



PROJECT “STIMULATING THE DEMAND AND SUPPLY OF SUSTAINABLE PRODUCTS THROUGH SUSTAINABLE PUBLIC PROCUREMENT AND ECOLABELLING” (SPPEL)

SUSTAINABLE PUBLIC PROCUREMENT ACTION PLAN



Ha Noi, November 2017

Table of contents

I. INTRODUCTION	4
1.1. Key concepts and definitions	4
1.2. International context of SPP	5
1.3. Context of SPP in Vietnam	7
1.3.1. Vietnam priorities in sustainable development	7
1.3.2. Implementation of SPP in Vietnam	7
1.3.3. Legal framework for the implementation of SPP	9
1.4. Necessity of SPP in Vietnam	11
II. OBJECTIVES OF THE SPP ACTION PLAN	12
2.1. Overall objective	12
2.2. Specific objectives	12
III. MAIN ACTIVITIES OF THE SPP ACTION PLAN	12
3.1. Legal review and adjustment	12
3.2. Capacity building	15
3.3. Communication and awareness raising	17
3.4. Development of SPP plan for governmental agencies, State-owned enterprises, and provincial authorities	21
3.5. Promotion of production of sustainable products and eco-labelling	24
3.6. Market engagement	26
3.7. International cooperation	27
IV. ORGANIZATION FOR IMPLEMENTATION	28
4.1. Implementation schedule	28
4.2. Organizational structure for steering and coordinating the implementation of the SPP Action Plan	30
4.3. Assignment of responsibilities for the implementation of the SPP Action Plan	30
4.4. Monitoring & Control	31
4.5. Financial mobilisation for the implementation of the Action Plan	33
Annex 1: SPP Action Plan – Activities	35
Annex 2: Proposed forms of procurement plan	45
Annex 3: Proposed updated monitoring form for sustainable procurement	47
(as annex to the public procurement monitoring)	47
Annex 4: Proposed monitoring database for sustainable public procurement (for procurement officers)	49

LIST OF ABBREVIATIONS

DPM	Department of Procurement Management
ELP	Eco-Labeled Product
EU	European Union
LED	Light Emitting Diodes
MARD	Ministry of Agriculture and Rural Development
MOF	Ministry of Finance
MOST	Ministry of Science and Technology
MOIT	Ministry of Industry and Trade
MONRE	Ministry of Natural Resource and Environment
MPI	Ministry of Planning and Investment
MTF	Marrakech Task Force
NGGS	National Green Growth Strategy
NPSCP	National Programme on Sustainable Consumption and Production
NTP	National Target Programme
ODA	Official Development Assistance
SDGs	Sustainable Development Goals
SCP	Sustainable Consumption and Production
SME	Small and Medium Enterprise
SPP	Sustainable Public Procurement
SPPEL	Stimulating the Demand and Supply of Sustainable Products through Sustainable Public Procurement and Eco-labelling
UN Environment	United Nations Environment (formerly United Nations Environment Programme)
VEA	Vietnam Environment Administration
VND	Vietnam Dong
VNEEP	Vietnam Energy Efficiency Project

I. INTRODUCTION

In the last two decades, Vietnam's economy has witnessed remarkable development (annual average economic growth of 6.4% since 2000). Rapid economic growth has led Vietnam to become a middle-income country by the end of 2014, with average income per capita of 2,000 US\$. The **objective** of Vietnam in the upcoming period is **to develop the economy rapidly and sustainably**, through the restructuring of the economy, which will ensure high-quality production, sustainable natural resource exploitation, and enhance social security and equality. However, this process also created a number of issues related to sustainable development. The industrialisation and modernisation of the economy have been carried out slowly and ineffectively, which created harmful impacts for the environment, and natural resource mismanagement. The distribution system has been not appropriate, which widens the rich-poor gaps and leads to social inequality.

Recently, Vietnam has developed and issued various policies, laws, and regulations related to environment protection. Ensuring environment and natural resource sustainability is also mentioned in many national target programs, including the **“National Target Program on Climate Change, Central Resolution on Agriculture, Farmers and Rural Area”**, and the **“National Program on New Rural Development”**. Vietnam also took the first steps to promote sustainable production and consumption (SCP), with the initial activities related to sustainable production in the early 1990s. In 2009, the **“National Strategy on Cleaner Industrial Production to 2020”** was developed by the Ministry of Industry and Trade. At a higher level, the **“National Action Plan on Sustainable Consumption and Production until 2020 – vision to 2030”**¹ was developed and issued on the 11th of January 2016 by the Prime Minister. One of 6 major missions identified in the Action Plan is to promote the certification of Green Label, Energy Efficiency Label, and to encourage green public procurement by state agencies.

1.1. Key concepts and definitions

Sustainable development

¹Available at:

http://www2.chinhphu.vn/portal/page/portal/chinhphu/noidungchuongtrinhquocgiakhac?_piref33_14737_33_14736_14736.strutsAction=ViewDetailAction.do&_piref33_14737_33_14736_14736.docid=4083&_piref33_14737_33_14736_14736.substract=

Sustainable development has been defined in many ways, but the most frequently quoted definition is from *Our Common Future*, also known as the “Brundtland Report”: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs². Sustainable development requires governments and organisations to consider all three core pillars -- social, economic and environmental -- in their organisation’s operation.

Sustainable Public Procurement (SPP)

According to UN Environment SPP Implementation Guidelines³, ‘sustainable public procurement’ is defined as: “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 environment”.

Sustainable products

Considering the three pillars of sustainable development, sustainable products are those that provide environmental, social and economic benefits while protecting public health and the environment over their whole life cycle -- from extraction of raw materials until final disposal.

1.2. International context of SPP

SPP policies and activities have been implemented around the world. In 2004, the European Union Parliament and Council adopted a directive to coordinate procedures in public procurement for works and services in all European Union Member States that allowed for the inclusion of environmental criteria along with best “value for money” criterion. Social criteria are also being studied by the European Commission to be included into public procurement of Member States. Not only implemented in developed countries, SPP is also being introduced and implemented in emerging and developing countries. For example, in 2009 the Brazilian Government adopted a regulation stating that federal procurement is an important instrument to implement climate change policy.

²Available at: IISD: <http://www.iisd.org/topic/sustainable-development>

³Available at: <http://www.spcclearinghouse.org/sites/default/files/10yfp-spp-guidelines.pdf>

At the United Nations Conference on Sustainable Development (Rio+20) in 2012, the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) was adopted by leaders of state parties. 10YFP, of which UN Environment serves as the Secretariat, is a global framework for action to accelerate the shift towards SCP in both developed and developing countries. 10YFP creates a foundation to develop, replicate and scale up SCP policies and initiatives at all levels through multi-stakeholder projects and programs in which developing countries can exchange knowledge and experience, and receive technical and financial support.

A study published by UN Environment in 2012 highlights additional SPP initiatives taking place in different parts of the world, in developed, emerging and developing countries. It shows, in particular, the procurement of school item kits including a notebook made out of recycled paper in the State of São Paulo (Brazil); the procurement and disposal of tires by the Costa Rican Government, involving efforts to reduce environmental impacts throughout the life cycle of the product; the procurement of consulting services by the Scottish Government in order to promote SMEs and support literacy improvements; the procurement of construction management services by YORbuild, a joint venture of the local government of Yorkshire and of the Humber Region (United Kingdom); the procurement of remanufactured consumables by the French Ministry of Education promoting companies employing disabled persons; the procurement of Light Emitting Devices (LED) by the Ministry of Transport of Hong Kong Special Administrative Region to replace all conventional traffic lights in the region; and the procurement of organic food for school canteens by the municipality of Ferrara (Italy).

A number of additional governments have embraced SPP thanks to the support of UN Environment. UN Environment has indeed been assisting governments in SPP implementation since 2008, through the rollout of what is now known as the “UN Environment SPP Approach”. Seven countries piloted the Approach over the 2009-2012 period, including Chile, Colombia, Costa Rica, Lebanon, Mauritius, Tunisia and Uruguay. Seventeen additional countries are initiating SPP with the support of UN Environment through ongoing projects such as the Stimulating the Demand and Supply of Sustainable Products through Sustainable Public Procurement and Eco-labelling (SPPEL) project, the

“Greening Economies in the Eastern Neighbourhood” (EaP Green) programme and “Partnership for Action on Green Economy” (PAGE) initiative.

1.3. Context of SPP in Vietnam

1.3.1. Vietnam priorities in sustainable development

According to the “**Sustainable Development Strategy in Vietnam**”⁴ issued by the Prime Minister in 2012, the socio-economic development objectives of Vietnam for the period 2011 to 2020 focus on sustainable economic development, economic restructuring toward increasing quality, natural resource effectiveness and competitiveness, as well as ensuring social security.

Besides the Sustainable Development Strategy, there are many strategies and policies regulating specific aspects of sustainable development, including environmental protection, sustainable consumption and production, green purchasing, etc.

According to the SPP Status Assessment report⁵, public spending in Vietnam represents between 20 to 30% of the total financial budget of the State. Thus, SPP could enable governments to meet key environmental goals such as reducing greenhouse gas emissions, improving energy and water efficiency, protecting forests, and supporting recycling efforts. SPP can also help to reduce poverty and improve equity (i.e. gender equity, inclusion of ethnic minorities, and people with different abilities). From an economic point of view, SPP can enable and enhance the involvement and participation of Small and Medium-Sized Enterprises (SMEs) in the sustainable development of the country.

