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ASSESSMENT OF SUSTAINABLE/ GREEN PUBLIC PROCUREMENT IN SRI LANKA



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Acronyms

AETS	Application Européenne de Technologies et de Services
CIDA	Construction Industry Development Authority
DCS	Department of Census and Statistics
DOPF	Department of Public Finance
EPC	Engineering, Procurement, and Construction
EU	European Union
EUD	European Union Delegation
FBS	fixed budget selection
GDP	gross domestic product
GPP	Green Public Procurement
G/SPP	Green and Sustainable Public Procurement
ICB	international competitive bidding
ICC	International Chamber of Commerce
LCA	life cycle analysis
LKR	Sri Lankan Rupee
MOF	Ministry of Finance
NPA	National Procurement Agency
NPC	National Procurement Commission
OECD	Organization for Economic Cooperation and Development
PE	procuring entity
PEC	Presidential Expert Committee
QCBS	Quality and Cost-Based Selection
SBDs	Standard Bidding Documents
SCP	Sustainable Consumption and Production
SDGs	Sustainable Development Goals
SLSI	Sri Lanka Standard Institution
UNCITRAL	United Nations Commission on International Trade Law

Glossary of Terms¹

Bid: An offer submitted in response to an invitation for bids, or invitation to bidder, under a competitive bidding process.

Bidder: Natural or legal person, or group of such persons submitting a bid to a Procuring Entity with a view to concluding a contract for goods, works or services.

Bidding Documents: Standard documents elaborated by the Procuring Entity for the purpose of procuring goods, works, services or consulting services. These documents are standardised and must be utilised by Procuring entities. They are composed of, but not limited to, an Invitation to Bid, Instructions to Bidders, Bid Data Sheet, General Conditions of Contract, Specific Conditions of Contract, Technical Specifications, Schedule of Requirements, etc.

Circular economy practices: Circular economy practices is a consumption process that minimise waste and maximise resource use by reusing, recycling, and regenerating materials in a closed loop system.

Eco-Label: An eco-label is a badge or symbol on products indicating they meet specific environmental standards, aiding informed consumer choices

Eco-labelling: The process of certifying products to show they meet environmental standards, guiding consumers toward more sustainable choices

Goods: Raw materials, products, equipment, and commodities in solid, liquid or gaseous form, including perishables, or standard software Etc.

Green products: goods or services that have a reduced environmental impact throughout their lifecycle, promoting sustainability and eco-friendly practices.

Green public procurement: Green public procurement is process of acquisitions of goods and services by government entities that meet environmental criteria, promoting sustainability and eco-friendly practices.

Inter-Agency Expert Committee: Group of specialists from various organisations collaborating to provide expertise and guidance on specific purpose.

Market survey: Information required to make an assessment of market conditions such as demand and supply conditions, prices, discounts, etc. to enable a purchaser to make the right purchase decision.

Multi-Stakeholder Technical Committee: A committee comprises representatives from diverse groups collaborating to address complex issues and provide technical expertise.

Procurement: The process of selecting a substantially responsive bidder at best price, in accordance with specific methods and procedures, by the Government.

Procuring Entities: Contracting public authorities including central government, provincial councils, local authorities and state owned enterprises at national, provincial and regional level bodies governed by public law and authorised to make use of public funds.

Procurement Process: Successive stages in the procurement cycle including pre-procurement, procuring and Post procurement procedure to measures solicit offers from bidders.

¹ This Glossary of terms for the *Report on Assessment of Green Public Procurement (G/SPP) Landscape in Sri Lanka* has been based on the definitions developed by the Ministry of Finance and Economic Development, Belize. www.oas.org/juridico/PDFs/mesicic5_blz_resp_annex33.pdf. *Public Procurement Procedures Handbook*, Volume I, Standardised Procurement Procedures, First Edition, January 2013, Ministry of Finance and Economic Development [Belize; no copyright].

Services: Non-Consulting (General) or consulting (intellectual or advisory) activities carried out by a service provider or consultant to achieve contractually fixed results.

Standards: Established norms or requirements; usually a formal document that establishes uniform engineering or technical criteria, methods, processes and practices.

Supplier: Bidder whose bid/offer has been selected for a procurement contract.

Technical Specifications: Technical requirements defining the characteristics of works, material, product, supply or service, and enabling a piece of work, a material, a product, a supply or a service to be objectively described.

Value for Money: Optimum combination of whole-life costs including price, delivery time, quality, and/or implementation costs, ongoing operating costs, and end-of-life disposal depending on the nature of the procurement, as well as environmental sustainability and socio economic matters.

Works: Activities associated with civil engineering, such as construction, demolition, repair, or renovation of a building, road, or structure. Works may include materials, installation of equipment, and services incidental to Works, provided that the value of those services does not exceed the value of the Works themselves.

Executive summary

Sri Lanka has established itself as a key actor in the South Asia region through its proactive development and adaptation of policies aimed at promoting environmental and social sustainability. As a signatory to critical international agreements and treaties, including the Sustainable Development Goals (SDGs), the Paris Climate Agreement, International Labour Organization (ILO) Core Conventions, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, Sri Lanka is committed to advancing a sustainable development agenda.

