brochures during seminars or meetings).

For communication activities, the following target groups have been identified:

- **Civil society** – in order to inform on the short/medium/long-term objectives, activities, results and benefits of sustainable public procurement;
- **Public institutions** (including the Chamber of Commerce and Industry) – targeting policy- and decision-makers in order to ensure implementation of sustainability principles in the public procurement process;
- **Mass-media** that will ensure wider dissemination of state objectives to implement sustainable procurement;
- **Business environment** – market players, goods manufacturers, contractors and service providers that would supply the market with goods, services and works with sustainable criteria.



Several communication tools such as conferences, press releases and articles, audio and video spots (via television, Internet and radio), advertising materials on different carriers (leaflets, brochures, catalogs, banners) will be used in public relations.

The correct choice of communication means is particularly important, as this will ensure that the message reaches the target audience. To achieve this goal, the communication tools will be spread by means of:

- **Website of the Public Procurement Agency (www.tender.gov.md).**

The PPA will publish on its website press releases and articles designed to disseminate information on sustainable public procurement and ecolabels, audio/video spots in order to inform and sensitize the public on the need to use sustainable criteria in the procurement process, and any other relevant information on sustainable public procurement.

- **Public Procurement Bulletin (PPB)**

The PPA edits the PPB, including in electronic form. It will serve as a means by which intentions of contracting authorities to purchase goods, services and works that meet sustainable criteria will be communicated to business environment.

- **Channels**

News portals and television will be the primary means of communication that will disseminate information on the intentions of the state to develop economic sectors which are based on sustainable principles and can use ecolabels.

- **Magazines and newspapers**

Magazines and newspapers will ensure a wider dissemination of information on the importance of purchasing sustainable goods, services and works and diverse information on sustainable public procurement and ecolabels.

- **Distribution of leaflets/brochures/catalogs.**

These means will include benchmarks on sustainable procurement and ecolabels to stimulate the promotion of this concept.

- **Street banners.**

Street banners are meant to raise interest of both civil society and business environment on the knowledge of sustainability concept.

An important element in the communication process is feedback. Thus, particular attention will be paid to the contents of the message so as the recipient can understand it.



Messages distributed via the communication tools will refer to the following types of information:

- The goal of implementing sustainable public procurement;
- Benefits resulting from the implementation of sustainable public procurement;
- The contribution of civil society to the implementation of sustainable procurement;
- Information on how the state communicates about the support provided by the private sector that contributes to sustainable development;
- Regular information about the results of the implementation of sustainable public procurement.

Objectives of communication on the implementation of sustainable public procurement are:

- To increase people's ecological consciousness;
- To provide citizens with interaction tools and clear messages on how they can get involved in the process of sustainable development;
- To inform people about ecolabels and for which products they are applied;
- To stimulate businesses to invest in sustainable production technologies;
- To contribute to an effective cooperation between central and local public authorities conducting public procurement procedures, and businesses participating or wishing to participate in such procedures.

In order to achieve these objectives, the following actions are to be taken:

- Drawing up and sending press releases/articles on paper;
- **Online publications, which will be achieved by organizing an online promotion campaign by publishing press releases/articles**, disseminating audio and video spots, disseminating advertising materials;
- Organization of events on promotion/information and dissemination carried out by conducting a press conference;
- Making audio/video spots on sustainable public procurement and ecolabels;
- Publication, printing and distribution of leaflets/brochures on promotion of sustainable procurement and ecolabels;



- Displaying banners.

Within the communication process, the Coordination Group will make periodic analyses of the communication process by analyzing the degree of congruence and complementarity between the objectives of the implementation of sustainable public procurement and the objectives of the communication; analysis of the impact of implementation of sustainable public procurement and communication on the target group; identification of the problems encountered in communication; periodic analysis of how to meet the expenditures in the budget designed for communication and information; evaluation of the results of communication and information activities.

In addition, at the end of the project (November or December 2016), a final conference will be organized to present the project accomplishments to an enlarged audience, including the press.



CHAPTER V

MODIFICATION OF THE LEGAL FRAMEWORK

5.1 Objectives

Implementation of sustainable public procurement is impossible without the existence of an adequate legal basis that meets the best practices in energy efficiency, environmental protection and welfare.

The existing national legislation provides an enabling environment to foster sustainable development in the Moldovan state and implement sustainable public procurement. The national legal framework translates the principles of sustainable public procurement, starting from the Supreme law (the Constitution) and ending with departmental documents.

Thus, to a greater or a lesser extent, **the legislation is based on the three pillars of sustainable procurement: environmental, economic and social.** Here it can be mentioned that **the right to a safe environment, to labor, health, a decent living and social protection is established in the Constitution.** State priorities in terms of energy efficiency, use of environmental labels, promotion of free competition along with actions to align national legislation with EU and international best practices create a reasonable legal platform for implementing sustainable public procurement.

However, **the lack of information and guidelines on sustainable procurement, inclusive of concrete actions to be translated in the Strategic development plan of public authorities are the main causes of delay** in translating sustainable development strategies approved by the Government.

In these circumstances, **concrete actions in this respect are to be taken to raise awareness among civil society, business environment and public authorities** on one hand, and **monitor the implementation of sustainable development strategies** on the other hand.

It should be noted that the **Law on Public Procurement No. 96-XVI dated April 13, 2007 provides an appropriate regulatory framework to implement sustainable procurement.** The practices of the European Union (for example, the Directive nb. 18/2004/CE, the WTO Governmental Agreement and also the EU Association agreement) and international practices (UNCITRAL law) played an important role in



the adoption of **this law introducing greener procurement procedures** as compared with the Law on Procurement of Goods, Works and Services for the Needs of the State No. 1166 dated April 30, 1997. When introducing the latest amendments to the **Law on Public Procurement, passed in 2007**, the **Moldovan Parliament expressed its support**, inter alia, for the **introduction of the criterion of the „economically most advantageous tender” in procurement process**, so in accordance with Article 45 the bid most advantageous in the economic terms shall be the bid identified as the winning bid based on the following criteria:

a) in the case of public procurement contracts for the goods: price, delivery terms, payment terms, profitability, quality, aesthetic and functional characteristics, technical characteristics, availability and costs of service maintenance, technical assistance. Thus, **the contracting authorities may give more importance to environmental and quality-related issues, social and innovative issues, at the same time taking into account the life-cycle price and cost of the product purchased.**

This law provides specific mechanisms for economic operators whose objective is: encouragement of workplace training, employment of the unemployed, young people and people with disabilities, reduction of the unemployment rate, training of the unemployed, young people, environmental protection, improvement of working conditions and labor safety, rural development and training of farmers, as well as protection/support of small and medium enterprises, and, respectively, it is feasible to achieve results on environmental protection, social development and economic development.

5.2 Specific actions

1. Revision of the Law on Public Procurement

It would seem that the Law on Public Procurement No. 96-XVI dated April 13, 2007 provides the legal framework required to ensure the successful implementation of sustainable procurement, however, it should be mentioned that **it can be improved in terms of qualification criteria for economic operators and in terms of environmental standards to be applied by the contracting authorities** in public procurement. In this sense, taking into account Moldova's commitments to align national legislation with the EU acquis, **it is necessary to adopt a new law on public**



procurement which would include a broader aspect of sustainable procurement according to the EU's practice, reflected in Directive No. 18/2004/CE.

First of all, the new law will provide a specific public procurement principle:

“Environmental protection and promotion of sustainable development through public procurement”;

Secondly, the contracting authority will have the right to prepare the technical specifications with specific contracting terms. The provision will have the following content:

“The contracting authority has the right to impose in the award documentation, to the extent such are compatible with the Community law, special terms of performing the contract aimed at obtaining certain social or environmental protection effects and the promotion of sustainable development.”.

And,

“If the contracting authority requests compliance with environmental characteristics in terms of the operational performance and requirements, then it has the right to use, entirely or in part, the specifications defined as European or (multi)national “eco-labels” or as any other “eco-labels” if the following conditions are cumulatively met:

a) the respective specifications are adequate to define the characteristics of the products or services whose supply/provision makes up the subject matter of the public procurement contract;

b) the requirements for “eco-label” have been scientifically developed;

c) the “eco-label” was adopted by a specific procedure that allowed the involvement of all interested parties - government bodies, consumers, producers, distributors, environmental organizations;

d) the “eco-label” is accessible/ available to any interested person”;

And not least, the new law will keep the principles of awarding the public procurement contract and the provision will have the following content:



“The public procurement contract is awarded on the grounds of the following principles:

- a) compliance with the law, rule of law, good morals and professional ethics;*
- b) selection of the public procurements procedure bid;*
- c) **ensuring environmental protection and supporting the social programs in the performance of the contract.**”*

Also the new law will provide the particularities of special conditions for performance of the public procurement contracts as follow:

*„The conditions for the performance of a contract shall not have, directly or indirectly, a discriminatory nature and shall be indicated in the participation invitation or in the tender specifications. Their objective can be in particular **fostering on-the-job training, employment of unemployed, youth and people with integration difficulties, reducing unemployment, professional training of unemployed and young people, environmental protection, improvement of the work conditions and occupational safety, development of the rural environment and professional training of the farmers, protection and support to small and medium size enterprises, including during the performance term of the contract and under subcontracting conditions.**”*

In terms of the environmental management standards the project law of public procurement will provide:

“If the contracting authority requests submission of certain certificates, issued by independent bodies, attesting the fact that the business operator complies with certain environmental protection standards, then it has to relate to:

- a) either to the Community Eco-Management and Audit Scheme (EMAS);*
- b) or to the environmental management standards based on the series of European or international applicable standards in the field, certified by bodies compliant with the Community law or the European or international standards concerning certification.*



In accordance with the principle of mutual recognition, the contracting authority has the obligation to accept the equivalent certificates issued by the bodies established in states of the European Union. If the business operator does not hold an environmental certificate as requested by the contracting authority, the latter has the obligation to accept any other proof or evidence submitted by the respective business operator, to the extent the evidence submitted confirms that an appropriate environmental protection level is ensured.