1.3.2. Implementation of SPP in Vietnam

With technical support from UN Environment and financial support from the European Union (EU), the “Stimulating the Demand and Supply of Sustainable Products through Sustainable Public Procurement and Eco-labelling” (SPPEL) project has been active in Vietnam from 2014 to 2017. At the beginning a status assessment was conducted to evaluate the current situation of public procurement in Vietnam and to understand the potential opportunities and obstacles for introducing SPP. The status report showed that

⁴Available at: <http://www.chinhphu.vn/portal/page/portal/English/strategies/strategiesdetails?categoryId=30&articleId=10050825>

⁵Conducted in 2015 in the framework of the EU-funded “Stimulating the Demand and Supply of Sustainable Products through Sustainable Public Procurement and Eco-Labeling” project.

SPP is a new concept for procurement practitioners and State agencies in Vietnam. Although Activity 64 of the “**National Green Growth Strategy**”⁶ (see section 1.3.3 and 1.4 for further information on this Strategy) clearly stated that all State agencies should promote the purchase of environmentally friendly products whenever the financial resource is disbursed from the State budget, the actual practice of buying environmentally friendly products and more general sustainable products is very limited in public procurement. The SPP Status Assessment report also showed that the officers of State agencies tend to buy sustainable products in small quantities, mostly for personal and/or the needs of small groups.

Following the status assessment, a legal review was also conducted in 2015 to assess the legislative environment, policies, laws, and other regulations related to SPP in order to suggest the amendment of relevant legal documents to create favourable conditions for SPP. The SPPEL project team also worked with the Vietnam Green Label Office to support it in capacity building through a SWOT analysis and further training activities, which are expected to help the Green Label Office become the leading agency for ecolabelling in Vietnam. The SPPEL project team has been developing a training manual and has been preparing capacity building activities intended for procurement officers of central agencies and representatives from the private sector for the next phase.

Moreover, a prioritisation exercise was carried out to select the prioritised products for SPP application based on various criteria. Four products were initially selected, including office paper, laptops, compact fluorescent light bulbs, and LED light bulbs. Following the prioritisation exercise, all four products were analysed in a market readiness analysis to understand the current situation of their market availability, supply and demand, and the applicability of an ecolabelling scheme. Laptops were removed from the list of prioritised products due to the small quantity procured, as well as the fact that such items are mostly purchased through foreign supported financial resources (ODA projects).

Currently, the SPPEL project team is developing bidding guidelines and revising bidding documents with a view to launch pilot tenders targeting these prioritised products. All documents will be further developed and revised incorporating lessons learned from pilot

⁶Available at: <https://www.giz.de/de/downloads/VietNam-GreenGrowth-Strategy.pdf>

tenders to better match the requirements for SPP implementation in the Vietnamese context.

1.3.3. Legal framework for the implementation of SPP

In addition to the adoption of Sustainable Development Goals (SDGs), many directives, resolutions of the Party, and many legal documents of the State were enacted and implemented, such as **Decision No. 432/QD-TTg** of the Prime Minister dated 12/4/2012 on approval of the Sustainable Development Strategy for the 2011-2020 period, **Decision No. 1393/2012/QD-TTg** of the Prime Minister dated 15/9/2012 on approval of the **National Green Growth Strategy (NGGS)**, and the **National Environmental Protection Strategy to 2010 and orientation toward 2020**⁷. These provided the general legal orientations for the ministries, sectors, localities, organizations and individuals associated with implementing and coordinating actions to ensure the sustainable development of the country.

Decision No. 432/QD-TTg (17 April, 2012) initiated the **Sustainable Development Strategy in Vietnam**. The Strategy relates to **cleaner production, environmental friendliness, and clean industrialization**.

One of the priorities of the Strategy is **sustainable consumption and production**. Mass application of cleaner production, in order to increase the efficiency of natural resources, materials, energy, water while reducing emissions and pollution rates and quality protection of the environment, is to be prioritized. Gradually, the implementation of ecolabelling and green procurement, and the development of an eco-product market and of community-based initiatives for sustainable consumption and production have also been acknowledged as priorities.

Approved in September of 2012, the **National Green Growth Strategy (NGGS)** aims to accelerate the process of economic restructuring in order to use natural resources efficiently, reduce greenhouse gas emissions through research and application of modern technologies, develop infrastructure to improve the entire efficiency of the economy, cope with climate change, contribute to poverty reduction, and drive economic growth in a sustainable manner.

⁷Available at: http://theredddesk.org/sites/default/files/national_env_strategy_1.pdf

The NGGS is an effort to **synthesize green action plans of major sectors** and society in order to:

Promote “green production” via more efficient use of resources and new technologies. This objective aims to facilitate sustainable production, existing green business, and create new green businesses. Promote green production based on the i) implementation of a clean industrialization strategy by adjusting sector master plans; ii) development of green industry, agriculture, technologies and equipment; iii) investment in natural capital; and iv) prevention and treatment of pollution.

Reduce GHG emissions and promote the use of clean and renewable energy. After 2020, it targets an absolute decoupling of GHG emissions from economic growth, i.e. a decrease of damages linked to emissions: Reduce the intensity of greenhouse gas emissions by 8-10 percent as compared to the 2010 level; and reduce energy consumption per unit of GDP by 1-1.5 percent per year. Reduce greenhouse gas emissions from energy activities by 10 percent to 20 percent compared to the ‘business-as-usual’ case. This commitment includes a voluntary reduction of approximately 10 percent, and an additional 10 percent reduction with additional international support. This objective underlines Vietnam’s **commitment to low carbon growth** and to global efforts to mitigate climate change.

Stimulate green lifestyles and promote sustainable consumption, with means to create quality and traditionally rooted living standards, including the creation of green jobs. New consumption modes should avoid seeing environmental benefits being counterbalanced by increased consumption.

Regarding the environmental aspect, the **“National Environmental Protection Strategy to 2010 orientation towards 2020”** was the fundamental strategic document that encompassed the breadth of environmental fields and natural resources for Vietnam. In order to aim for sustainable production and consumption, the strategy set targets to be reached by 2020 at 100 percent of export products and 50 percent of domestically consumed products in terms of quantity using environmental labels under ISO 14021. One of the core principles of the strategy is the promotion of clean technology and environmentally friendly technology in the manufacturing industry. Modern technology and clean technology are to be prioritized.

The strategy sets out that this would be best achieved by a **review and revision of technical standards**, including an upgrade of technology to **improve environmental efficiency of products**, as well as encouraging innovation and inventions that will **save energy and materials and create less waste**. There should also be incentives for an application of environmentally friendly technologies and waste recycling technologies. Enterprises that implement technology innovation shall be entitled to enjoy tax exemption and/or reduction or preferences on tax rates, enterprise income tax, import tax of advanced machinery and equipment as well as environmentally friendly technologies.

1.4. Necessity of SPP in Vietnam

In the effort to restructure the economy, the Government of Vietnam developed the “**National Green Growth Strategy**”⁸ which was issued by the Prime Minister by the Decision no.1393/QĐ-TTg. The Strategy identifies the objectives of green growth as promoting low-carbon economy; enriching natural resources; and reducing waste and emissions, especially greenhouse gases.

Among the 66 activities listed in the Strategy, the SPP Action Plan contributes directly to the achievement of activity 64, which promotes public procurement in a green manner giving preference to products certified with eco-labels and products produced from recycled materials.

With environmental protection as the major objective, the SPP Action Plan promotes the development of a new sustainable **eco-label scheme** (energy saving, re-used, recycled, sustainable forest, green label, sustainable tourism), and the development of criteria for new products.

Furthermore, the SPP Action Plan also promotes the application of current social and economic criteria in public procurement along with the environmental criteria to create a set of criteria to be applied in SPP.

⁸<https://www.giz.de/de/downloads/VietNam-GreenGrowth-Strategy.pdf>

II. OBJECTIVES OF THE SPP ACTION PLAN

2.1. Overall objective

The SPP Action Plan is developed with the overall aim to promote the implementation of SPP in Vietnam, especially in State agencies **through capacity building, communication, and promotion of eco-label use (Vietnam Green Label, Energy Star label, etc.) as a main means for verifying environmental criteria, alongside the adjustment of social and economic criteria which are currently being used in conventional public procurement.**

2.2. Specific objectives

In order to achieve the overall objective, the SPP Action Plan sets the following specific objectives:

- i) Identify the main **activities to promote the implementation of SPP** in Vietnam, as well as the relevant targets and means to measure success (key performance indicators);
- ii) Identify the main **activities to enhance the visibility and certification** of eco-labels in Vietnam; and
- iii) Propose the **organizational structure, funding sources** and mechanisms to implement the activities.

