

Dominica: Sustainable Public Procurement Action Plan

1. Context

1.1 History of SPP in the country

To date, there have been no substantive initiatives undertaken by the Government of Dominica to implement SPP. There is a low level of awareness of SPP with the public sector and, as a result, no stimuli have yet been communicated to the local business community to transition to the supply of sustainable products.

As a result of this project, there is now some nascent interest on the part of Government but substantial support will need to be provided to the Government to help it prepare for and rolling out SPP.

1.2 Contribution to sustainable development objectives

Under its National Resilience Development Strategy (NRDS), Dominica has laid out an ambitious vision, “to build the first climate-resilient country in the world”, which includes inter alia:

- promotion of the participation of MSMEs in public procurement;
- enhancing infrastructure resilience;
- enhancing the resilience of ecosystems and sustainable use of natural resources, including forestry, marine and water;
- implementing a comprehensive risk management framework and pursuing a low-carbon development pathway, involving greening the economy;
- sustained sustainable and inclusive growth;
- employment creation;
- environmental management; and
- cultural preservation.

The NRDS links directly to the UN SDGs, including SDG 12 “ensure sustainable consumption and production patterns, where the NRDS commits to, “By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment”.

In a broader sense, the potential linkages between the NRDS and SPP are numerous. A primary consideration for Government will be to focus on which are the areas among the country’s development priorities that are most immediately amendable to an SPP approach in the short term.

One key priority which immediate has already identified is the Micro, Small and Medium Enterprise Development Bill 2020, supported by the MSME Policy & Strategic Plan (October 2020), developed by the Small Business Unit of the Ministry of Tourism, International Transport and Maritime Initiatives. Clause 25.1 of the draft Bill on “Government Set-Aside Procurement” commits the Government to, “use its best efforts to ensure that at least twenty-five percent of the procurement of goods and services required annually by the Government is sourced from approved enterprises”. It is noted that civil works is excluded from this definition; this may be an oversight in drafting. The new draft Public Procurement and Disposal of Public Property Act 2021 sets as one of its purposes, “to promote the long-term industrial development of the Commonwealth of Dominica”, which would appear to complement the MSME set-aside target defined in the draft MSME Bill.

1.3 Relevant laws and regulations for SPP

Public procurement in Dominica is currently governed by the Public Procurement and Contract Administration Act (No.11 of 2012). However, this Act has never been fully implemented due, among other factors, to a mismatch between the organizational arrangements as laid out in the Act and the way the Government functions in practice. The Act contains no provisions on SPP.

However, future prospects for SPP in Dominica look brighter due to the fact that, in furtherance of the stated objectives of the country’s National Resilience Development Strategy – Dominica 2030 (“NRDS”), the Government, with support from the CDB, is nearing completion of a new Public Procurement and Disposal of Public Property Act 2021, which sets a specific objective “to promote economically, environmentally and socially sustainable public procurement”. The draft Act also includes provisions for the promotion of MSMEs. The draft Act has gone through public consultation, is expected to be submitted to the House of Assembly by March 2021 and to come into effect by mid-2021. Once the new law is promulgated, it will provide a strong basis for the growth of SPP practice in Dominica.

Public procurement in Dominica is currently organized on a decentralized basis, with individual line ministries of the government implementing their own procurement transactions on a decentralized basis and a central monitoring function in the Ministry of Finance.

The most widely used procurement methods are Restricted Bidding, whereby the procuring entity, without advertising, directly invites a limited number of bidders to bid; the number invited varies between three and five, depending on the estimated value of the contract. Request for Quotations and Direct Procurement are the next most widely used procurement methods, with Open Competitive Bidding used infrequently.

Procuring entities generally limit participation in procurement proceedings to domestic bidders, except where their requirements can be met only from outside the country. As such, public procurement is not characterized by a high level of competition. As Dominica has signed but not yet ratified the CARICOM Protocol on Public Procurement, it has not yet assumed any legal obligation to open its public procurement market to bidders from other Caribbean countries.

That said, as the Government does not collect or publish data on public procurement, it is difficult to form an accurate, empirically based measure of how open and competitive the country's procurement market is.

2. Institutional arrangements and definition of roles and responsibilities

The Ministry of Finance, under the authority of the Financial Secretary, is the lead regulatory body for public procurement and will take the lead in developing and coordinating the roll-out of SPP.

For civil works, including construction materials, the Ministry of Works and the Digital Economy is the lead agency on behalf of government. In that capacity, it will be responsible for taking the technical lead in specifying and procuring sustainable materials.

The Dominica Bureau of Standards is also active in developing new technical standards for a range of products, including developing a national standard based on the CROQSQ regional standard for cement. Dominica imports all of its cement.

The Department of Physical Planning oversees the implementation of planning decisions approved by the Planning Authority, of which it is the executing arm. Given its oversight responsibility for the public works on the island, it will have a keep role to play in monitoring and control of the implementation of SPP.

The Small Business Unit of the Ministry of Tourism, International Transport and Maritime Initiatives will play the lead role in rolling out the country's MSME strategy (see below).

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:

- promotion of MSMEs in public procurement;
- lumber;
- concrete blocks, including the materials and resources that comprise their production: cement, aggregate, sand and water.

4. Engagement with the market

The Government has yet to engage with the market on SPP but this will clearly have to be a priority for the Government once it moves to ramp up the procurement of sustainability construction materials.

Some early consultations have taken place with the small business community regarding the design of the MSMEs strategy, which will help to ensure the smooth implementation of the strategy, which is planned for late 2021.

5. Development and adaptations of new sustainable procurement tools

5.1 Procurement guidelines

As noted above, the legal framework for public procurement is incomplete. Once the new draft law comes into effect – it is planned to be submitted to Parliament in June 2021 – there will be a considerable need for support to Government for the development of Implementing Regulations. The Caribbean Development Bank is currently taking the lead in supporting Dominica in the development of its legal framework for public procurement, with the World Bank also supporting.

5.2 Sustainability criteria

Given the NRDS's emphasis on resilience, it is anticipated that building more resilient public infrastructure will be a key priority for Government. Issues around the quality and sustainability of construction materials, including those covered by the OECS Model SPP Policy, will, therefore, be of paramount importance to Government.

Improved economic sustainability is another pressing priority, hence the emphasis on increasing participation of MSMEs in public procurement.

5.3 Updates tender documents

Dominica currently has no standard tender documents. These will have to be developed as part of the development of the country's legal framework for procurement.

5.4 Training modules

There is currently no provision of SPP training.

6. Integrating sustainable criteria in the procurement cycle

Dominica's first step will be the roll-out its planned set-aside program for MSMEs, which will promote their participation in public procurement and, it is expected, increase employment in the MSME sector.

Therefore, designing of sustainability criteria into the technical specifications for civil works, including construction materials, will be another priority.

7. Monitoring and control

Monitoring of the implementation of SPP as a procurement policy will be done by MOF. Monitoring of the physical aspects of the adoption of more sustainable materials will fall under the responsibility of the Ministry of Works and the Digital Economy and the Department of Physical Planning

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