

Grenada: Sustainable Public Procurement Action Plan

1. Context

1.1 History of SPP in the country

The primary impetus in Grenada's public procurement legal framework for sustainable public procurement (SPP) was provided by the enactment of the Public Procurement and Disposal of Public Property (Amendment) Act (No. 1 of 2018) which added a provision to the objectives of the original 2014 Act, "to promote local industry, sustainable development and protection of the environment". While the 2014 Act had already set as an objective of public procurement, "facilitate the promotion of local industry and economic development", the 2018 amendment signaled a more ambitious posture in the Government's commitment to SPP.

The Government of Grenada followed up the 2018 Amendment by adopting a Cabinet Conclusion on "Implementation of a Sustainable Public Procurement Policy by the Government of Grenada" (July 22, 2109), which links SPP directly to the achievement of Grenada's National Sustainable Development Plan 2035. Both Amendment 1 to the Act and the SPP Policy were prepared with the support of a technical assistance program provided by the World Bank. Grenada's SPP is a wide-ranging instrument which is not targeted specifically at construction materials but, rather, provides a basis for the pursuance of SPP objectives across the full range of economic sectors.

Under the terms of a Second Fiscal Resilience and Blue Growth Development Policy Credit from the World Bank, signed on January 7, 2020, the Government committed itself to a target of including sustainability requirements in at least 25% of publicly awarded contracts by the end of 2020. While, throughout 2020, the Government had been making steady progress towards that target, its achievement has been disrupted by the impact of the COVID-19 pandemic and the resultant interruption of the World Bank's technical support to Grenada from March 2020 onwards. Nevertheless, the Government has continued to work towards its 25% target, albeit under an adjusted time frame.

To date, the Ministry of Finance has conducted one tender to award a framework agreement for the supply of paper products (stationery, printer and photocopier paper, sanitary paper products). However, it has not yet extended the scope of application of its SPP policy to encompass construction materials.

Grenada has made commendable progress to strengthening SPP in its national public procurement regime and is the only country in the OECS to have put in place a legal and policy framework for SPP. Implementation is the next challenge facing the country and it is a multi-dimensional challenge, given the scarcity of skilled procurement staff in the government.

1.2 Contribution to sustainable development objectives

Building climate resilience in public procurement is a stated objective of Grenada’s National Sustainable Development Plan 2020-2035, which also emphasizes the importance of enhancing internal government controls of public procurement as a means for improving public sector governance.

The Plan rests on three sustainable development pillars: society, economy, and environment and is aligned with the UN SDG. It identifies three overarching long-term goals, of which Goal #2, “Vibrant, Dynamic, Competitive Economy with Supporting Climate-and-Disaster-Resilient Infrastructure”, aligns with SDG12. While the Plan reads in large part like an SPP To Do list, there are several commitments that lend themselves most immediately to implementation through SPP, including commitments to:

- transitioning to a green economy will require us to improve how we use and manage our natural resources to synchronise economic activity and environmental sustainability.
- create “green jobs” and advance sustainable development and transformation. Accordingly, investments in clean and renewable sources of energy such as wind, hydro, and solar power for domestic and industrial use must be scaled up.
- scaling up of renewable energy activities must include: (a) developing incentive packages to clean energy services to reduce demand for fossil-fuel-generated electricity from the grid and mainstreaming clean energy activities into climate change adaptation strategies.
- strengthening institutional support to MSMEs, including preparation and implementation of a comprehensive MSME policy and strategy, with supporting legislation to provide strategic direction for the MSME sector.
- Building and maintaining resilient infrastructure requiring long-term commitments and capital outlay, recognizing that climate change creates major challenges for infrastructure development through the impact of sea level rise, extreme weather events (storm surges, hurricanes, increasing incidence of intense rainfall and drought, and high temperatures), and the need to reduce carbon emissions.

1.3 Relevant laws and regulations for SPP

Procurement in Grenada is currently governed by the following legal instruments:

Public Procurement and Disposal of Public Property Act (2014);
Public Procurement and Disposal of Public Property Regulations (2015);
Public Procurement Review Commission Regulations (2015);
Public Property Disposal Regulations (2015);
Public Procurement and Disposal of Public Property (Amendment) Act (No. 1 of 2018);
Cabinet Conclusion on Implementation of a Sustainable Public Procurement Policy by the Government of Grenada (July 22, 2019).

In addition to this procurement-specific legislation, additional instruments of legislation or policy influence the current conduct of SPP, including:

- Energy efficiency standards adopted by the Ministry of Infrastructure Development (MOID), which apply to all plant and equipment procured under public contracts across the whole of government;
- A Repair and Re-use Policy that the Ministry of Finance (MOF), Central Procurement Unit has put in place, under which MOF has put in place a contract with a local contractor for the repair and refurbishment of damaged office furniture used in government offices.