III. MAIN ACTIVITIES OF THE SPP ACTION PLAN

3.1. Legal review and adjustment

The legal review⁹ report conducted by Vietnam Environment Administration (VEA) reviewed the legal framework, which may potentially impact the implementation of SPP. It also reviewed the entire process of public procurement from purchasing need analysis and management, to contract management, to identify the needs for the amendment of the regulation on sustainable public expenditure. Thus, through the implementation of the SPP Action Plan, those recommendations on the regulation amendment and development

⁹Conducted in 2016 in the framework of the EU-funded “Stimulating the Demand and Supply of Sustainable Products through Sustainable Public Procurement and Eco-Labeling” project.

should be addressed in order to create a favourable legal environment for SPP, as well as to promote the application of eco-labels (Green Label, Energy Star, Green Lotus, etc.).

In accordance with regulations regarding public purchasing, there are currently many State agencies directly involved in the process of developing State budget expenditure plans at central and local levels. At the central level, the Ministry of Finance (MOF) is responsible for developing the annual State budget expenditure plan, including the estimation of total budget and the budget allocation plan to different sectors and localities, while the Ministry of Planning and Investment takes the lead in developing the socio-economic development plans and investment plans. In order to promote the public purchase of socially and environmentally sustainable products, the Government, in particular the Ministry of Finance, needs to issue supplementary regulations for budget estimation to **incorporate aspects pertaining to environmental protection, eco labelling and social equality in procurement**. Therefore, budget planning for ‘sustainable’ spending could become an annual practice at all levels of government agencies, with relevant legislative support, guidance and cooperation from MOF and the Ministry of Natural Resource and Environment (MONRE). It **will not require any changes to be made** to the law because **the Law No.55/2014/QH13 on Environment Protection already supports sustainable consumption and production** (Article 44 and Article 141).

To support the Law on Procurement, Decree 63/2014/ND-CP¹⁰ sets out rules whereby contracting authorities may invite targeted contractors, who meet certain qualifying criteria, to submit tenders.

The following additions are recommended, as a new Article detailing item 3.b, Article 12:

The Decree 63/2014/ND-CP could be amended as follows:

“1. Characteristics provided in Article 12, item 3.b through which are defined the technical features and specifications **may also include environmental characteristics**.

¹⁰http://moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view_detail.aspx?itemid=29109

2. When the contracting authority lays down environmental characteristics in terms of technical requirements, **it may use detailed specifications, or national "eco-labels"**, or any other eco-label, provided that the following conditions are cumulatively met:

- Specifications are appropriate and allow to define the characteristics of the supplies or services which are the object of the public procurement contract;
- "Eco-labels" certification scheme is developed using a specific procedure that allows the involvement of all interested parties - such as government agencies, consumers, producers, distributors and environmental organizations;
- "Eco-labels" certification scheme and its information (instruction, guidance, procedure) are accessible/available to all interested parties.

3. The contracting authority has the right to indicate, in the terms of reference, that the products and services bearing the "eco-label" are presumed to comply with the technical specifications laid down in the bidding documents.”

Prior to making amendments, the changes must be approved by the concerned authorities. The Ministry of Planning and Investment shall prepare a draft amendment of the Decree, and the Ministry of Justice shall be responsible for assessing and verifying the draft decree before it is submitted to the Government for consideration and approval.

In order to ensure the full implementation of the Law on Procurement and related environmental protection laws and policies promoting SPP, **MONRE and MOF should jointly develop and issue a new Circular on Implementing Sustainable Public Procurement** inclusive of an annex of **the Products Preferential for Regular Purchasing by Public Entities**. A good example to take into consideration in developing this Circular is the Decision no.68/2011/QĐ-TTg dated on 12 December 2011, on “Issuing the list of energy efficient equipment, devices, appliances to be equipped or procured at State agencies which use State budget for procurement”. The new Circular developed by MONRE and MOF would be the next milestone in the development of Vietnam’s Sustainable Public Procurement policy. According to this Circular, MOF and MONRE will **co-determine the scope of preferential procurement based on the Eco-Labeled Products (ELPs)** certified by the certification agencies accredited by the government. This “ELP List” will be developed taking into

consideration the level of market maturity, the progress of public procurement reform, and the level of technological development of each product.

The **Circular will require that government agencies at all levels give preferential consideration to ELPs in their public procurement**, instead of procuring products dangerous to the environment and to human health. If the type of products to be purchased by the government is featured on the list, preference should be given to those listed products, provided that the performance, technology, service and other indexes are the same.

The **MOF shall assume lead responsibility** for preparing the draft joint Circular, and coordinate with the MONRE in elaborating and promulgating the joint circular on Implementing Public Procurement of ELPs.

Please refer to activities 02 to 05 in Annex 1 for more detail.

3.2. Capacity building

Findings from the SPP Status Assessment report showed that there is currently **no official and comprehensive training material for procurement management** and implementation. All training organisations have developed their own materials for their trainers and participants. According to the Centre for Procurement Support, under the Ministry of Planning and Investment (MPI), the training mainly focuses on presenting relevant legal documents linked to the public procurement system, and instructing basic principles and procedures of public procurement. Due to the **lack of SPP guidelines** or legal documents, **SPP aspects have not been incorporated** in the training courses for procurement officers, at both national and provincial levels.

The procurement officers from representative State agencies also evaluated themselves as having limited knowledge on sustainable public procurement, and expressed their high interest for participating in SPP and/or information programmes. They also stated that there is the **need to develop an awareness raising programme** at national level for both procurement officials and goods/service providers.

Article 5, **Decree no.58/2008/ND-CP**¹¹ dated 05th May 2008 issued by the Government on “**Instructing the implementation of the Law on Procurement upon the selection of construction contractor according to the Law on Construction**” instructs the regulation related to training and capacity enhancement on procurement. This article states that **all individuals, entities directly participating in procurement activities** (excluding tenderers and contractors) **must undergo a training course** and should receive a professional training certificate on procurement, bidding and contracting.

The MPI, in particular the **Department of Procurement Management (DPM)**, has the responsibility to organise the training, professional training activities in accordance with the regulation in Clause 5, Article 68 of the Law on Procurement. The Clause indicates that the DPM is responsible for:

- **Unifying the training and capacity building activities** of all training organisations through the annual procurement report of the ministries, sectors and localities;
- **Establishing the database of training organisations** specialised on procurement.

All procurement training organisations have to be certified by DPM and obtain a Business Certificate or Certificate of Establishment (for non-business organisations according to current regulations). The training organisations have the responsibility to award participants with appropriate certificates based on their level of participation and evaluation results.

Thus, the most important activity regarding capacity building is to **develop human resources with capacity related to SPP and eco-labels**, by developing a group of trainers and conducting training on those topics. In order to identify and select the appropriate contents for the SPP training, it is needed to consider all training contents related to green purchasing, sustainable exploitation of natural resources, energy saving, etc., which are currently integrated in the DPM training agenda. Hence, **1 Training for Trainers (TOT)** courses should be developed to set up a group of principal trainers for SPP. With technical and financial support from UN Environment, VEA and MPI lead the organization and implementation of TOT courses on SPP and eco-labels.

¹¹http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=1&mode=detail&document_id=66937

After the completion of the TOT course/s, there will be an urgent need to provide **training, knowledge enhancement as well as governance and management skills on sustainable public consumption, eco-labels for government staff and enterprise staff, starting with leaders, policy makers and those involved in the formulation process of public procurement plans**. VEA and MPI, together with the group of trainers, will organize and implement the courses.

Please refer to activities 06 to 08 in Annex 1 for more detail.

3.3. Communication and awareness raising

In order to raise the awareness of different stakeholders and actors on SPP and enhance the visibility of ecolabels in Vietnam, a **communication plan** should be developed. Effective communication will lead to better awareness of the targeted actors on SPP and then create a strong ground to launch the pilot tenders and disseminate the results to the public.

Since public procurement activities are to be implemented by the DPM, while **the three existing ecolabels are operated by three different ministries**, it is needed to assign the implementation of the communication plan to a **Communication Task Force** under the **Inter-ministerial Steering Committee for implementation**.

The Communication Task Force 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:

- **State agencies** – targeting the procurement officers, especially the officers who develop the procurement plan and the managers who approve the procurement plan in an organization;
- **Mass-media** that will ensure wider dissemination of national objectives to implement sustainable public procurement;
- **Private sector** – market players, goods manufacturers, contractors and service providers that would supply the market with sustainable goods, services and works. **Vietnam Chamber of Commerce and Industry (VCCI)** is highly recommended to be engaged for this communication activity.

Several communication tools such as conferences, press releases and articles, advertising materials on different carriers (leaflets, brochures, catalogs, banners, and advertising screen) 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 for Public Procurement operated by the Department of Procurement Management**

(<http://muasamcong.mpi.gov.vn/>)

The DPM will publish on its website press releases and articles designed to disseminate information on sustainable public procurement 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.

- **DauThau Review (Bidding Review)**

(<http://baodauthau.vn/> and <http://thongtindauthau.com.vn/>)

As the major platform hosting almost all the tender calls, DauThau Review with its printed daily publication and two online newspapers, namely *BaoDauThau* (Bidding Review) and *Thong Tin DauThau* (Bidding Information), DauThau Review will publish all the information related to SPP pilot tenders in the piloting phase, and later on the information on SPP tender calls.

- **Website on ecolabelling programs**

Green Label:

<http://vea.gov.vn/vn/khoahoccongnghenhanxanh/Pages/trangchu.aspx>

Energy Efficient (Energy Star): <http://nhannangluong.com/home>

Green Lotus: <http://khachsaxanh.vn/>

The three websites will publish articles, press releases regarding the application of ecolabels and other sustainable criteria, which are currently or going to be introduced in SPP. The website should also publish information related to guidelines and instructions for ecolabels certification for the audiences from the private sector.