If the business operator holds other certifications than the ones requested by the contracting authority, then the business operator has the obligation, under the sanction of rejection of bid, to request from the contracting authority a confirmation of approval of such certifications, before the deadline for submission of bids.”

Provisions described above represent a harmonization of national legislation with the Directive 18/2004/CE.

2. Modification of the Government Decision No. 178 dated February 18, 2008 on approval of the Regulation on how to prepare, update and keep records of the List of qualified economic operators.

In order to cover and promote economic operators specialized in the provision, **delivery or execution of sustainable services**, goods or works, it is necessary to **amend the Regulation on how to prepare, update and keep records of the List of qualified economic operators**, approved by the Government Decision No. 178 dated February 18, 2008.

This Regulation establishes the manner of preparing, updating and keeping records of the List of qualified economic operators which has been developed in accordance with the Law No. 96-XVI dated April 13, 2007 on Public Procurement. The mentioned list is a record of the names and data related to economic operators, natural or legal persons, residents or non-residents, having access to public procurement procedures.

Thus, **the mentioned list needs to be filled in with information related to economic operators specialized in the provision and delivery of green services or products and with information about ecolabels of economic operators, if they have ecolabels, or other sustainability certification.** Including information on suppliers producing green products and services will play a complementary role to that



of the information campaign on sustainable procurement as on one hand it will raise the interest towards sustainable procurement, and on the other hand, contracting authorities will have a proper tool to be informed on the diversity of sustainable goods, works or services and will directly have the list of operators specialized in these areas. At the same time, economic operators will be able to place, in the list of qualified economic operators, their advertising, to describe their activity, including the advantages of sustainable services in relation to the basic ones. This list of economic operators specialized in the delivery of green products can be complemented **with a registry or catalog of green products and their compliance with existing ecolabels which will be available for all contracting authorities intending to implement low-value procurement.**

3. Establishment of the National Dispute Settlement Body

No less important is to ensure the **compliance of the legislation on public procurement, including of the legislative component related to sustainable procurement.** Indeed, having a comprehensive regulatory legal basis developed to promote sustainable public procurement will be worthless if no specialized body responsible for settling disputes on the public procurement procedures is established. **Therefore, the establishment of the National Dispute Settlement Body is essential for the Republic of Moldova.**

Being fair means following the principles of equal opportunities established in the European and national legislation. , The most important of these principles is the **principle of equal treatment**, which means that all competitors should have an equal opportunity to compete for the contract. To ensure this level playing field, the **principle of transparency** must also be applied, and this has to be ensured through an administrative body.

This action is even more necessary when implementing sustainable procurement to settle any dispute that may arise in case of lack of understanding or misinterpretation by economic operators of the criterion of awarding the most economically advantageous tender. This criterion is used to take into consideration the life cycle costing of tenders. While sustainable procurement usually implies a higher initial cost than conventional procurement, this initial high cost decreases over time and is lower than that of a conventional procurement.



However, this aspect will be less known by traditional economic operators who will believe that they have been disregarded and illegally have not been awarded the contract, and in order to clarify such situations and to legally assess them, there is a need for a competent and properly trained National Dispute Settlement Body on sustainable public procurement.

4. Modification of the Standard Documentation for public procurement of goods and services, approved by the Government Decision No. 763 dated October 11, 2012. Modification and completion of the Standard Documentation for public procurement of goods and services with sustainable criteria will be a clear expression of the intention of the Government to direct the implementation of sustainable public procurement. Such a change will make it mandatory for contracting authorities to apply sustainable criteria and reference to ecolabels when initiating and conducting public procurement procedures.



CHAPTER VI

INTRODUCTION OF SUSTAINABLE COMPONENT IN THE PROCESS OF PUBLIC PROCUREMENT

The Law on Public Procurement No. 96-XVI dated April 13, 2007 and regulations approved for its execution ensure a convincing normative framework for implementing sustainable public procurement, however the **actions to implement the sustainable component at each stage of the public procurement process are to be identified.**

The better the stages and activities of the process are identified and planned, the more the efficiency and effectiveness as well as the way the process is conducted and monitored are improved.

The schedule of the whole process (its stages and activities) should be determined in advance.

If activities are not clearly defined at initial stage, this will result in additional time needed to complete them.

These aspects should be constantly taken into account in order to achieve most efficient management of the following steps:

- Procurement planning;
- Procedure initiation and launch;
- Procedure conduct;
- Procedure completion;
- Contract administration

To make an environmental policy work it is essential to look at the public procurement procedure itself. A sustainable procurement policy can, if it is not carefully implemented, create impediments such as misunderstanding of the economic operators when using ecolabels, including the contracting authorities which will not know whom to ask for pertinent information about how to apply one or other criteria or ecolabel.

A better understanding of the actions that a contracting authority needs to undertake to initiate and conduct a sustainable public procurement will be provided by the Handbook on sustainable procurement. This Handbook will



provide guidelines on the way to include sustainability at each stage of the public procurement procedure. Each stage will be illustrated by practical examples.

The Handbook on sustainable procurement will focus on the following titles and/or chapters:

6.1 Acting fairly

Acting fairly means following the principles of the internal market, which form the basis for EU Directives, including the national legislation partially based on these directives. The most important of these principles is the principle of equal treatment, which means that **all competitors should have an equal opportunity to compete for the contract.**

To ensure this level playing field, **the principle of transparency must also be applied.** Examples of provisions that embody the principle of equal treatment in the procurement directives are the time limits for the receipt of tenders and requests for participation and the common rules on technical specifications.

Examples of application of the principle of transparency can be found in the different provisions on the publication of notices and the obligation for contracting authorities to inform the bidders concerned why their tenders were rejected.

However derogations to the principle of equal treatment have been admitted in law under certain conditions. First, it must be justified on grounds of public morality, order or security or pursue another objective of general interest such as safety of workers or environmental protection. Secondly, it shall also fulfill the test of proportionality according to which the measure must be apt to pursue the objective at stake and not go beyond what is necessary to obtain it.

6.2 The importance of assessing your actual needs

There is one crucial step that you need to do at this preparatory stage even before defining the subject of the contract. You need **to assess your actual needs.**

Therefore, in order to be effective, you should rather describe your needs in a functional manner, so as **not to exclude any possibilities available on the market.**

In addition to life-cycle cost effectiveness, the following issues should be considered by the contracting authority

- the contract requirements/specifications must refer to minimum and desired requirements which are preferably known on the market;



- the existence of more than one economic operator (generally a minimum of 3 economic operators) which should be able to meet the efficiency requirements with currently available models identified by the contracting authority on the market;
- the existence of multiple sources for the technology used in the manufacturing process or product to meet the requirement.

In fact, implementation of sustainable procurement depends on how contracting authorities realize the benefits of sustainable procurement in relation to a traditional one, including the impact of purchased goods, works and services on the environment, society and sustainability in general.

Therefore, in the process of identifying real needs, it is important that contracting authorities recognize their contribution to reducing the harmful effects of CO₂ by buying green products or energy efficient products, and for this purpose the contracting authorities should be instructed by periodic trainings, including practical examples in the Handbook on sustainable public procurement.

6.3 Drawing up specifications

The next step is to establish a detailed description of requirements – which can be communicated to the potential bidders – as part of the tender documentation. In public procurement the requirements are the most important part of the tender documentation since it provides a description of what the contracting authority requires and what an economic operator is expected to bid for and, if successful, deliver.

The main features of specifications to be used in sustainable procurement can be summarized as minimum/mandatory requirements and desired requirements – in extension to the already defined minimum requirements.

Desired requirements are relevant when „**most economically advantageous tender**” is used as award criterion.

Contracting authority must clearly **specify the test methods to be used to verify compliance with the requirements** (both minimum and desired) and the evaluation method according to the minimum requirements. The contracting authority details exactly what the required product or works must consist of, without necessarily communicating to the potential bidders in details or even at all, what function the product or works results will serve. In the context of sustainable procurement, there



might be circumstances in which the technical specifications are the most appropriate, and this is the case of design specifications in case of a works contract.

In addition to **conformance specifications**, we mention Performance specifications known also as **functional specifications**. The contracting authority describes **what is expected a product/work to be able to achieve** in terms of function it will perform and the level of performance.

A performance specification defines the functionality, performance, outcomes or outputs to be achieved and details of key inputs parameters (electricity, water, etc. – as the case might be), the operating environment and conditions in which it will operate, the interfaces with other functions/processes, the expected level of quality, safety, environment performance and control of the expected level of performance (including reference to any relevant standards), methods used to measure whether or not the desired performance have been achieved.

Contracting authorities can use for preparing technical specifications criteria that are defined in ecolabels, such as the European Eco-label, (multi-) national eco-labels or any other eco-label. The criteria for the label must be drawn up and adopted on the basis of scientific information using a procedure in which stakeholders, such as government bodies, consumers, manufacturers, distributors and environmental organizations can participate. The label must be accessible and available to all interested parties.

The eco-label certifies that the product or service meets some specific standards set at the EU level. To receive this qualification, the product of service must meet mandatory criteria related to water and energy saving, waste reduction and environmental protection.

The European ecolabel functions based on some criteria, by groups of products/services. The criteria cover the following areas of environmental protection: air, water, soil, waste, noise, energy, natural resources, and impact on the ecosystems. A company wishing to obtain a European ecolabel for one or more of its products/services must apply for it to a competent body. If the product meets the requirements, the ecolabel is awarded.

The objectives of the European Ecolabel are as follows:

- - Encouraging the industry to design and produce products that have a minimal environmental impact during the production, distribution, consumption and use, even during disposal after use;
- to provide consumers with the best information on the environmental impact of products / services.