2. Institutional arrangements and definition of roles and responsibilities

With respect to the procurement of lumber and concrete blocks, which are widely used construction materials specified by Government as part of civil works contracts for structures, primary responsibility lies with the Chief Technical Officer of MOID, who will take the lead in rolling out the application of the OECS Model SPP policy by Government.

In addition, MOF, which was the champion of the 2019 SPP Policy, plays a key role in overseeing implementation of all applicable public procurement legislation and policy and supports line ministries in their efforts to apply SPP criteria to their procurement programs.

There is already strong political and public support for mainstreaming sustainability into the Government's procurement activities, given that Grenada is the only OECS country that in place an existing, legally binding SPP Policy. The OECS Model Policy on SPP of Construction Materials complements the existing policy and will support and enhances the Government's efforts to extend sustainability considerations to the procurement of lumber and concrete blocks.

3. List of priority product groups and services and definition of criteria

The products that have been selected to be the focus of Grenada's SPP Action Plan are:

- lumber;
- concrete blocks, including the materials and resources that comprise their production: cement, aggregate, sand and water.

These products were selected on the basis that they comprise a large percentage of the Government's expenditure on procurement and that they are widely used within the country (9 out of 10 houses are constructed using concrete blocks, according to MOID therefore, making more sustainable will have a substantial positive impact on various aspects of sustainability.

4. Engagement with the market

Government already has tried and tested mechanisms for communicating with the private-sector supply market in order to ensure they have a clear understanding of the role expected of them as part of the implementation of SPP. In the drafting of the 2019 SPP Policy, MOF led substantive consultations with the local business community and with line ministries across a wide range of sectors to enlist their support for the country's planned transitions to SPP and to secure their inputs as to how it could be successfully implemented in Grenada's context.

In respect of lumber and concrete blocks, Ministry of Infrastructure Development will hold a townhall-style meeting with the local business community to disclose and discuss the Ministry's planned rollout of SPP in the area of construction materials.

Given that most such construction materials are imported, the Ministry is committed to giving the member firms of the local business community ample time to re-design their external supply chains to meet the Government's needs for sustainable materials.

5. Development and adaptations of new sustainable procurement tools

5.1 Procurement guidelines

It is not anticipated that any change in the current legal framework for public procurement will be required to implement Grenada's SPP Action Plan, given the provisions of the 2014 Act, the 2018 Amendment and the Cabinet Conclusion of 2019.

5.2 Sustainability criteria

Given Grenada's susceptibility to annual hurricanes and climate change, the Government's initial focus will be on climate change mitigation measures, with particular emphasis on reducing GHG emissions.

5.3 Updates tender documents

While the Government has already developed a suite of Standard Bidding Documents (SBDs) for use by all procuring entities governed by the procurement legislations, it is understood that these are still in draft form and their use has not yet been made mandatory across all of government. The opportunity should be taken to review these SBDs to ensure that they foresee the incorporation of sustainability considerations into bid evaluation criteria, particularly in the evaluation of non-price criteria.

5.4 Training modules

There are substantial training needs of both the public and private sectors to prepare but public purchasers and private-sector contractors to make the transition to buying and supplying sustainable construction materials. MOF has begun the process of sounding out Grenada's main

development partners, the World Bank and the Caribbean Development Bank, to support this training.

6. Integrating sustainable criteria in the procurement cycle

MOID will take the lead in gradually introducing sustainability considerations into its technical specifications for lumber and concrete blocks. This transition will be undertaken in a planned, considered manner in order to give the local contracting community adequate time to adapt. As the Government is the largest purchaser of civil works contracts, which including construction materials, on the island, several local contractors are heavily reliant on public contracts for their business. Therefore, it will be particularly important to signal the upcoming change in requirements to those firms.

Government has already set a target in the 2019 SPP Policy to include sustainability requirements in 25% of publicly funded contracts awarded annually by end-2020. The Government missed that ambitious target, mainly because the global COVID19 pandemic interrupted the provision of technical assistance it was receiving from the World Bank for implementation of the 2019 Policy. Government will now recalibrate its target, taken into account the specific inclusion of lumber and concrete blocks in the new Model Policy.

7. Monitoring and control

MOF is designated under the Public Procurement and Disposal Property Act (2014) as the regulatory body for all public procurement activities in government. Reasonability for monitoring application of SPP will reside in the Central Procurement Unit in MOF, under the authority of the Chief Procurement Officer.

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