- **Vietnam Chamber of Commerce and Industry:** <http://vcci.com.vn>

The Vietnam Chamber of Commerce and Industry (VCCI) is a Vietnamese not-for-profit organization representative for all enterprises, entrepreneurs, business association, and employers in Vietnam to support the business community in development, technology transfer, economic cooperation, and international trade. VCCI website is a good channel for introducing SPP and ecolabels to the business community as there are more than 10,000 members currently engaged through this platform.

- **SPP online platform**

A SPP online platform (website, web portal) is suggested to be developed (might be under Vietnam Environment Administration or Department of Procurement Management website). This online platform shall provide all related documents to SPP (laws, strategies, national action plans, regulations, decrees, decisions, and other legal documents, SPPEL project reports, studies, and other supporting documents). List of products certified with Green Label and Energy Efficiency Label should also be published onto this website.

- **Mass media**

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**. Vietnam Television Station (VTV), Voice of Vietnam Radio Station (VOV), *Nhan Dan* newspaper, Lao Dong newspaper are suggested to be the major channels as their major followers/audiences are officers from State agencies.

- **Other reviews and newspapers**

Reviews and newspapers, especially the online newspapers, are good means to convey the information on the importance of purchasing sustainable goods, services and works and diverse information on sustainable public procurement and ecolabels. *Vietnam Economic Times*, *Vietnam News* (the daily Vietnamese newspaper published in English), *Saigon Times* are good choices to be approached.

- **Distribution of leaflets/brochures**

The information on the importance and necessity of SPP and introduction of ecolabels in Vietnam will be the main contents of the leaflets/brochures. Those

products should be distributed during conferences, workshops related to public procurement, public asset management, and ecolabels.

- **Advertising screens**

Advertising screens are the small TV screens hung in eye-catching spots of office buildings, including State agencies and private enterprises. Advertising screens can raise the awareness on SPP and ecolabels of both State agencies and the business sector.

An important element in the communication process is feedback. Thus, particular attention will be paid to the contents of the message so that the recipient can understand it. The Communication Task Force also has to monitor communication activities and make sure that they follow the right track and have potential impacts on raising the awareness and changing the behavior of the audiences.

Messages distributed via 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;
- Information on how the State will be giving preference to more sustainable products and to enterprises **producing sustainable products** or applying sustainable technology; and
- Information on the operation of **national ecolabel programs** and **instruction for certification**.

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

- To increase **people's awareness** on sustainable products and sustainable consumption;
- To provide State agencies' officers and private sector with clear messages and guidelines on how they can get involved in the process of sustainable development through implementation of SPP;
- To **inform people about ecolabels** and to which products they apply to; and
- To encourage businesses to invest in sustainable production technologies.

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

- Developing 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 advertising materials on the website listed in the above section;
- Organization of **events** for the promotion of goods producers, service providers, to introduce their sustainable products and services to potential buyers and the public in general;
- Publication, printing and distribution of **leaflets/brochures** on promotion of sustainable procurement and ecolabels in market engagement events, conferences and workshops on the topic of environment protection, sustainable production and consumption, technology fairs organized by both State agencies and private enterprises;
- Develop **digital poster** or a **short video clip** to be shown on the advertising screens of some targeted offices, i.e. Ministry of Finance, Ministry of Planning and Investment, Ministry of Natural Resource and Environment, Ministry of Industry and Trade, DienQuang Company, Rang Dong Company, Bai Bang Paper Company, Van Diem Paper Company, Vietnam Paper Corporation, etc.

Please refer to activities 09 to 11 in Annex 1 for more detail.

3.4. Development of SPP plan for governmental agencies, State-owned enterprises, and provincial authorities

The current **public procurement planning** and procedures are regulated by the Decision no.179/2007/QĐ-TTg issued by the Prime Minister on 26th November 2007 on “**Issue the regulations on goods purchasing and procuring with State budget following acentralised approach**”. This decision was applied to all Ministries, Central Governmental Agencies, other State Agencies, and Provincial People Committees of 63 central cities and provinces; excluding the Ministry of National Defence and the Ministry of Public Security. This decision was put into implementation by the **Circular no.22/2008/TT-BTC** issued by MOF dated 10th March 2008. As a result of this decision, the public procurement activities of all ministries and State agencies are managed by the DPM.

The **Decision no.179/2007/QĐ-TTg** also specifies the **steps to be followed** for public purchasing following a centralized procurement procedure. These steps include:

- Development of the **goods/service procurement plan** by the **public procurement office** of the State agencies.
- The public procurement office of the State agencies submits the procurement plan with an estimated budget to the **centralised public procurement management** and implementation agency, i.e. DPM.
- The **DPM leads the development of a detailed procurement plan** (including a budget plan) in coordination with procurement offices of State agencies. The DPM submits the plan to the Minister, the Director and Chairman of State agencies, and Provincial People Committees for approval.
- Based on the approved procurement plan, the DPM implements the procurement activities according to the legislative regulation on procurement.
- The DPM informs the plan and organises delivery of goods and properties for the central agencies.
- The State agencies have the responsibilities to receive, manage and use the goods and properties according to the current legislative regulations.
- The **State Treasury** is responsible for **monitoring and auditing the public procurement activities** of all State agencies spending State budget.
- In guaranteed time, the DPM has the responsibility to request suppliers to ensure the maintenance and repair of goods, or replace activities according to the signed contract, whether there is any malfunction happening and not caused by the users.

At the organizational level, the **procurement office of a State agency** (i.e. Department of Planning, Administrative Office) will coordinate the **development of the procurement plan** with all departments, summarize and **submit it to DPM**. However, according to the article 63 of the Resolution no.63/2014/ND-CP, a tender is considered as small package tender if the total expenditure not exceeding 10 billion VND, and the **State agency can apply the decentralized public procurement procedure** in accordance with Circular no. 63/2007/TT-BTC dated 15th June 2007 issued by MOF on **“Instructing the implementation of good**

purchasing and procurement to maintain the regular operation of State organisations with State budget”.

Thus, in order to successfully implement the SPP Action Plan, all governmental agencies, State-owned enterprises, and provincial authorities should:

- Take the duty to **review the public procurement procedure** of their organization. **Develop a guideline** to instruct procurement officials at all levels **to integrate the sustainable criteria** into all steps of the procurement procedure as regulated in the Circular no.63/2007/TT-BTC:
- Develop a **procurement plan** for the organisation, including the **procurement needs analysis and management**. In this step, procurement officers should take into consideration the need for purchasing new products, against repairing/upgrading the old ones. It is very important to indicate the **reason** why an organization has to buy such goods and services. For example, the questions for buying a new computer for IT division could be:
 - Is this computer too old for programming?
 - Can we upgrade the hardware and software of this computer?
 - If we have to buy a new computer, can we use the old computer for other uses/users?

Please see **Annex 2** for the **Procurement Plan form**.

- Development of **detailed bidding content for each tender** in the procurement plan, including tender criteria, instruction to bidder, and instruction for bidder evaluation, contract management. In this phase, procurement officers need to think about the criteria which they will apply to select the most appropriate products. The criteria should include some expected technical specifications (type, function, material, quality, etc.) and **other criteria related to sustainable aspects**, i.e. gender equality in labour force, promoting SMEs, etc. The current instruction to bidder also needs to be revised in order to give them a brief introduction about SPP and how they can apply to tenders for sustainable products. During the contract management phase, some

articles related to sustainable aspects should also be developed to ensure the effectiveness of SPP.

- **Submission** of the procurement plan to the **financial management office** (i.e. Department of Finance, Department of Planning) and then the Director/Chairman of the organization for approval.

Please refer to **activities 12 and 13** in Annex 1 for more detail.

3.5. Promotion of production of sustainable products and eco-labelling

So as to facilitate the application of SPP, the action plan shall promote the development and use of new technologies and business models for the production of sustainable products (energy saving, re-use and recycling, green technology, social business models, environmental business models). In order to verify whether a product is green and energy efficient, an eco-label is usually deployed (i.e. Korea Ecolabel, US Energy Star). The ecolabels are not only a means of verification of the environmental and/or social attributes of goods and services for procurers, they also provide an incentive to producers to improve the environmental quality of their products (usually the top 20 percent of the market is eco-labelled). Among the current eco-label schemes available in Vietnam at the moment, **Vietnam Green Label** and **Vietnam Energy Star** are considered as the most influential factors to the successful piloting and further implementation of SPP tenders.

The **Vietnam Green Label Program** (VGLP) has been operated at national scale since March 2009 by the **Ministry of Natural Resources and Environment**. The overall objective of this programme is to enhance sustainable use of natural resources and environmental protection by encouraging patterns of **environmentally-friendly production and consumption** certified by the Vietnam Government. Currently, the Vietnam Green Label has been applied to a range of products groups, including: office paper, batteries, architectural coating products, printers, laptops, ceramic building materials, hair care products, solid soap, powder laundry detergent, hand dishwashing detergents, biodegradable plastic shopping bags, synthetic paper food packaging, fluorescent lamps, and toner cartridges.