The graphic symbol of the Eco-label in the EU:



The graphic symbol is accompanied by a short text applied on the product, the package, a booklet or another information document which accompanies the product and which provides information about at least one and not more than three types of environmental impact.

The community eco-label is part of a wider strategy, aimed at promoting rational consumption and production, and is a voluntary system of ecolabeling. It allows consumers to recognize high-quality products the production process of which provides the best possible respect for the environment.

National label “Organic farming – the Republic of Moldova” is shown in the figure below:



On some agricultural products from Moldova the national label "Organic Farming – Republic of Moldova" is applied. This label is an official brand confirming that the production process is controlled by inspection bodies and ensures that the product is produced according to organic farming requirements. The brand is registered and recognized by 16 EU countries. Organic products

produced/grown in Moldova have eco-labels “Organic Farming” applied on the

package. The Ecolabel was designed 4 years ago, but the government approved it on September 17, 2014, at the same time with approval of the Regulation for its use. The symbol of the label is a leaf in space, the colors of which change from light shades to dark shades. The light green "eco" logo is written inside the leaf. The national brand "Organic Farming – the Republic of Moldova" is an official sign, which confirms that the production process is controlled by inspection bodies and ensures that the product is produced according to organic farming requirements.

The Regulation for the use of the national brand "Organic Farming – the Republic of Moldova" was developed in accordance with the Law no. 115-XVI of 9 June 2005 on organic food production and the Government Decision no. 149 of 10 February 2006 on implementation of the law on organic food production and adopted by Government Decision no. 884 of 22 October 2014. According to this law, the right to use the national brand "Organic Farming – the Republic of Moldova" for products, labels and packages of organic food belongs to companies that produce, process, import, export and/or sell organic products registered with the Ministry of Agriculture and Food Industry. . The label is an official sign of control and security, aimed at obtaining certification of organic food production and confirming certification of organic food, complying with the rules of production and/or processing, applied in organic farming. The label provides full confidence that the products on which this sign or the national brand "Organic Farming – the Republic of Moldova" are printed are produced in accordance with the rules and principles of organic farming, or in the case of imports, according to an equivalent system with similar requirements for obtaining organic food and is applied or printed on packages, exclusively on organic food products that have passed the conversion period and have obtained the certificate of compliance issued by the inspection and certification body for a period of one year. The national brand "Organic Farming – the Republic of Moldova" is registered and recognized by 16 EU countries, will be applied to each product label, while on imported products the EU logo will be kept.

At the same time, according to Organic Foods Inspection and Certification Body CRPA "Inspect", the organic products must be accompanied by certificates of compliance according to the requirements of the Regulation No. 834/2007 of the European Council of 28 June 2007 on organic production and labeling of organic products and by documents under national law, while imported organic products must



be accompanied by compliance certificates issued by one of three inspection and certification bodies of the Ministry of Agriculture and Food Industry. Application of the graphic symbol of the national brand will ensure protection of the market from forged products and will ensure the citizen is informed.

Contracting authorities may specify in the tender documentation that products and services which bear an ecolabel are presumed to comply with the technical specifications. However, in the evaluation phase they must accept other suitable evidence as well, such as a technical dossier from the manufacturer or a test report from a recognized body.

Technical specifications of goods are fundamental elements that contribute to the implementation of an efficient procurement. Benefit-cost ratio depends to a large extent on the correct and complete manner of establishing the technical specifications. The main purpose of establishing the technical specifications is to identify the requirements according to the basic needs of sustainable products/services or works of contracting authorities.

The need for a better formulation of the technical specifications for different procurement objects derives from the importance of the goods concerned for the contracting authority determined by the frequency of his purchases in relation to its impact on the environment.

In this sense, the **technical requirements of product/datasheet will have the following structure:**

- Scope
- Typology and Classification
- Technical and quality requirements based on sustainable elements in line with existing quality ecolabels

Scope – in some paragraphs of this chapter, the contracting authority shall answer what the datasheet refers to, what the datasheet establishes, **if quality technical requirements, rules of labeling, packaging, etc. which must meet the goods purchased are included.**

In the paragraph 2 – **Typology and Classification**, we provide the opportunity to the contracting authority to **become familiar with how goods are classified depending on different criteria** to determine the proper object of purchase.



In the paragraph 3 – **Technical and quality requirements** are based on **sustainable elements** in line with existing quality ecolabels.

It is in the interest of contracting authorities to know the technical characteristics of the products set out for sale, the name of treatment or processing which they have undergone in the manufacturing process, the name of form under which they appear etc. This objective can be best achieved through a description of all the technical and quality characteristics of the product and sustainable elements, so that a contracting authority interested in a sustainable product is able to use these specifications, which implicitly will contain sustainable elements and accurate descriptions of the environmental impact of goods that are intended to be purchased.

6.4 Establishing the award criterion

Currently, there are two award criteria specified in the legislation:

- **the lowest price;**
- **most economically advantageous tender**

Establishing the award criterion as lowest price will be interpreted in the bid's evaluation phase to select the winning offer among the offers which demonstrates the fulfillment of the minimum requirements communicated in the specifications. In such a case, a public procurement procedure can be defined as sustainable only if the minimum requirements communicated include sustainable requirements, and contracting authority will select the lowest price offer provided that this offer meets the minimum sustainable requirements.

Today, most of the decisions regarding the award of public procurement contracts are based on the purchase price (transaction price), without taking into account that there are situations where the use and disposal costs are significant during the lifetime.

From an economic point of view, it seems logical to include in the award criterion the life-cycle costing approach, and thus use **as a criterion for contract award the “most economically advantageous tender”**.

The evaluation factors included in the award criterion, most economically advantageous tender – depending on the particular case – may refer to price, quality, technical and functional features, efficiency, delivery time, after-sales services,



technical assistance, environmental performance, lifecycle cost, etc. As a result, **the evaluation of a tender based on an energy efficiency factor actually means using most economically advantageous tender as a criterion for contract award.**

Sustainable evaluation factors may be used, subject to the following conditions:

- Have obvious **connection with the subject matter of the contract** to be awarded;
- They can be **quantified objectively**;
- They are associated with a weighting in relation to other factors used as part of the award criteria;
- There are clearly defined and communicated in the procedure documents.

So that every potential bidder must be able to assess his chances to participate and obtain the contract.

Using this criterion, the contracting authority:

- allows (during the tender evaluation stage) sustainable requirements;
- encourages economic operators to offer better performances than the minimum requirements listed in the technical specifications;
- allows taking into account the lifetime costs of goods, services and works to be purchased – including operating costs, storage costs, maintenance and disposal costs.

An crucial action that will lead to the implementation of sustainable public procurement in the Republic of Moldova is **development of technical specifications for the most widespread eco products, in particular the 2 sustainable products prioritized for procurement.**

6.5 Setting the minimum qualification requirements and selection criteria for bidders

The legislation lays down rules for the “qualification” and for the selection of economic operators in a form of an exhaustive list of means of evidence, which can be required by the contracting authority to check the technical, financial and organizational capacity of economic operators to perform a contract.

The minimum qualification requirements (and selection criteria) must be stated in the **contract notice and in the tender documents** and **should include explicit definition of minimum requirements** or the capability/capacity level to be set for



each criterion and clear specification of value thresholds, data, documents and other information to be requested from economic operators to document the fulfillment of the minimum requirements of the selection criteria.

The minimum qualification requirements and selection criteria must be differentiated from the award criterion. Thus, a contracting authority cannot include experience, capability or ability to execute the contract in the award criterion.

6.6 Quality assurance systems and environmental management systems

The criterion related to the existence and maintenance of a quality assurance system should be used when the effectiveness of the measures taken by economic operators to ensure the quality of their activities is relevant for the contract. The criterion related to environmental management system should be used in cases of contracts in which their performance might place a risk to the environment, thus necessitating the adoption of measures to protect the environment during the contract execution. This criterion is valid only for service and works contracts.

In parallel with establishing the criteria to be used, the contracting authority should set out in a clear manner what type of information is considered relevant and **what means of proof will have to be provided.** With direct reference to quality assurance systems and environmental management systems, one of the possibilities to demonstrate the capacity is the presentation of **certification by the third-party** in relation to the relevant standards such as ISO 9001:2008 or ISO 14001: 2012 and EMAS.

6.7 Contract management and reflection on performance

Throughout the duration of the contract, at the contracting authority's level, **contractor's performance must be monitored and controlled** since it is not enough to have in the contract provisions related to energy efficiency without checking effectively the manner and level of their fulfillment. They become effective if compliance with the agreed contract provisions is properly monitored.

For a contract related to energy efficiency subject matter, these are some examples of aspects, which should be subject of monitoring by the contracting authority throughout the duration of the contract:

- Timely delivery, understanding by this delivery of the subject matter of the contract within the term provisioned in the contract;



- Provision of spare parts according to qualitative and quantitative requirements ensuring energy efficiency;
- Delivery of the supplies in proper transport means (in terms of energy efficiency);
- Provision of certificates and any other supporting documents;
- Compliance with energy efficiency features agreed in the contract;
- Completeness, compatibility with legislation and relevant standards, applicability /feasibility, precision and correctness of design elements.

Relevant in the context of the energy efficiency public procurement is also a reflection on the overall success of the energy efficiency public procurement and on any weaknesses, deficiencies in the specifications or contract provisions. By doing so, the contracting authority has the opportunity to clarify whether the issues that appeared during the contract performance are due to:

- ambiguity or inadequacy of the contract provisions;
- weaknesses in the content of requirements/specifications;
- weaknesses in the tools/techniques utilized for calculating the life-cycle cost of the contract subject matter;
- lack of required experience and of the appropriate competencies of the staff participating in the preparation of the tender documents or in the contract management.