Although there are numerous opportunities, the VGLP is still facing many obstacles. Firstly, the **awareness** and interest of consumers, political and social organisations, and enterprises on VGLP is **very low** due to the lack of promotion and marketing activities. Secondly, the

limited and unstable budget puts pressure on the operation and potential development of the Program. Thirdly, the lack of specific regulations **in which incentives and preferential treatment for eco-labelled enterprises are clearly identified** is also one of the major bottlenecks towards a better implementation of the VGLP.

Meanwhile, the **Vietnam Energy Star** (or Energy Efficiency label) has been operating since 2011 under the **National Energy Efficiency Programme - Ministry of Industry and Trade**, which has a stronger legal ground for its implementation. In accordance with the “**Law on Economical and Effective Uses of Energy and the Pathway of Energy Efficiency Labelling**” issued by the Prime Minister in 2011, from the 1st of January 2013, all enterprises which produce, export and import **home appliances and industrial equipment** have to comply with the Energy Efficiency labelling.

The home appliance product group includes: straight neon lights, compact neon lines,, electrical ballasts for neon lights, air-conditioners, refrigerators, domestic washing machines, electric rice cookers, electric fans, and televisions. The industrial equipment group includes electricity transformers and electric motors.

The SPP Action Plan stresses the need to:

- develop a **national eco-label system/scheme**, which replicates the Energy Star certification for electricity and power consumption devices and equipment;
- improve the visibility and number of certifications of the Green Label;
- develop **labelling criteria for re-use and recycled products**;
- develop **labelling criteria for legally and sustainably managed forests** (could be under the Green Label program); and
- improve the introduction and certification of the **Green Lotus label**.

Once the national eco-label scheme is available, the next activity would be the development of guidelines to use the available eco-labels as a criterion/specification requirements for the selection of and award to bidders.

Please refer to **activities 14 to 25** in Annex 1 for more detail.

3.6. Market engagement

Once SPP is implemented in Vietnam, it could help promote innovation through the procurement of sustainable alternatives such as energy efficient lighting, recycled paper and sustainable office furniture. By integrating environmental and social aspects into large volumes of public spending, SPP can make sustainable consumption and production practical for the entire domestic economy. It also creates opportunities for the private sector to improve how they perceive where green products and services are needed in the market. When the domestic private sector sees that government is demanding green products, they will be encouraged to invest in, and produce more energy-efficient, eco-friendly products.

As a short-term priority, it is needed to **develop and implement pilot tenders at targeted State agencies** to review the procurement planning, procedure, and bidding documents at different levels. The three prioritised products, identified by the prioritisation analysis and recommended for pilot tenders are office paper, fluorescent lamps and LED lights. Further prioritisation should also be conducted to diversify the list of products and create more opportunities for other suppliers to join the pilot tenders. After the piloting, the highest priorities are: evaluation of the pilots, revision of the procurement planning, procedures, guidelines and bidding documents, then to organize training courses to provide the SPP concept and practices to the public procurers, especially for the prioritised products.

In order to successfully implement pilot tenders, instruction to bidders will need to be developed or revised to provide the guidance and good practice on developing bidding documents for SPP bids. The **instruction to bidders** shall briefly introduce the concept, importance and relevance of SPP in the context of sustainable development in Vietnam. In addition, the instruction to bidders shall provide guidance on how to register to a bidding call for sustainable products requiring compliance with certain sustainable criteria.

For enterprises which have not been certified with national ecolabels, the Vietnam Green Label Program, and National Energy Efficiency Program (VNEEP) Project should **promote and create favourable conditions for domestic producers to fulfil the requirements for certification**.

The **support for domestic producers** could include but would not be limited to:

- i) consultation and development of pathway for certification;
- ii) technical support, in order to improve the technology to match with the sustainable requirement;
- iii) financial support for investments in sustainable technology, or tax redemption; and
- iv) legal support.

Another issue is that the production of sustainable products will not only be beneficial for the implementation of SPP, but also to sustainable production and consumption of the nation as a whole, which will contribute directly to the achievement of **Vietnam Sustainable Development Strategy**. Along with the promotion of the procurement of sustainable products in State agencies, it is also needed to **develop the market for sustainable products for individual consumers**. Organising **market and trade promotion events** for domestic manufacturers to learn and share experiences with respect to sustainable products should be considered.

During and after the implementation of pilot tenders, there will be a need for communication between buyers (State agencies) and sellers (goods producers, service providers), hence a **platform for policy dialogue** is recommended. The dialogue will convey messages and information between State management agencies in SPP and manufacturers, goods and service providers to promote a common understanding on SPP in both theoretical and practical aspects. A **database of contractors/bidders producing and/or providing sustainable products** which are applicable for SPP will also need to be developed for better reference in the next phase. An online database/catalogue of green products should also be uploaded on the Sustainable Public Procurement Platform placed under the VEA or DPM website.

Please refer to **activities 26 to 29** in Annex 1 for more detail.

3.7. International cooperation

As described in the international context of SPP, this practice has been implemented by many countries all over the world, especially in the European Union. Thus, international cooperation with regard to SPP implementation in Vietnam is of great importance, especially on technical aspects.

All State agencies should promote cooperation in scientific research, information exchange on the formulation and implementation of the basic contents of a sustainable public procurement system and mechanism. For example, the DPM should exchange experiences in implementing SPP with the **national public procurement agencies of other countries**, while the Vietnam Green Label Program should cooperate with **other national ecolabel programs** to better develop sustainability criteria and learn how to promote certification within the private sector. Furthermore, the private sector is also advised to utilize technical support from international organizations in applying new and eco-friendlier and/or more energy-efficient technologies. To do so, the next activity that could be carried out by the Vietnam Green Label Program is to apply to become a member of the Global Ecolabelling Network (GEN).

Currently, there are many development programs/projects **promoting sustainable development in Vietnam**, i.e. the **Environmentally and Socially Responsible Tourism Capacity Development Programme** funded by the European Union; **Vietnam Energy Efficiency for Industrial Enterprises (VEEIE)** and **Clean Production & Energy Efficiency** projects funded by the World Bank, SPPEL funded by the European Union and technically supported by UN Environment. The Government of Vietnam should strengthen international cooperation to benefit from the assistance of international organizations and other countries in the implementation of the SPP Action Plan through the development of new projects.

Please refer to **activities 30 and 31** in Annex 1 for more detail.

IV. ORGANIZATION FOR IMPLEMENTATION

4.1. Implementation schedule

Considering limitations in time, human and financial resources, the SPP Action Plan should prioritize each activity. Those activities which are urgently needed, with a feasible financing source and available human resources for implementation, shall be deployed in advance, in the short-term, while the activities which are not urgent, requiring large budgets, and need well-trained human resources shall be implemented in the long-term.

The activities are proposed to be implemented as follows:

a) **Period from 2018 to 2021** (short-term)

- Revise and modify the legal framework;
- Organize the “Training of Trainers” courses and follow-up courses on SPP and ecolabels;
- Carry-out communication and awareness-raising activities;
- Develop policy mechanisms and establish the management structure for the implementation of the action plan;
- Develop information and data systems, management tools, standards and norms for SPP;
- Identify key projects relating to SPP, launch a number of pilot tenders in different State agencies;
- Revise bidding documents and develop a SPP bidding package, which can be applicable for all State agencies; and
- Pilot SPP plan development in targeted governmental agencies, ministries and provincial authorities, replacing the conventional procurement plan, which currently does not incorporated sustainability criteria.

b) **Period 2021 – 2030** (long-term)

- Continue to **improve SPP bodies and policies, adjust and improve the realization of the SPP action plan, increase the number of prioritised products** on the basis of **periodical running of the prioritization exercise**;
- Expand pilot scale and replication of plans, programs and key projects, and increase the number of prioritized products for piloting;
- Expand training and **development of human resources** for the development of a national SPP mechanism; and
- Accelerate the process of economic restructuring according to the sustainable economy model, which promotes sustainable production and consumption.

4.2. Organizational structure for steering and coordinating the implementation of the SPP Action Plan

As pointed out in the Legal Review Report conducted by VEA, there is a need to organize a Steering Committee **for the implementation of the SPP Action Plan**. This Committee could be placed under the management of the **Coordinating Board for implementation of the Green Growth Strategy** to direct the implementation of all SPP activities. It is proposed that the Committee shall have the **Director of Department of Procurement Management (MPI)** as its Head and the **Director of Department of Public Asset Management (MOF)** as its standing Deputy Head, or vice versa. It is also recommended that the other members of the Inter-ministerial Steering Committee comprise of the General Director of Vietnam Environment Administration (or Director of Vietnam Green Label Program), Ministry of Industry and Trade (or Director of Vietnam Energy Efficiency Label Program), and Ministry of Labour, Invalid, and Social Affair. The honorary members may include representatives of other ministries, sectors and local authorities, representative of some associations, NGOs, and international organisations.

The secretariat to assist the Inter-ministerial Steering Committee shall be located in the DPM, MPI or Department of Public Asset Management, MOF. The responsible agency should organize the secretariat to assist the Inter-ministerial Steering Committee for leading and executing the implementation of the SPP action plan.

4.3. Assignment of responsibilities for the implementation of the SPP Action Plan

a) The **Department of Procurement Management/or the Department of Public Asset Management** is the focal point for SPP, responsible for leading and coordinating with concerned ministries, agencies, sectors and People's Committees of provinces and centrally managed cities to implement the SPP Action Plan; guide, monitor, evaluate, consolidate and **review the implementation of the action plan and report to the Prime Minister** on a regular basis; organize **5-year reviews, a mid-term review in 2021 and final evaluation in 2030**. The **Ministry of Planning and Investment/or Ministry of Finance will take lead** and coordinate with relevant ministries, related sectors to identify the major tasks and key projects in each phase for the Prime Minister's consideration and decision.

The **Ministry of Planning and Investment** shall cooperate with the Ministry of Finance to lead and coordinate other ministries and relevant sectors to identify and allocate domestic financial resources and coordinate foreign assistance sources, policies and mechanisms to promote implementation of the SPP Action Plan.

b) The **Ministry of Finance** shall take primary responsibility and coordinate with the Ministry of Planning and Investment to submit budget proposals to competent authorities for approval and guarantee the budget to ensure funding for the implementation of the SPP plan in ministries, sectors under the current regulations; and will, in collaboration with the Ministry of Planning and Investment, develop policies to encourage all economic sectors, organizations and individuals to invest in the development of the green economy in Vietnam.

c) The **Ministry of Natural Resources and Environment (MONRE)**, a standing body of the National Committee on Climate Change, shall take lead and coordinate the policy making process for response to climate change in general, guiding the registration, monitoring, verification and reporting of greenhouse gas emissions and monitor the implementation of investment policies in natural capital. MONRE also promotes the registration and application of Green Labels to more producers, manufacturers, and distributors.

d) The **Ministry of Industry and Trade**: a standing body of the National Energy Efficiency Programme, shall develop energy efficiency criteria for more electric devices and promote the registration and application of Vietnam Energy Star (Vietnam Energy Efficiency Label) to more producers, manufacturers, and distributors.

e) The ministries, ministerial-level agencies, and agencies attached to Government, based on the basic functions, shall formulate programs, sectorial action plans to implement tasks of the SPP Action Plan and specify those tasks, integrating them into **5-year and annual socio-economic development plans** in line with their socio-economic development strategies.

4.4. Monitoring & Control

In accordance with the Law on Procurement (Law No. 43/2013/QH13), the **Department of Procurement Management** has the responsibility to monitor and conduct **inspections**

nationwide with respect to the implementation of government procurement. However, monitoring has been conducted in a general manner, which recorded the **total number of tenders, total expenditure, number of tenders for each bidding method** applied (public bidding, limited bidding, competitive quotation offer, etc.), and number of tenders in each defined category (works & construction, consultancy, goods & services purchasing). Inspection has been focused on compliance with current laws and regulations regarding procurement, to identify cases of violation, in order to prevent corruption.

Sustainable Public Procurement will be monitored by the Department of Procurement Management based on information submitted by State agencies in accordance with the provisions of the Law on Procurement in 2013 (Article 81 Session 4, Article 83 Session 1 and Article 84 Session 2), Resolution no.63/2014/ND-CP dated on 26 June 2014 (Article 129 Session 13) and Resolutionno.30/2015/ND-CP dated on 17 March 2015 (Article 95 Session 3).

Thus, the **monitoring of sustainable public procurement** is suggested to 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 tenders** in relation to regular procurement procedures (number of procedures carried out based on sustainable criteria);
- **Annual monitoring of the amount of financial resources used for sustainable procurement** in relation to financial resources spent on regular procurement.
- Besides the quantitative information, the monitoring and evaluation shall also take into account **qualitative information** (i.e. what are the difficulties experienced, and which help would buyers like to see?).
- In the end of the first period (2018-2021), a **mid-term review** should be undertaken to evaluate the implementation of the SPP Action Plan in all aspects: relevance (legal framework, development priorities, technology trends, etc.), efficiency (in term of financial, human resources and time frame), effectiveness, impact (potential change in awareness, behaviour, and practices), and sustainability (ability for replication).

- The electronic public procurement system (at <http://muasamcong.mpi.gov.vn/>) should be utilized as a monitoring platform of SPP.

In order to collect all the information related to sustainable public procurement there is a **need for updating the standard reporting form** sent by DPM annually. For this monitoring purpose, the current standard reporting form will be modified to be used by the State agencies to report on the results of public procurement procedures and **especially on sustainable elements**.

The standard reporting form is usually sent by DPM in December to request all State agencies to report the public procurement for the current year and request the submission of the report in February of the next year. However, in order to get the information on sustainable procurement, **DPM should send the regular reporting form for 2017 attached with the sustainable reporting form** and instructions for gathering information for recording during the year 2018. The monitoring of the indicators mentioned above, i.e. the **amount of sustainable public procurement procedures**, the **amount of financial expenditures**, **types of products**, and **considered criteria**, will be the main pillar on which the reporting on sustainable public procurement implementation of Vietnam will be based. Annually, DPM should conduct a review (might be online or in paper form) to identify the obstacles faced by the procurement officers and capacity building needs for further training provision and technical assistance on certain aspects.

SPP monitoring will be a crucial element to **feed long-term reports and statistics** on the achievement of the National Green Growth Strategy and National Strategy on Sustainable Development at the national level.

4.5. Financial mobilisation for the implementation of the Action Plan

The financial resources for implementing the SPP Action Plan **may include: State budget at central and provincial levels**; available funds from the **National Program for Climate Change**; **National Plan on Sustainable Development**; contributions from enterprises and communities; **ODA**; and foreign funds.

All ministries, sectors, and localities depending on their tasks and duties, have the **responsibility to mobilise the financial resources** from the State budget, (including central

and local budgets), from State-owned enterprises, private companies, communities, and international organisations.

The State gives priority to the mobilisation of the financial budget from the central to local level, the implementation of the SPP Action Plan, and gives preference in financial mobilisation to sustainable public procurement tenders.

Annex 1: SPP Action Plan – Activities

Code	Activities/period/priority	Explanation	Responsible agencies	Financial source	Estimated budget (US\$)	KPI
Organisation and structure						
1	Organize the Steering Committee for the implementation of the SPP Action Plan/ 2018-2021/High	<ul style="list-style-type: none"> - Establish an Inter-ministerial Steering Committee under the Coordinating Board for implementation of the Green Growth Strategy to direct the implementation of SPP activities - Develop the guidelines/regulation for the operation of the Steering Committee - Organize a plenary meeting on a semi-annual basis 	DPM, VEA	<ul style="list-style-type: none"> - State budget - National Committee for Climate Change - ODA/foreign fund 	25000	<ul style="list-style-type: none"> - An inter-ministerial Steering Committee is developed (list of members) - The Steering Committee smoothly operates with plenary meetings organized annually
Legal review and adjustment						
2	Revise and concretise the legal framework to create the favourable conditions for the application of SPP in governmental agencies, State-owned enterprises, and provincial authorities/ 2018-2021/High	<ul style="list-style-type: none"> - Based on the results of the legal review, develop a proposal to amend laws and policies to adjust the contents not in line or not supporting an SPP orientation - Study to improve the State administration system in order to enhance the interaction and cooperation between agencies and institutions for the implementation of SPP - Develop and issue guidelines for SPP piloting at targeted State agencies 	Steering Committee for SPP	<ul style="list-style-type: none"> - State budget - National Committee for Climate Change - ODA/foreign fund 	15000	<ul style="list-style-type: none"> - Proposal to amend laws and policies to enable the implementation of SPP - Study on the cooperation mechanism between governmental agencies on SPP - Guidelines to instruct on the application and implementation of SPP projects, tenders for procurers and suppliers
3	Develop the regulation on	- Develop the regulation to instruct	MOF, MPI	- State budget	15000	- All State-owned

	spending State budget for sustainable products procurement/2018-2021/High	government agencies, State-owned enterprises, and provincial authorities on the activities, procedures, norms, and criteria related to spending State budget for sustainable product procurement		- ODA/ foreign fund		enterprises, and provincial authorities practice public expenditure in a sustainable manner
4	Develop the regulation on the application of sustainable requirements/criteria for all public investment and construction/2018-2021/High	- Develop the regulation to instruct government agencies, State-owned enterprises, and provincial authorities on the activities, procedures, norms, and criteria related to public investment and construction	MPI, MOF	- State budget - ODA/ foreign fund	10000	- All State-owned enterprises, and provincial authorities practice public investment and construction in a sustainable manner
5	Complete the legal framework on effective use and saving of energy/power/ 2018-2021/Medium	- Continue to finalise the legal framework on the effective use and saving of energy/power in industrial production, construction	MOIT	- State budget - ODA/ foreign fund	10000	- A clear legal document to promote the effective use and saving of energy/power which is understood by manufacturers
Communication and public awareness raising						
6	Raise public awareness and mobilise public participation in the implementation of SPP/2018-2021/High	- Implement communication activities and awareness raising campaigns targeted at governmental agencies, State-owned enterprises, provincial authorities on the needs and importance of SPP - Instruct and support the development/operation of consulting institutions, non-government organisations with the promotion of SPP	Communicati on Task Force under the Steering Committee	- State budget - National Committee for Climate Change - ODA/ foreign fund	20000	- A number of communication events/campaigns organised - SPP concept and practices are well understood by government officials
7	Raise the awareness of	- Organise communication events	Communicati	- State budget	20000	- 50% manufacturers and