In order to contribute to the improvement of the following procurement procurements which include energy efficiency component, **the results of this reflection must be recorded and communicated within the contracting authority to relevant stakeholders in order to be used as "lessons learned" in the preparation of future procurement.**

So, **the Handbook on sustainable procurement** will contain all the chapters listed above and **will be the main guide for contracting authorities** to implement sustainable public procurement, and will be an appropriate tool that can be used by contracting authorities in initiating and conducting sustainable public procurement procedures that will be available to all contracting authorities and economic operators.

Last but not least, it is proposed to **edit the webpage of the Public Procurement Agency to contain all the necessary tools for a contracting authority** to initiate and



conduct procedures of **procurement of eco or energy efficient goods, services or works**.

Thus, **the webpage will contain a separate compartment for sustainable public procurement** which will include at least:

- **Handbook** on sustainable public procurement;
- Updated tender documents for sustainable products (with appropriate technical specifications, sustainability criteria and/or direct reference to ecolabels);
- Technical and **quality specifications** for other products than those prioritized with sustainable elements;
- List of certifying bodies;
- List of ecolabels;
- List of economic **operators specialized in provisions/delivery/execution of eco and/or energy efficient products/services/works** etc.



CHAPTER VII

PRIORITY GROUPS

The results obtained at the stage of setting initial priorities of sustainable public procurement derive from the analysis of National Development Strategies and analysis of expenditures, being conducted after an assessment of risks and opportunities of ten objects of purchase, identified in the table below.

Table No. 7.1

No.	Name of the object of purchase	Total amount of contracts (MDL)	Share in the total amount %
1	Construction works	3 258 913 880,72	45,90
2	Medical equipment, laboratory equipment, optical and precision equipment, pharmaceuticals and personal care products	1 016 920 909,23	15,19
3	Foodstuff	691 509 287,71	9,74
4	Oil products	338 183 930,25	4,76
5	Transport equipment and auxiliary products for transportation	276 924 986,19	3,90
6	Banking services	177 728 483,79	2,50
7	Camping and food services	177 133 339,45	2,50
8	Advisory services	111 093 765,20	1,56
9	Computer equipment	109 577 776,41	1,54
10	Furniture	70 241 340,63	0,99

At the stage of preliminary prioritization, banking and advisory services were excluded from the list, as they belong to a special field, thus being outside the scope of sustainable public procurement. At the next stage of the prioritization process, the most appropriate products, services and works were examined based on both environmental impact, as well as other factors, such as social and economic impact.

For further research experts have proposed foodstuff, including agri-food products, construction works, technical equipment and transport equipment for which a detailed analysis of the main types of environmental impact has been conducted.



Fresh fruits and vegetables were selected from the group of products „foodstuff” because there are strategies and legal framework guaranteeing food safety. In addition, farmers have the potential to supply such green products on the local market.

The group of products “computer equipment” will be included later in the list of environmental goods, because it is planned to finish the establishment of minimum requirements and limitation of computer equipment of contracting authorities by means of public procurement procedures by the e-Government Center, responsible for setting the best requirements for the technical parameters for Contracting authorities in procurement of hardware based on public procurement procedures.

It was found that it is premature to implement the group of products “transport equipment and auxiliary products for transportation” within the Sustainable Public Procurement in the Republic of Moldova, because most contracting authorities do not have sufficient financial resources to purchase new transport equipment, and local public authorities face difficulties with regards to building bicycle tracks.

Construction materials, such as doors and windows, were selected out of the group of products “construction works”, because there is a well-established legal framework, aimed at improving the energy-efficiency of buildings, there is a national fund created for this purpose, and there are local economic operators engaged in manufacturing/installation of these materials, in the process of manufacturing/installation of which sustainable requirements may be imposed.

As a result of the Prioritisation workshop held in 10.11.2014 ,it was decided unanimously to **put forward for the next stage of market investigation foodstuff with categories „fruits and vegetables” and construction works with categories „doors and windows”**. It is safe to say that when selecting these groups of products, **the social impact was also taken into account**. The procurement of organic food in the school canteens, hospitals, law enforcement bodies, and the improved energy efficiency in public buildings by purchasing energy-efficient doors and windows, have a great potential for **building awareness** about the sustainable public procurement policy. Both products also have available scientific and environmental data necessary to set criteria for these groups of products.

The market research is based on the current state of organic fruit and vegetable market and production/assembly of energy efficient/eco PVC windows and doors, with the aim to identify opportunities of such markets to move to the ecological system and learn about the tools and methods of certification.



Ecological food production contributes to sustainable, diversified and balanced agricultural systems, ensuring the protection of natural resources and consumers' health. And the installation of energy efficient/eco windows and doors will contribute to saving natural resources by reducing electricity and heating consumption. For both prioritized groups there are private and public inspection and certification bodies in Moldova, accredited by the National Accreditation Body and certified by the line ministries.

Based on questionnaires filled in by producers/distributors, it can be concluded that both groups of studied products are available on both the national and international markets and we have enough operators that are able to meet market requirements.

The survey also reports that because subsidies for lands in conversion were stopped and because of the lack of outlets, the number of operators involved in organic food circuit decreased in 2014 from 170 to 58. Thus agricultural lands intended for certain organic crops were reduced in 2014 compared to 2011. Therefore, on the largest agricultural areas are cultivated walnuts, grapes, peaches and apples followed by plums; as to the vegetables, we can mention onions, varieties of potatoes, pumpkins, tomatoes and sweet peppers.

As to the average prices in our country for sustainable products compared to the conventional ones, questionnaires show a difference of 15%-20%. The most noticeable difference in the price for eco and conventional fruits is 10% for apples, while the difference in the price for conventional and organic vegetables is even bigger. Referring to the second prioritized group - energy efficient/eco windows and doors, we noticed that energy efficient products are 20 % more expensive than the conventional ones and eco energy efficient products are 36% more expensive than the conventional ones. Energy efficient/eco doors are 40% more expensive than the conventional ones. This is because PVC doors and windows on our market are of a very poor quality, with significantly lower COGS. In order to justify the price difference, we provided to an example of energy efficiency expressed in savings (money).

Speaking about environmental management systems, we emphasize that EMAS is open to organizations headquartered in the EU or the European Economic Area, whereas the ISO is open to organizations worldwide. Therefore, in Moldova there are no EMAS certified organizations and quite few ISO 14001 certified organizations.



If in case of the “energy efficient/eco windows and doors” prioritized group only a few operators have demands from the European market, in case of the “organic fruit and vegetables” group local producers export only fresh walnuts and processed (dry) plums, apples and cherries.

Referring to the domestic demand reflected in the public procurement segment, we conclude that no organic food procurement contracts were recorded. The most purchased conventional vegetables are potatoes, cabbages, onions, carrots and beetroots, and the most purchased fruits are apples. This is justified by the fact that contracting authorities procure these vegetables throughout the entire budgetary year as basic fruits and vegetables. Other products such as: strawberries, cherries, watermelon and table grapes are purchased only in season, in amounts below the limit for public procurement procedures.

As to the domestic demand of PVC doors and windows public procurement, according to the contracting authorities, with the creation of the Energy Efficiency Fund and training of specialists in the field of energy auditing, things have significantly changed during the last two years: minimum performance criteria were introduced and 76 out of 80 projects on the replacement of PVC insulated windows and doors were completed.

Both **educational institutions and public medical institutions** outlines as regards market demand in the market investigation are recommended as **target sectors**.

The Republic of Moldova breaks fresh ground in the sustainable production and consumption. **The organic food market is at an early, underdeveloped stage.** Consumers are still precautious about organic products, basically due to lack of knowledge on organic products, the higher purchase price of organic products or arguments that they are more expensive and ignoring the negative effects, generated by the production and consumption of conventional products.

In this sense, the targets set by Moldova for priority groups of products and works are shown in the table below. It should be noted that Moldovan reality was taken into account here directly.



Table No. 7.2

Categories by products/works	2015	2016	2017	2018	2019
Fruits and vegetables (apples, grapes, peaches, plums, potatoes, onions, carrots, beetroots, cabbage, pumpkins, tomatoes, cucumber and sweet peppers)	5% Voluntary target	7% Voluntary target	9% Mandatory target	13% Mandatory target	15% Mandatory target
Energy-efficient/ecological windows and doors	15% Voluntary target	20% Voluntary target	20% Mandatory target	25% Mandatory target	30% Mandatory target

It should be mentioned that the syntagma “**Target**” means **percentage per year per contracting authority of the total volume of purchases** of product/works for which sustainability criteria will be established.

The next step is to **identify pilot institutions** which will implement sustainable public procurement (the interim list of pilot institutions includes Education, Youth and Sport Departments Botanica and Center). The implementation of sustainable public procurement will start through the launch of pilot tenders by 3-4 institutions procuring priority groups of products. The pilot tenders may serve as direction for action.

The performance indicators reflect the setting of percentage of sustainable public procurement implemented, and the number of contracting authorities involved.

At the same time, another direction for action is the creation of a **database of best practices** in the field to stimulate other contracting authorities to follow the path of sustainable procurement.

Currently, manufacturers tend to label products as eco-products, however a simple statement of a manufacturer that a product is organic is not really sufficient to certify the presence of an organic product. When defining the organic product in the specifications?, the criteria, based on which an organic product differs from a conventional product, need to be given priority and should be in line with recognized eco-labels, at national or international level. These criteria are essential for contracting authorities when they want to purchase environmental goods, works or services.



For the first group of products „fruits and vegetables”, we can refer to the set of environmental criteria (can be consulted in the annex 1) for public institutions which were adopted by the working document of the European Commission experts that are available at the webpage http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm and also can be found in Romanian. Criteria for 23 groups of goods, works and services have been already developed to date, so **the Republic of Moldova will take over these criteria to use them for the above mentioned group** on sustainable public procurement, because specifications are proposed for this product range. The **main criteria aim at organic production methods and packaging waste**, while **full criteria aim at other aspects such as the purchase of foodstuff** according to integrated production standards and animal welfare.

The Public Procurement Agency will coordinate the development of environmental criteria for the 2-nd priority group „energy-efficient/ecological windows and doors” because there are **no environmental criteria standard for installation of energy-efficient/ecological windows and doors**. Thus, the direction for action can be defined by **establishing sustainability criteria** for the 2-nd priority group (please consult the annex 2).



CHAPTER VIII

MARKET ATTRACTION STRATEGY

8.1. Information and training sessions for economic operators

Public institutions in charge of sustainable public procurement implementation should **launch a process of dialogue and communication with manufacturers/suppliers/assemblers as economic operators must have a clear understanding of the role expected from them regarding the implementation of sustainable public procurement.**

This dialogue established with the market has several objectives:

- a) Inform **economic operators, identified at the stage of the market investigation**, about the results of the prioritization exercise and make them familiar with **sustainability elements of priority groups** which are to be gradually included in the public procurement plans of the contracting authorities. Information meetings will be organized with **economic entities involved in organic food turnover, and economic operators manufacturers/assemblers of PVC windows and doors** selected from the database of the Public Procurement Agency.
- b) Raise awareness of economic operators about the potential economic impact that can result from the successful implementation of this sustainable public procurement policy. **SPP will increase competition and support small and medium enterprises to develop and promote clean products on the market**, because consumers have begun to realize that the initial investment in these types of products (higher compared to conventional products) leads to medium- and long-term financial savings and resources. And the fact that economic operators will be supported through current information and consultations by the Public Procurement Agency will increase confidence in public administration and policies initiated by them. **Since the share of public procurement is about 8% of GDP**, the impact generated by sustainable public procurement on the environment is significant; the environmental objectives can be achieved thanks to the financial power of public authorities.



c) Train economic operators: The activity “disseminating the concept of sustainable public procurement and ecolabelling” for economic operators, identified at the stage of market investigation can serve as a direction for action. **The number of trained economic operators will serve as a performance indicator.** In order to guarantee that market participants will be adequately trained, the State will include specialists from branch institutions in the process of development of the Handbook on sustainable public procurement and ecolabelling as well as training curriculum and will monitor and report the number of participants and workshops organized.

d) Involve the main bidders (manufacturers, distributors, etc.) in supporting and promoting sustainable public procurement policy:

- Involve bidders and their distribution networks for priority products in order to attract the attention on sustainable public procurement initiative and standards which are established as well as the information that will be provided to the contracting authorities.
- reach consensus on the proposed criteria of products by conducting seminars, workshops to bring together the key players on the market of sustainable products. Here, **workshops with market players will be convened in order to reach a consensus, at the stage of establishing requirements, establishing award criteria,** as well as to foresee the risks that may arise at the stage of contract execution.

As a result, key bidders will be more aware and more committed to the green public procurement program. Bidders’ commitment is essential to ensure that they can provide cost-effective products showing environmental performance, at the present and in the future.

8.2. Communicating the public procurement plan to the market

The primary dialogue with the market is considered as an essential component of sustainable public procurement. In order to ensure the principle of openness and transparency, the main objectives of public institutions will be



communicated to economic operators, taking into account the type of procurement of goods, works and procurement plan. In this sense, economic operators will be informed through a variety of means, such as notices of intent of contracting authorities which will be published according to the current legislation **within 30 days after the approval of the budget**. However, according to art. 19 of the Law No. 96 on Public Procurement, **the notice of intent shall cover all public procurement contracts scheduled to be awarded prior to the end of the budget year**. It shall not be necessary to publish a notice of intent in respect of the procurement contracts for goods and services with the estimated value of up to 200 000 MDL, and for works – up to 1 000 000 MDL. The publication of the notice of intention shall not create an obligation for the contracting authority to perform the respective public procurement.

Based on this, the publication of the notice of intent is not the best solution because procurement of priority groups mostly goes beyond the above mentioned thresholds. Furthermore, the market investigation report states that contracting authorities purchase fruits and vegetables only in season, based on the Government Decision No. 1404 dated December 10, 2008 on approval of the Regulation on the calculation of the estimated value of public procurement contracts and their planning, foodstuff is considered as seasonal goods, so in their case, public procurement contracts will be planned for each period in which these products will be delivered. However, the Public Procurement Agency will undertake to encourage contracting authorities to publish notices of intent on the procurement of priority groups, despite the fact that they are beyond the above mentioned thresholds. Moreover, the Agency is committed to create a special sustainable public procurement banner, where, in a centralized manner, it will publish all the necessary information for contracting authorities, as well as for the interested economic operators, including by creating a database of good practices in this field, thus defining another direction for action having the separate compartment on the website of the Public Procurement Agency with complete information on sustainable public procurement in the Republic of Moldova as a performance indicator.

8.3. Encouraging and supporting economic operators to produce sustainable products and services



Public institutions in charge of sustainable development policy implementation should encourage innovation and development of sustainable products and services such as Ministry of Agriculture and Food Industry, Ministry of Environment, Ministry of Construction and Regional Development and Public Procurement Agency. They are all expected to support the development of organic food production by performing the following steps.

It is necessary to better and more correctly **inform the beneficiaries on sustainable products, as well as on what distinguishes them from conventional products or those salable on traditional markets** (lack of information proven and supported by authorities' answers). This recommendation is valid as long as there will be a failure in reducing authorities' mistrust in the certification process. This type of promotion can be also **supported by the events of a high visibility** (fairs and exhibitions, TV shows, etc.), through **active involvement in the education and information by some "spokesmen" credible** or having a high reputation among consumers (doctors / clinics / family doctors / pediatricians, nutritionists, etc.), inserts in specialized magazines, information actions in the main selling points, organization of specialized seminars and conferences for producers.

It is also important to stimulate the market to increase the number of producers of sustainable products, certified producers/products bearing ecolabels and at the same time their **encouragement for exporting products, especially fruits and vegetables under Moldovan brands** (the way of presenting, **labeling, packaging, promoting** is also important), but not the export mainly of bulk/wholesale raw materials, for a better recognition, **traceability** and not least to provide the possibility of increasing the number of jobs, providing opportunities for rural development and increase of the economic value by carrying out these activities.

Producers should be supported (information – courses, seminars, etc., direct subsidies, credit policy, etc.) **to meet additional difficulties** and to **avoid possible problems that may occur in the certification process** by reducing the number of those who have problems during certification because of the failure to comply with current standards and regulations. However this support should be also directed to attract European funds in these sectors.



Associative forms of production should be promoted and producers should be encouraged to join a specialized network of organic production.

Authorities could also promote a unified country brand for finished organic products, an initiative that can support not only this category of products but also that of traditional Moldovan products.

There is a need for a mass promotion and explanation of this concept; producers, particularly the young and beginners, should be encouraged, and the market should be developed bilaterally, both demand and supply.

More effort should be put towards learning advanced technologies of eco production.

A more active participation of economic operators in public procurement procedures is globally required.

It is also critical to develop and certify eco-management ensuring technical safety by accumulating knowledge of a large group of international specialists and stakeholders, meeting the needs of third parties since ISO standards development process is based on international dedication and consensus, cooperation in developing uniform requirements because the ISO development process is based on the participation of all interested national institutions worldwide, promotion of efficiency, legislative coordination, raising the credibility of investors so that standards can be used to assess conformity, for example audit, inspection and certification. This fact raises the level of credibility towards finished products, services and systems, demonstrating compliance with ISO standard and ensuring effective legislative regulation.