	companies, enterprises, economic groups on SPP/ 2018-2021/High	targeted at companies, enterprises, economic groups on the importance of SPP - Organise workshops to share the international experience with respect to SPP and eco-labelling practices	on Task Force	- National Committee for Climate Change - ODA/ foreign fund		service providers of the prioritized products/services know about SPP and are willing to apply measures to produce sustainable products and services
8	Raise awareness of governmental officials in the availability, mechanism and importance of existing ecolabel schemes/ 2018-2021/High	- Enhance the communication and awareness raising activities in governmental agencies, State-owned enterprises and provincial authorities on the visibility, mechanism and importance of existing ecolabelling schemes	Communication Task Force	- State budget - ODA/ foreign fund - UN Environment support	20000	- 80% governmental procurement officials aware of the availability, importance, and mechanism of ecolabels in public procurement
Capacity building						
9	Organise and implement Training of Trainers courses on SPP and eco-labels/ 2018-2021/High	- Integrate the contents of SPP, green purchasing, sustainable exploitation of natural resources, energy saving, etc., into the training agenda of the Department of Procurement Management - MPI. - Conduct training course on SPP and eco-labels for trainers or potential trainers from DPM.	VEA, MPI	- State budget - ODA/ foreign fund - UN Environment support	15000	- A team of SPP and eco-label trainers trained and made available for the needs of training on SPP and eco-label in next stages
10	Organise and implement SPP and eco-label courses for procurement officials of central agencies, State-owned enterprises, and provincial authorities	- Provide training, knowledge enhancement as well as governance and management skills on sustainable public consumption, eco-labels for government staff starting with leaders, policy makers and those involved in the formulation process of public procurement plans.	VEA, MPI	- State budget - ODA/ foreign fund - UN Environment support	12000	- Leaders, policy makers, procurement officials and those involved in the bid/tender formulation process from 10 State agencies, and from 10 localities with the highest expenditure on public

						procurement aware about SPP and eco-labels and able to integrate sustainability criteria into the bidding calls.
11	Organise and implement SPP and eco-label courses for procurement officials of central agencies, State-owned enterprises, and provincial authorities	- Provide training, knowledge enhancement as well as governance and management skills on sustainable public consumption, eco-labels for and enterprise staff, starting with managers, directors, heads of business/sales division , and those involved in the formulation process of bidding/tender document.	VEA, MPI	- State budget - ODA/ foreign fund - UN Environment support	12000	- Managers, directors, heads of business/sale division , and those involved in the formulation process of bidding/tender document from 20 enterprises (for 3 prioritized products) aware of SPP and eco-labels, and able to develop bidding documents with sustainability criteria integrated.
Provide guidance to governmental agencies, State-owned enterprises, and provincial authorities for the development of SPP plans						
12	Develop guidelines to instruct procurement officials on how to develop SPP plans with integrated sustainability criteria/ 2018-2021/High	- Develop guidelines to instruct procurement officials at all levels on how to integrate sustainability criteria into all steps of the procurement procedure: <ul style="list-style-type: none"> • Procurement needs analysis and management; • Tender selection and award; 	MPI	- State budget - ODA/ foreign fund - UN Environment support	5000	- 40% bidders, goods and service providers are able to develop bidding documents (2018-2021) - 100% bidders, goods and service providers are able to develop sustainable bidding documents (2021-2030)

		<ul style="list-style-type: none"> • Development of tender criteria, instruction to bidder, and instruction for bidder evaluation; • Bidder award and contract management. 				
13	Pilot the development of a SPP plan for central agencies/ 2018-2021/High	<ul style="list-style-type: none"> - All governmental agencies, State-owned enterprises, and provincial authorities take the duty to review the public procurement procedure currently being applied, and revise the procedure toward SPP orientation. - The SPP plan should include the procurement need analysis and management to identify which goods and services need to be purchased and which could be re-used or recycled. 	MPI	<ul style="list-style-type: none"> - State budget - ODA/ foreign fund - UN Environment support 	10000	<ul style="list-style-type: none"> - 10 SPP plans are developed at pilot government agencies, State-owned enterprises, and provincial authorities instead of the normal procurement plan. - The procurement officials know how to develop a SPP plan for the year to come.
Promote the production of sustainable products and eco-labelling						
14	Promote the Vietnam Energy Star label for all energy consumed devices and appliances/ 2018-2030/High	- Continue to develop energy consumption standard for new devices and appliances, especially for those which are more frequently purchased through the public sector	MOIT	<ul style="list-style-type: none"> - State budget - ODA/ foreign fund 	25000	- All energy consumed devices and appliances are labelled with the Vietnam Energy Star by 2030
15	Develop guidelines to use the Energy Star in SPP/ 2018-2021/High	- Review the tender procedure to identify the entry points for integrating the Energy Star label in public procurement	MPI	<ul style="list-style-type: none"> - State budget - ODA/ foreign fund - UN Environment support 	5000	- 90% procurers know how to use Energy Star as a criterion for selecting and awarding a tender by 2030.
16	Promote the re-use, recycling of by-products, post-consumer products/ 2018-2030/High	- Develop the financial, investment support for projects working on technology to re-use, recycle of by-products, post-consumer products	MOF, MONRE	<ul style="list-style-type: none"> - State budget - ODA/ foreign fund 	10000	- 90% manufacturers which use re-used, recycled by-products and post-consumer products

						as input material receive the supported investment package by 2030
17	Develop the 're-use and recycle' labelling criteria and Green Label for recycled products for products produced from re-used, recycled by-products and post-consumer products/ 2018-2021/High	<ul style="list-style-type: none"> - Develop the criteria, technical specifications for products produced from re-used, recycled material - Develop the Green Label for recycled product 	MONRE, VEA, Green Label office	<ul style="list-style-type: none"> - State budget - ODA/ foreign fund - UN Environment support 	10000	<ul style="list-style-type: none"> - Set of criteria to certify a product is made from re-used, recycled material - Green Label for recycled product is developed and piloted for some products
18	Develop the guidelines to use the Green Label for recycled product in SPP/ 2018-2021/High	- Review the tender procedure to identify the entry points to integrate the Green Label for recycled products into public procurement	MPI	<ul style="list-style-type: none"> - State budget - ODA/ foreign fund - UN Environment support 	5000	- 90% procurers know how to use Green Label for recycled products as a criterion for selecting, awarding a tender; or to promote bidders to provide re-used and recycled products by 2030
19	Develop a certification mechanism for legally and sustainably managed forests, pilot certification/2018-2021/High	<ul style="list-style-type: none"> - Review existing (international and national in other countries) certification mechanisms for legally and sustainably managed forests and assess if they can be applied in Vietnam (http://www.standardsmap.org/) - Based on the review, take existing or develop new criteria, technical specifications for certifying legally and sustainably managed forest 	MONRE	<ul style="list-style-type: none"> - State budget - ODA/ foreign fund - UN Environment support 	12000	- 90% of total area of legally and sustainably managed forests can be certified with a label or certificate by 2030
20	Develop the labelling criteria	- Develop the criteria, technical	MONRE	- State budget	6000	- A set of criteria to

	and Green Label for legally and sustainably managed forests / 2018-2021/High	specifications for products produced from "material exploited from sustainable forest" - Develop the Green Label for legally and sustainably managed forests or promote the FSC certification mechanism		- ODA/ foreign fund - UN Environment support		certify a product made from sustainable managed forest - Green Label for products from legally and sustainably managed forests is developed and piloted for some products
21	Develop the guidelines to use products from "sustainable forests" in SPP/ 2018-2021/High	- Review the tender procedure to identify the entry points to integrate products from "sustainable forests" into public procurement	MPI	- State budget - ODA/ foreign fund - UN Environment support	5000	- 90% procurers know how to use Green Label for legally and sustainably managed forests as a criterion for selecting, awarding a tender; or to promote bidder to provide products produced from sustainable exploited woods/trees/forests by 2030
22	Promote and support the production of sustainable products through the certification of products with Green Label/2018-2021/High	- Develop and issue the criteria for the eco-label certification of products prioritised in the Green Growth strategy : construction material, foods and beverages, transportation, power, computer and office appliances, textile, paper and printing, wood products, cleaning chemical, and medical equipment. - Financial and taxation support for products and manufacturers certified	MONRE, MOIT, MOST, MOF, Green Label office	- State budget - ODA/ foreign fund - UN Environment support	25000	- 90% sustainable products are labelled with the eco-label, Green Label by 2030