CHAPTER IX

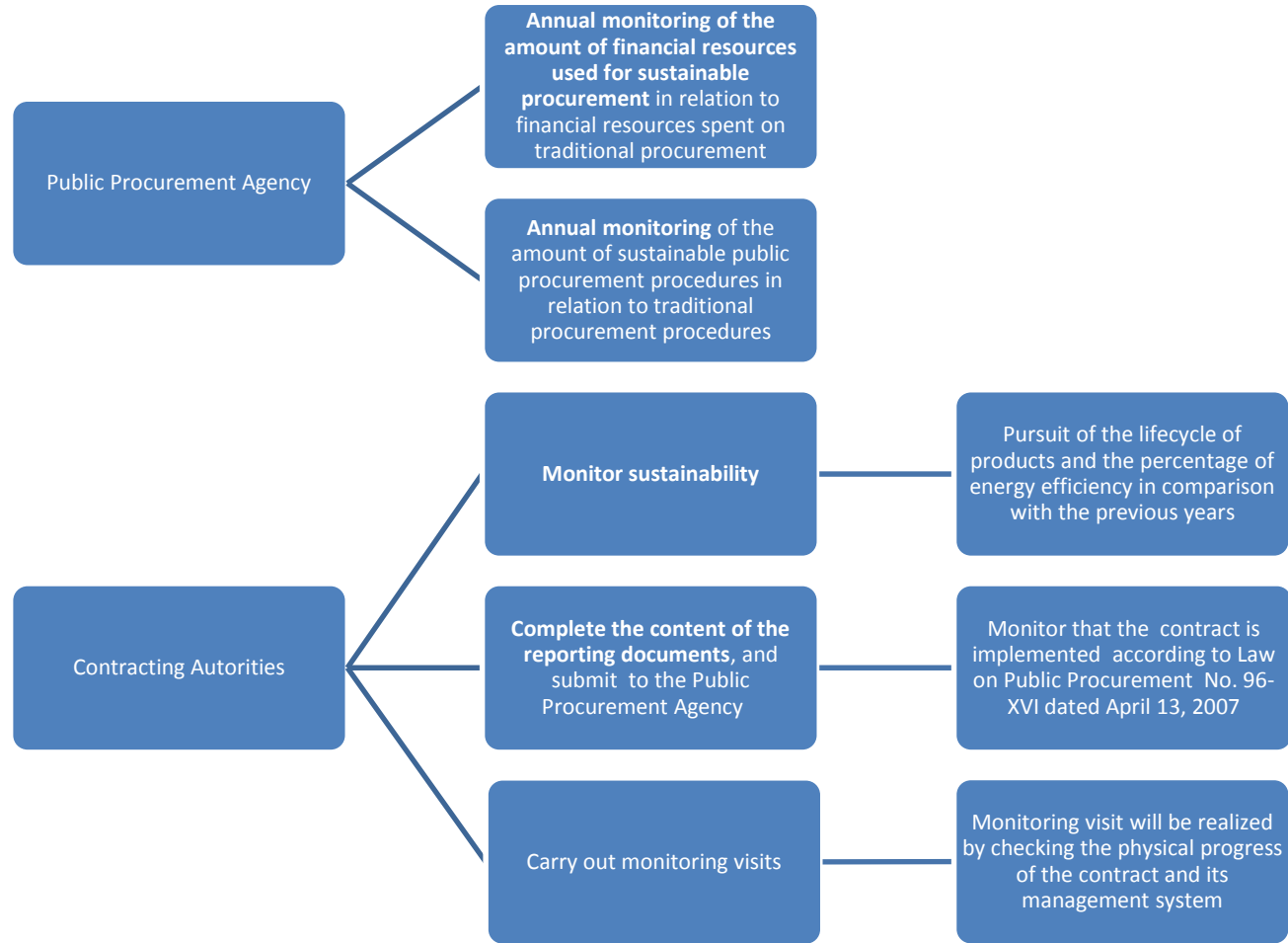
MONITORING AND REPORTING

A very important part of any policy consists in the monitoring of its activities to determine whether the proposed actions are implemented successfully or not. For this purpose, monitoring the implementation of proposed objectives is essential for the Action Plan on sustainable procurement implementation.

The monitoring of sustainable public procurement in the Republic of Moldova will focus on two key components, namely:

- (1) **Monitoring at the macro level of sustainable procurement implementation by the national authority** responsible for public procurement monitoring (the Public Procurement Agency). This monitoring will use **the already existing mechanisms** as well as the new mechanisms to correctly identify and monitor sustainable elements; and
- (2) **Monitoring of the implementation of each sustainable procurement contract by the contracting authorities.**

Fig. 2.3. Monitoring of sustainable procurement in Moldova





9.1 Monitoring of sustainable procurement implementation by the Public Procurement Agency

Institutionally, sustainable public procurement will be monitored by the Public Procurement Agency, as it has monitoring mechanisms in place for basically each stage of public procurement process, and such competences are expressly provided by the Law on Public Procurement No. 96-XVI dated April 13, 2007.

Sustainable procurement will be monitored by the Public Procurement Agency based on information submitted by the contracting authorities in accordance with the provisions of the Law on Public Procurement No. 96-XVI dated April 13, 2007. Therefore monitoring of sustainable procurement will be included or will be a part of the overall monitoring of public procurement, taking into account especially the following aspects:

- **Annual monitoring** of the amount of sustainable public procurement procedures in relation to traditional procurement procedures (**number of procedures carried out based on sustainable criteria**, central authorities in relation to local public administration authorities);
- **Annual monitoring of the amount of financial resources used for sustainable procurement** in relation to financial resources spent on traditional procurement.

In order to collect all the information related to sustainable public procurement there is a **need for updated standard reporting form**, and for this purpose the current standard reporting form will be modified (updated), to be used by the contracting authorities to report on the results of public procurement procedures and especially on sustainable elements.

Responsible for modifying standard reporting form is the Public Procurement Agency and this updated reporting form is necessary to implement until 2016 year.

The monitoring of the indicators mentioned above, i.e. the amount of sustainable public procurement procedures and the amount of financial expenditures, will be the main pillar on which the reporting on sustainable public procurement implementation of the Republic of Moldova will be based. Implicitly, monitoring will be a crucial element to feed long-term reports and statistics on the ecological situation at national level. **Monitoring will be carried out using, as appropriate, statistical information, generated by the Automated Information System “State Register of Public Procurement” which is currently used by all central public administration authorities.**



Automated Information System “State Register of Public Procurement”

In order to implement the provisions of the Law No.96-XVI dated April 13, 2007 on public procurement, implement an efficient and transparent mechanism on public procurement management, record-keeping and control of public procurement, based on the **Government Decision No. 355 dated May 8, 2009**, the Technical Concept of the **Automated Information System “State Register of Public Procurement”** (AIS SRPP or System) was approved.

The Concept defines AIS SRPP as a **complex information and telecommunications system**, which is characterized by the existence of a **single point of access to resources, applications and information services on public procurement**. The system serves as a tool to support public procurement services, enabling information exchange through communication. According to the Concept, AIS SRPP shall allow placing orders; creating, storing and accessing documents related to procurement procedures; developing and placing public procurement plans; drawing up and managing the registration of contracting authorities and economic operators; **implementing public e-procurement procedures**.

The implementation of AIS SRPP represents a national strategic priority mentioned in several policy documents, according to which the Public Procurement Agency and other key stakeholders shall ensure full operation of the System, offering wide access to users.

AIS SRPP is operational, but currently in a test mode, and has the following features:

- registration and publication of notices of intent;
- submission of the invitation for participation (initiation of public procurement procedure);
- approval for publication and the publication of the invitation for participation;
- modification of tender documentation/its approval;
- registration of economic operator for the procurement procedure;
- online access to tender documentation;
- communication with participants in tenders;
- registration of submission of tenders to economic operators;



- completion of tender data and drawing-up by the System of the report on the procurement process and its approval.

Advantages of AIS SRPP are:

- **saving time** needed to initiate and conduct the public procurement procedure – saving up to 80% of time of the contracting authorities' officer related to coordination of documents with the PPA (as compared to the usual process).
- **reducing the costs of economic operators to obtain procedure documents** - AIS SRPP excludes payment for obtaining documentation package.
- minimizing travel costs – reducing the number of visits of the contracting authority at the PPA and reducing the number of visits of the economic operator to zero to obtain procedure documents.
- **reducing the volume of paper** – annually about. 37 thou. sheets (approx. 8 tonnes) are consumed to conduct public procurement procedures. AIS SRPP **reduces paper consumption at least by 70%.**

Next steps for the system development are:

- Launching the electronic tender procedure
- Developing the statistical analysis module
- Developing database of reference prices
- Online submission of tenders
- Integration of Mobile ID

These actions will be started once the contract on the system development has been signed. This system will further be completed with categories dedicated to sustainable public procurement.

9.2 Monitoring carried out by the contracting authority or self-monitoring

Technically, monitoring consists in **tracking physical progress recorded in implementing the sustainable procurement contract.**



The monitoring process starts from the moment of signing the procurement contract and ends after its completion.

To implement the monitoring of public procurement contracts, **the contracting authority shall carry out the following activities:**

- **complete the content of the reporting documents**, and submit them to Public Procurement Agency (activities carried out/physical progress/indicators);
- carry out monitoring visits that aim to **check on-site contract execution; monitor sustainability, when it is possible, by pursuit the lifecycle of products and the percentage of energy efficiency in comparison with the previous years**

The verifications of documents by the Public Procurement Agency will ensure that reports prepared by the contracting authority are complete and correct, that the contracting authority will implement the contract in accordance with the provisions of the Law on Public Procurement No. 96-XVI dated April 13, 2007 and other applicable laws.

Monitoring visit will be carried out by means of **on-site verification** of the **physical progress of contract execution** and its management system and will allow the monitoring team to collect some additional data in order to assess the indicator values compared to the targets proposed.

The purpose of the monitoring visit is to ensure that the execution of the contract makes physical progress according to the calendar of activities included therein and to identify possible problems as soon as possible, as well as to issue recommendations to improve implementation;

Sustainable procurement involves looking beyond buying habits for better options, with equal quality and competitive prices. Contracting authorities have always needed cost-effective procurement, and this is a strategy compatible with that aim.

Sustainability monitoring must lead to sustainability reports that show annual improvements in performance of actions and should provide the opportunity for contracting authorities to disclose its economic, environmental, and social performance, through identification of impacts and a review of subsequent performance.

To monitoring and report, contracting authorities can use also some of sustainable development indicators as they identified by the European Environment Agency (EEA) below:



SOCIAL DIMENSION		
Theme	Sub -theme	Indicator
Equity	Poverty	Population living below poverty line
		Measures of income inequality
		Unemployment rate
		Youth unemployment rate
		Social benefits per capita
	Gender equality	Female to male wage ratio
	Child welfare	Child welfare
Health	Nutrition status	Nutritional status of population
	Illnesses	Mortality due to selected key illnesses
	Mortality	Infant mortality
		Life expectancy at birth
	Sanitation	Population connected to sanitation system
Healthcare delivery	National health expenditure	
	Immunisation against childhood diseases	
Education	Educational level	Levels of educational attainment
	Literacy	Low qualification levels
Housing	Living conditions	Numbers of rooms per capita
		Household composition
Security	Crime	Reported crimes
Population	Population change	Population growth rate
		Population density
		Net migration rate
ENVIRONMENTAL DIMENSION		
Atmosphere	Climate change	Per capita emissions of greenhouse gases
	Ozone layer depletion	Consumption of ozone depleting substances
	Air quality	Air pollutants in urban areas
Land	Agriculture	Agricultural area and organic farming
		Nitrogen balances
		Use of agricultural pesticides
	Forests	Total forest area
		Wood harvesting ratio
Urbanisation	Growth of built up area	
Ocean, sea and coasts	Costal zone	Eutrophication of coasts and marine waters
	Fisheries	Fish catches by selected over-exploited species
Fresh water	Water quantity	Intensity of water use
	Water quality	BOD concentrations in selected rivers
		Quality of bathing waters
Biodiversity	Ecosystem	Protected area as a % of total area
	Species	Number of threatened species



<i>ECONOMIC DIMENSION</i>		
Economic structure	Economic performance	Per capita GDP
		Investment share in GDP
		Value added by main sector
		Inflation rate
	Trade	Net current account
		EU and international markets
	Financial status	Public debt
Aid to developing countries		
Consumption and production patterns	Material consumption	Material consumption
	Energy use	Per capita gross inland energy consumption
		Renewable energy sources
		Intensity of energy use
	Waste generation and management	Generation and disposal of municipal waste
		Generation of industrial waste
		Generation and disposal of hazardous waste
		Generation and disposal of radioactive waste
		Recycling of waste: paper and glass
		Waste treatment and disposal facilities
	Transportation	Passenger transport by mode
		Freight transport by mode
	Environmental protection	Environmental protection expenditures

Besides monitoring of implementation of sustainable procurement in the Republic of Moldova, a mechanism for monitoring, evaluating and reporting on the actions included in the Plan on sustainable procurement implementation should be also provided.

Thus, the mentioned **plan contains performance indicators** and the authority responsible for its implementation, so that each **entity that is included in this plan will inform the Public Procurement Agency** on successes recorded at least once a year. The **Agency**, in its turn, **will be responsible for drafting reports on the level of implementation of sustainable procurement in the Republic of Moldova**, and on the level of implementation of the **actions of the Plan** on sustainable procurement implementation.



CHAPTER X

ACTION PLAN ON THE IMPLEMENTATION OF SUSTAINABLE PUBLIC PROCUREMENT

Action plan on implementation of sustainable public procurement

No.	Action	Responsible for implementation	Implementation deadline	Performance indicator	Estimated cost (USD)	Source
ORGANIZATIONAL CHANGES						
1	Inclusion of the section for sustainable public procurement in the AIS SRPP	Public Procurement Agency	Q4 2016	AIS SRPP contains the section which allows the inclusion of the sustainable criteria	5000	External budget
2	Creation of Taskforce for implementing SPP	Public Procurement Agency	Q2 2015	Taskforce for implementing SPP	-	State budget



				created by order of the Director of the Agency		
3	Creation of Coordination group of the communication process	Public Procurement Agency	Q4 2015	Coordination group on the communication process created by order of the Director of the Agency	N/A	State budget
CAPACITY BUILDING						
4	Conducting training seminars for staff of the Public Procurement Agency include an ecolabelling component	Ministry of Finance	2015	2 seminars conducted 60 persons trained	3000	External budget
5	Training trainers among the employees of the Public Procurement Agency	Ministry of Finance	2015-2016	5 persons trained	4000	External budget



6	Conducting training seminars for persons in charge of public procurement of the contracting authorities include an ecolabelling component	Public Procurement Agency	Permanent	Number of seminars conducted. No. of persons trained	2000	External budget
COMMUNICATION						
7	Drawing up and sending 5 press releases/ 5 articles on paper	Public Procurement Agency	2015-2017	Number of press releases/articles published in magazines and newspapers	1000	External budget
8	Online publication of 5 press releases/ 5 articles, dissemination of advertising materials	Public Procurement Agency	Permanent	Number of press releases/articles published on the website of the PPA	-	State budget
9	Organization of press conference	Public Procurement Agency	2015-2016	Number of press conferences organized	-	State budget



10	Making 1 audio/ 1 video spots on sustainable public procurement	Public Procurement Agency	2015-2017	Number of audio/video spots made	5000	External budget
11	Publication, printing and distribution of 100 leaflets/ 100 brochures/ 10 catalogues on promotion of sustainable procurement	Public Procurement Agency	2016	Number of leaflets, booklets and catalogues distributed	1000	External budget
12	Displaying 5 banners	Public Procurement Agency	2016	Number of banners displayed	500	External budget
MODIFICATION OF THE LEGAL FRAMEWORK						
13	Revision of the Law on Public Procurement	Ministry of Finance Public Procurement Agency	2015	Revised Law on Public Procurement (adopted by the Parliament of the Republic of Moldova)	-	State budget



14	Modification of the Standard Documentation for public procurement of goods and services, approved by the Government Decision No. 763 dated October 11, 2012	Ministry of Finance Public Procurement Agency	2016	Standard Documentation modified and completed with specific sustainable procurement criteria	2000	External budget
15	Modification of the Government Decision No. 178 dated February 18, 2008 on approval of the Regulation on how to prepare, update and keep record of the List of qualified economic operators	Ministry of Finance Public Procurement Agency	2015-2016	Regulation on how to prepare, update and keep record of the List of qualified economic operators completed with the information on economic operators specialized in the provision/delivery/execution of sustainable goods/services/works	500	External budget

INTRODUCTION OF SUSTAINABLE COMPONENT IN THE PROCESS OF PUBLIC PROCUREMENT



16	Development of Handbook on sustainable public procurement	Ministry of Finance Public Procurement Agency	2015-2016	Handbook developed and available for contracting authorities	10000	External budget
17	Modification of the website of the Public Procurement Agency and supplementing it with a component related to sustainable procurement	Public Procurement Agency	2016	Separate compartment on the website of the Public Procurement Agency with complete information on sustainable public procurement in the Republic of Moldova	1000	External budget
18	Development of technical specifications for the most widespread eco products	Ministry of Finance Public Procurement Agency	2016	Technical specifications for the most widespread products available for contracting authorities	4000	External budget



		<p>National Center for Public Health</p> <p>National Agency for Food Safety</p> <p>Ministry of Agriculture and Food Industry</p>				
PRIORITY GROUPS						
19	Development of sustainability criteria for energy-efficient/ecological windows and doors	<p>Ministry of Finance</p> <p>Public Procurement Agency</p> <p>Energy Efficiency Agency</p>	2015	Sustainability criteria developed	1000	External budget



20	Drawing up the standard tender documentation on purchase of organic foodstuff to contain criteria and specifications characteristics of organic foodstuff, including in terms of labeling	Ministry of Finance Public Procurement Agency National Agency for Food Safety Ministry of Agriculture and Food Industry	2015	Standard documentation drawn up and placed on the official website of the Public Procurement Agency	2000	External budget
21	Drawing up standard tender documentation on procurement of energy-efficient works	Ministry of Finance Public Procurement Agency Energy Efficiency Agency	2015	Standard documentation drawn up and placed on the official website of the Public Procurement Agency	1000	External budget



22	Identification of pilot institutions which will implement sustainable procurement	Ministry of Finance Public Procurement Agency	2015	Number of institutions identified	-	State budget
23	Preparation for and implementation of sustainable public procurement in pilot program for 3-4 institutions comprising priority groups	Ministry of Finance Public Procurement Agency	2015-2016	Number and value of procedures performed	-	State budget
MARKET ATTRACTION STRATEGY						
24	Dissemination of the concept of sustainable procurement by conducting training sessions for economic operators	Ministry of Finance Public Procurement Agency	2015-2016	50 economic operators trained (2 seminars of 25 persons)	1000	External budget



25	Organization of workshops with market players	Ministry of Finance Public Procurement Agency	2015-2016	3 workshops organized of 25 persons trained	6000	External budget
26	Stimulation and support of the growing number of producers of sustainable products	Ministry of Agriculture and Food Industry Ministry of Construction and Regional Development National Agency for Food Safety Energy Efficiency Agency	Permanent	Number of trips, courses, seminars, number and value of direct subsidies, number of TV shows, fairs and exhibitions carried out.	15000	External budget



		Specialized NGOs				
MONITORING AND REPORTING						
27	Monitoring of sustainable public procurement	Public Procurement Agency	Permanent	No. of reports on implementation of sustainable procurement	-	State budget
28	Self-monitoring	Contracting authorities	Permanent	No. of reports prepared on sustainable procurement procedures	-	State budget
29	Modification of the standard report form	Public Procurement Agency	2016	Updated standard report form containing sustainable elements of a public procurement procedure	-	State budget



30	Preparation of progress report on the implementation of the Action Plan on implementation of sustainable procurement	Ministry of Finance Public Procurement Agency	Annual	No. of reports annually prepared on implementation of sustainable procurement	5000	External budget
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Annex 1. FOODSTUFF – CRITERIA FOR SPP

Foodstuff – basic criteria for SPP

Object

Procurement of foodstuffs (or a certain group of foodstuffs) originating at least partially from organic sources.

Specifications

[X]% of [either a defined group of products such as dairy, meat, vegetables, or a list of specific products e.g. potatoes, tomatoes, beef, eggs] must be organic products according to Regulation (EC) no. 834/2007.

Verification:

Criteria for award

Additional points will be awarded for:

1. Organic food: Additional share of foodstuffs of organic origin exceeding the minimum requirement provided in the specification.

Verification: Products bearing a national or Community ecolabel will be deemed complying.

2. Packaging: Percentage of products that:

- Are supplied in secondary and/or transport packaging with recycled content exceeding 45%.
- Are supplied in packaging made from renewable raw materials.
- Are not supplied in individual portions (single-unit packages containing the product).

Verification: The supplier must provide a signed statement indicating which of these criteria can be met. Compliance will be checked by the contracting authority, and in the event of non-compliance, appropriate sanctions will be applied.



Foodstuff – full criteria for SPP

Object

Procurement of foodstuffs (or a certain group of foodstuffs) a percentage of which originate from organic or integrated production with minimized packaging

Specifications

1. [X]% of [either a defined group of products such as dairy, meat, vegetables, or a list of specific products e.g. potatoes, tomatoes, beef, eggs] must be organic products according to Regulation (EC) no. 834/2007.

Verification: Products bearing a national or Community ecolabel will be deemed complying.

2. Out of the remaining non-organic products [X]% of [either a defined product group such as dairy, meat, vegetables, or a list of specific products e.g. potatoes, tomatoes, beef, eggs] must be produced according to the criteria of integrated production or other equivalent systems.