		with eco-label				
23	Develop the guideline to use the Green Label in SPP/2018-2021/High	- Review the tender procedure to identify the entry points to integrate the Green Label into public procurement	MPI, MONRE	- State budget - ODA/ foreign fund - UN Environment support	5000	- 90% procurers know how to use Green Label as a criterion for selecting, awarding a tender; or to promote bidder to provide sustainable products by 2030
24	Promote the development of sustainable tourism (Green Lotus)/2018-2030/Medium	- Develop and issue the criteria for certification with the eco-label for sustainable tourism (Green Lotus), not only for accommodation but all tourism services (transportation, restaurant, service) - Promote the Labour Union of government agencies, State-owned enterprises, and provincial authorities to select the sustainable tour operator for their tourism needs	MCST, MONRE, Vietnam National Labour Union	- State budget - ODA/ foreign fund	20000	- 90% sustainable tour operators, tourism service providers are certified with Green Lotus label by 2030 - 90% of the tour operators and services for the tourism needs of Labour Union of government agencies, State-owned enterprises, and provincial authorities selected are the sustainable ones
25	Promote the development of sustainable logistic services/2018-2030/Medium	- Develop and issue the criteria for certifying sustainable logistic services (which employs equally, mitigate the waste and emission, effectively uses energy/power) - Study the potential to develop an eco-label for sustainable logistics - Promote the procurers to uses the logistic services provided by the	MOIT, MONRE, MOT	- State budget - ODA/ foreign fund	10000	- 90% of the procurers of government agencies, State-owned enterprises, and provincial authorities select sustainable logistic service providers by 2030

		sustainable companies				
Market engagement						
26	Organize workshop/conference to share the results of the pilot tenders and discuss the revision of tender documents with the participation from both public and private sector/2018-2021	<ul style="list-style-type: none"> - Share the results of pilot tenders for SPP, lesson learned and discuss for adjustment/refinement - Discuss the major difficulties/obstacles, and opportunities to further implement SPP (could be a SWOT session) - Discuss the adjustment of SPP tender documents 	SPPEL project	<ul style="list-style-type: none"> - State budget - ODA/foreign fund 	20000	<ul style="list-style-type: none"> - A report on the results of pilot tenders and recommendation to revise the tender documents in particular and other recommendations in general
27	Develop/revise the instruction to bidders, goods and service providers to develop bidding documents for SPP bids/2018-2021/High	<ul style="list-style-type: none"> - Review the tender process, organise sharing workshop to exchange lesson learned 	MPI	<ul style="list-style-type: none"> - State budget - UN Environment support - ODA/foreign fund 	8000	<ul style="list-style-type: none"> - A set of SPP documents including bidding documents, bidding guidelines, technical and sustainable criteria/specifications is developed
28	Join market and trade promotion events to learn and share the experiences in sustainable products/2018-2030/Medium	<ul style="list-style-type: none"> - Organise trade promotion events for domestic manufacturers, enterprises to introduce sustainable products and services to the public and potential buyers - Organise technology fair to learn and share the state-of-the-art green/sustainable technology 	MPI, MONRE, MOIT, MOST, Vietnam Union of Science and Technology Associations	<ul style="list-style-type: none"> - State budget - ODA/foreign fund 	10000	<ul style="list-style-type: none"> - Develop the market for green/sustainable products - More green/sustainable products are produced domestically by local manufacturers
29	Develop a platform for policy dialogue between State management agencies in SPP and manufacturers, goods and services providers to promote a common	<ul style="list-style-type: none"> - Organise policy dialogues and conferences to update the new laws, policies, action plans on SPP and eco-labels to the business community - Develop a platform/portal to receive feedback from the enterprises on 	MPI, MONRE, MOIT, VCCI	<ul style="list-style-type: none"> - State budget - ODA/foreign fund - Contribution from enterprises 	5000	<ul style="list-style-type: none"> - Information, suggestions, laws and policies update on SPP and eco-labels are exchanged between the State management

	understanding of SPP/2018-2030/Medium	technology innovation, legal barriers, transparency and anti-corruption.				agencies and manufacturers, goods and service providers in a 2-way flow.
International cooperation						
30	Strengthen international cooperation in financing SPP/2018-2030/Medium	- Develop program/project proposals to benefit from the financial assistance of international donors, organizations and other countries (i.e. Korea) for the implementation of the SPP Action Plan.	MPI, MONRE, MOIT, MOF	- State budget - ODA/ foreign fund	5000	- New programs/projects are funded by international donors and/or organisations to promote SPP in Vietnam
31	Strengthen international cooperation in technical assistance for the implementation of SPP/2018-2030/Medium	- Negotiate and sign bilateral and multilateral agreements for cooperation on the implementation of SPP in Vietnam - Develop international cooperation mechanisms in the technical fields of SPP and eco-labels - Participate actively in the 10YFP SPP Programme and especially the communities of practice established by the 10YFP SPP	MPI, MONRE, MOIT, MOF	- State budget - ODA/ foreign fund	5000	- New agreements are developed in technical assistance, technology exchange, joint research in relation to clean and green technology and sustainable development
Monitoring and evaluation						
32	Monitoring and evaluation	- Develop the M&E framework - Develop an annual review and 5-year evaluation report	Steering Committee for SPP	- State budget	20000	- M&E framework developed with KPI - Annual review report and a 5-year evaluation report conducted by third party institution

Annex 2: Proposed forms of procurement plan

Procurement plan for State agencies (sample)

NAME OF ORGANIZATION

SOCIALIST REPUBLIC OF VIETNAM

DEPARTMENT/DIVISION/UNIT:.....

Independence – Freedom – Felicity

Form 1

PROCUREMENT, REPAIRING, UPGRADING AND REPLACEMENT OF GOODS FOR YEAR

No	Name of goods/ products <i>(code of product, series, or simple technical specification)</i>	PROJECTED NEEDS FOR YEAR.....					Description of the needs for purchasing/repairing <i>(specified for each product)</i>	En ¹	S ²	Ec ³
		Amount of repairing/upgrading	Budget	Amount of new equipment	Budget (million VND)	Timeline				
(1)	(2)	(3)	(4)	(5)	(6)	(07)	(08)	(09)	(10)	(11)
01	Printer (a4, color, with photocopy)			02	10	Sep	New equipment for Division A, in replacement for the broken old printer bought in 2001	x	x	x
02	Office paper (a4, 2 side)			200 boxes	8	Quarterly	Regular consumption at the office	x	x	x
...			

Place, dd/mm/yyyy

Prepared by

Head of Unit

1: Environmental criteria check box

2: Social criteria check box

3: Economic criteria check box

Proposed technical specification (sample)

Form 2

No	Name of goods/ products <i>(code of product, series, or simple technical specification)</i>	Detail technical specification and other requirements	En ¹	S ²	Ec ³
(1)	(2)	(3)			
01	Printer (a4, color, with photocopy)	A4 size Have photocopy function Print in color and monochrome Connectable via Wi-Fi Replaceable ink cartridge Non-toxic ink Efficient consumption of energy The company create equal opportunities for employment	 x x x	 x	 x x x
02	Office paper (a4, 2 side)	A4 size 2-side printing No paper jam Produced from responsible sources (certified with Green Label, FSC, PEFC...) Use of recycled material Produced by domestic company No child labor abuse	 x x	 x	 x
...			

Place, dd/mm/yyyy

Prepared by

Head of Unit

1: Environmental criteria check box

2: Social criteria check box

3: Economic criteria check box

Annex 3: Proposed updated monitoring form for sustainable procurement

(as annex to the public procurement monitoring)

SUSTAINABLE PUBLIC PROCUREMENT SUMMARY ON SUSTAINABLE GOODS AND SERVICE PURCHASING USING REGULAR STATE BUDGET IN 2018

Unit: Million VND

TYPE AND MECHANISM OF BIDDING		Channel used	Number of tender	Estimated budget	Award contract value	Balance
1. Public bidding	Domestic	Offline				
		Online				
	International	Offline				
2. Limited bidding	Domestic	Offline				
		Online				
	International	Offline				
3. Bidding appointment	Domestic	Offline				
	International	Offline				
4. Competitive quotation offer	Domestic	Offline				
		Online				
	International	Offline				
5. Direct purchasing	Domestic	Offline				
	International	Offline				
6. Self-procuring	Domestic	Offline				
7. Special selection of tender	Domestic	Offline				
	International	Offline				
8. Community purchasing	Domestic	Offline				
TOTAL						

Offline: Regular selection of tender (without using web-based procurement platform)

Place, dd/mm/yyyy

Online: Selection of tender by using the web-based procurement platform

Prepared by
(name, phone, email)

Annex 4: Proposed monitoring database for sustainable public procurement (for procurement officers)

Unit: million VND

No.	Products	Mechanism	Type	Channel used	Estimated budget	Award contract value	Environment criteria	Social criteria	Economic criteria
1	Printer (a4, color, with photocopy)	Public bidding	Domestic	Online	120	112	Non-toxic ink, Efficient consumption of energy	The company create equal opportunities for employment	Have photocopy function, Efficient consumption of energy
2	Bai Bang Office paper (a4, 2 side)	Competitive quotation offer	Domestic	Offline	12	12	Produced from responsible sources (certified with Green Label)		Produced by domestic company
3									
4									
5									
...									

Place, dd/mm/yyyy

Prepared by
(name, phone, email)

Mechanism: 1. Public bidding, 2. Limited bidding, 3. Bidding appointment, 4. Competitive quotation offer, 5. Direct purchasing, 6. Self-procuring, 7. Special selection of tender, 8. Community purchasing

Type: International tender, domestic tender

Channel used: offline, online

Estimated budget: estimated budget of the tender, as Stated in the tender document

Award contract value: actual value of the tender, as Stated in the signed contract

Environmental criteria: list of environmental criteria applied to select tender

Social criteria: list of social criteria applied to select tender

Economic criteria: list of economic criteria applied to select tender