Verification: Products bearing regional/national integrated production label will be deemed complying.

If the products are not certified, the bidder will have to provide appropriate evidence of compliance (e.g. a list of chemicals used in production, farm welfare conditions etc.) with each of the requirements specified in the regional / national standards of integrated production.

Criteria of award

Additional points will be awarded for:

1. Organic food: Additional share of food from organic sources exceeding the minimum requirement provided in the specification.

Verification: Products bearing a national or Community ecolabel will be deemed complying.



2. Integrated production: Additional share of products from integrated production sources exceeding the minimum requirement in the specification.
Verification: Products bearing a regional/national integrated production label will be deemed complying.

If the products are not certified, the bidder will have to provide appropriate evidence of compliance (e.g. a list of chemicals used in production, farm welfare conditions etc.) with each of the requirements specified in the regional / national standards of integrated production.

3. Packaging: Percentage of products which:

- Are supplied in secondary and/or transport packaging with recycled content exceeding 45%.
- Are supplied in packaging made from renewable raw materials.
- Are not supplied in individual portions (single-unit packages containing the product).

Verification: The supplier must provide a signed statement indicating which of these criteria can be met. Compliance will be checked by the contracting authority, and in the event of non-compliance, appropriate sanctions will be applied.

Explanatory Notes

Integrated Production criteria: Since integrated production criteria are not international, it should be known in each country what products are available with this certification, and reference should be made to appropriate standards.

Percentage of organic food: The contracting authority will have to specify how the percentage will be appreciated by volume, weight or cost (EUR).

Packaging: According to Article 3 of Directive 94/62/EC of 20 December 1994 on packaging and packaging waste, "packaging" means:

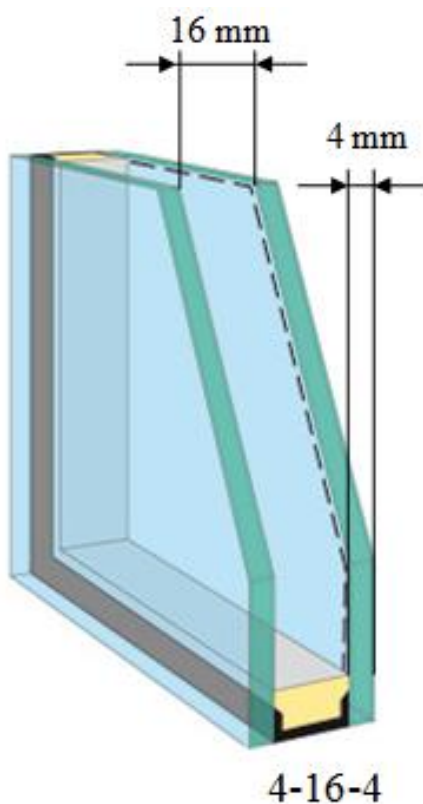


- (a) sales packaging or primary packaging, i. e. packaging conceived so as to constitute a sales unit to the final user or consumer at the point of purchase;
- (b) grouped packaging or secondary packaging, i. e. packaging conceived so as to constitute at the point of purchase a grouping of a certain number of sales units whether the latter is sold as such to the final user or consumer or whether it serves only as a means to replenish the shelves at the point of sale; it can be removed from the product without affecting its characteristics;
- (c) transport packaging or tertiary packaging, i. e. packaging conceived so as to facilitate handling and transport of a number of sales units or grouped packaging in order to prevent physical handling and transport damage. Transport packaging does not include road, rail, ship and air containers;

Award criteria: The contracting authorities shall indicate in the procurement notice and the bidding documents how many additional points will be awarded for each award criterion. The award criteria related to the environment should cumulatively account for at least 10-15% of the total available points. If the criterion for award is expressed as "superior performance compared to the minimum requirements included in the technical specifications", the points will be awarded proportionally to improved performance.

Annex 2. MINIMUM TECHNICAL SPECIFICATIONS FOR WINDOWS

- The total U value shall not exceed:
 - $\leq 1,7 \text{ W}/(\text{m}^2\cdot\text{K})$ for windows;
 - $\leq 2,2 \text{ W}/(\text{m}^2\cdot\text{K})$ for doors.
- Minimum technical requirements for glass surfaces



double glass;

glass thickness $\geq 4 \text{ mm}$;

min. distance between glass elements $\geq 16 \text{ mm}$;

Low emissivity coating (low-e) at least one piece of glass

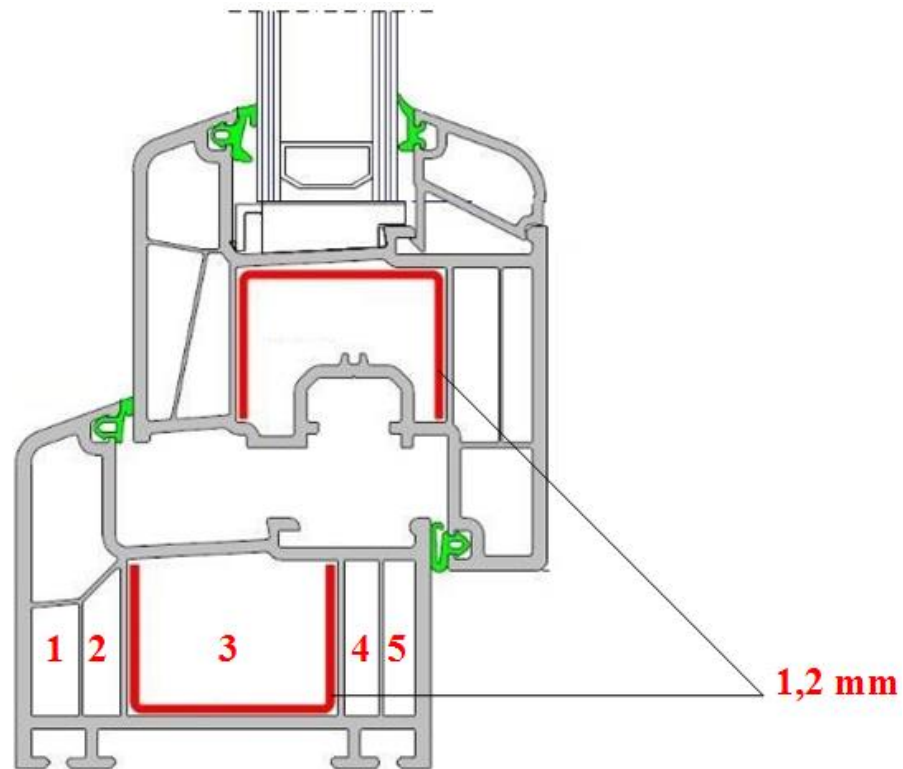


- Minimum technical requirements for PVC frames:



- Non-recycled PVC frames ;

- Frames, **at least five [5]** air chambers, reinforced with 1.2 mm thick metal profiles, coated with a layer of plastic material without thermal breaks



- Minimum technical requirements for profiles:
 - The minimum recommended thickness for the walls of PVC profiles should belong to **Class [A]**, i.e.:
 - Thickness of the faces seen from the outside and inside profile perimeter: ≥ 2.8 mm;
 - Thickness of the structural faces (through which the anchoring elements of the frame pass): ≥ 2.5 mm;
 - Thickness of the inner separation walls $\geq 2,0$ mm.



Annex 3. MAIN RESPONSIBILITIES OF THE CONTRACTING AUTHORITIES

The functions of the contracting authorities in the sphere of public procurements are.

- to establish work groups in charge of implementing the public procurement within these contracting authorities;
- to develop annual and quarterly public procurement plans;
- to issue invitations to tender within the public procurement procedures;
- to develop tender documentation and other documents applicable within the public procurement procedures;
- to initiate and perform the public procurement procedures;
- to ensure the extensive participation of economic operators in the public procurement procedures;
- to examine, assess and compare the tenders submitted by economic operators within the public procurement procedures;
- to conclude public procurement contracts with economic operators;
- to draw up reports on the results of the public procurement procedures and to submit them to the Agency;
- to execute and manage public procurement contracts according to their terms and conditions;
- to keep records of all documents produced and applied within the public procurement procedures.

The contracting authority is obliged:

- to ensure the efficiency of the public procurement;
- to ensure the objectivity and impartiality within the public procurement procedures;
- to ensure the transparency and publicity of the public procurement procedures;
- to submit upon the Agency's request any information regarding the conclusion and execution of the public procurement contracts.

Annex 4. MEMBERS OF THE SPP IMPLEMENTATION UNIT AND TASK FORCE

Task Force (formerly the Steering Committee) / Рабочая группа		
Entity	Name	Title
Ministry of Finance	<i>Dumitru Ochinca</i>	<i>Head of public procurement policy regulation service</i>
Ministry of Agriculture and Food Industry	<i>Iurie Senic</i>	<i>Chief of Ecological an origin products service</i>
Public Procurement Agency	<i>Secaş Valeriu</i>	<i>Deputy director of Public Procurement Agency</i>
Energy Efficiency Agency	<i>Maria Lazur</i>	<i>Head of legal service</i>
National Food Safety Agency	<i>Victor Todoraşco</i>	<i>Head of logistics and international management Department</i>

SPP Implementation Unit / Рабочая группа		
Entity	Name	Title
Public Procurement Agency	<i>Secaş Valeriu</i>	<i>Deputy director of Public Procurement Agency</i>
Public Procurement Agency	<i>Eugenia Eni</i>	<i>Head of Procurement Methods Department, PPA</i>



Public Procurement Agency	<i>Gheorghi Ghedora</i>	<i>Deputy of regulation and control department, PPA</i>
Energy Efficiency Agency	<i>Dinis Tumuruc</i>	<i>Deputy director of Energy Efficiency Agency</i>
Ministry of agriculture	<i>Marcela Srahi</i>	<i>Consultant, organic production</i>