Aligned with the 2030 Agenda for Sustainable Development, Sri Lanka envisions an 'Inclusive Transformation towards a Sustainably Developed Nation for All.'² This vision is driven by economic transformation underpinned by green growth and social inclusivity. Central to this transformation is the integration of the 2030 Agenda into national policies such as the Sustainable Sri Lanka 2030 Vision and Strategic Path;³ the 2030 Agenda aims to position Sri Lanka as a sustainable, economically prosperous, environmentally green, and socially inclusive upper-middle-income Indian Ocean hub.

Sri Lanka has adopted several forward-thinking policies to transition to a Blue-Green economy.⁴ This includes harnessing underutilised marine resources sustainably, transitioning to renewable energy, developing agriculture with a focus on biodiversity and sustainability, and implementing effective waste-management strategies. To this end, Sri Lanka has developed national and sub-national policies and strategies for protecting biodiversity and addressing climate change.⁵ The country's commitment to achieving net-zero carbon emissions by 2050 is encapsulated in the 'Carbon Net Zero 2050 Roadmap and Strategic Plan,' which aligns these pledges with other development strategies and plans at both national and sub-national levels to translate ambition into actionable results.⁶

In 2019, Sri Lanka adopted a national policy on Sustainable Consumption and Production (SCP), which is consistent with existing policies but aims to elevate SCP from a niche concept to a mainstream paradigm. This policy emphasises the importance of sustainable public procurement (SPP) practices across relevant sectors and products with significant ramifications, setting ambitious targets for SPP implementation in at least five major product categories by 2022 and at least 50% of product categories by 2030.⁷

To transform these high-level goals into concrete actions, Sri Lanka has undertaken several procurement reforms in the past. Public procurement expenditure in Sri Lanka constitutes 15% of its national GDP, offering a substantial opportunity to leverage procurement to transform markets towards sustainable production and simultaneously achieve horizontal sustainable development objectives. In 2023, the government adopted the National Policy on Green Public Procurement (GPP),⁸ aiming to promote resource efficiency and minimise negative environmental impacts through procurement. This policy provides a clear direction and mandate for implementing green procurement procedures to meet the government's sustainable development commitments. To support these policy objectives, the government has established an Inter-Agency Expert Committee for G/SPP to coordinate various activities related to G/SPP implementation. Additionally, with the technical support of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the government has provided training on Life Cycle Costing (LCC) and Life Cycle Assessment (LCA)

2 UN ECOSOC, High-level political forum on sustainable development Fra, Convened under the auspices of the Economic and Social Council 5–7 and 11–15 July 2022, pp. 58–59. <https://ecosoc.un.org/en/meetings/ecosoc-sessions>, 2022.

3 Presidential Expert Committee (PEC), Sustainable Sri Lanka: 2030 Vision and Strategic Path. <https://www.presidentsoffice.gov.lk/wp-content/uploads/2019/05/Final-v2.4-Typeset-MM-v12F-Cov3.pdf>

4 Green economy strategies tend to focus on the sectors of energy, transport, sometimes agriculture and forestry, while the blue economy focuses on fisheries sectors and marine and coastal resources; <https://commonwealthfoundation.com/wp-content/uploads/2017/01/Commonwealth-Insights-Small-states-and-the-green-and-blue-economy.pdf>

5 Sri Lanka NEXT – A Blue Green Era 2019. <https://www.climatechange.lk/SLN2019.html>

6 Sri Lanka, Ministry of Environment, 2023, Carbon Net Zero 2050 Roadmap and Strategic Plan. https://www.climatechange.lk/CNZ2050_Synthesis%20Report.pdf

7 https://sustainabledevelopment.un.org/content/documents/19677FINAL_SriLankaVNR_Report_30Jun2018.pdf

8 Sri Lanka, Ministry of Environment, National Policy on Green Procurement. <https://env.gov.lk/web/images/pdf/policies/gpp-policy.pdf> [in Sinhala and Tamil].

to key stakeholders. It should be noted that GIZ's current engagement with Sri Lanka on G/SPP is expected to be terminated at the end of 2024.

Concurrently, the government has approved the Procurement Guidelines 2024 for goods and works, signalling its commitment to modernising procurement practices in line with international best practices. However, the implementation of these guidelines, at time of publication, is pending the enactment of a new Public Procurement Law aimed at strengthening the regulatory framework and institutional capacity for effective procurement management. A detailed assessment of the public procurement legal, regulatory, and institutional policy framework has revealed that the Procurement Guidelines 2024 do not include provisions for sustainability concerns as contained in the G/SPP Policy 2023. This gap implies that the G/SPP Policy 2023 is not being followed in actual procurement practices at both national and sub-national levels. It is expected that the new procurement law will incorporate the enabling provisions for sustainability contained in the G/SPP Policy 2023, thereby strengthening the legal framework for G/SPP implementation and streamlining processes for integrating sustainability criteria into procurement decisions at different stages of the procurement cycle.

Despite these policy advancements, several challenges hinder the progress of G/SPP implementation in Sri Lanka. These challenges include limited awareness and understanding of sustainable procurement practices, capacity constraints, and the need for comprehensive policy and legislative frameworks. Additionally, aligning SPP with Public Financial Management (PFM) and sustainable development goals across various sectors remains a challenge.

To advance G/SPP implementation in Sri Lanka, the following measures are proposed:

- 1. Legislative Alignment:** Closely monitor the development of the proposed new Public Procurement Law to ensure clarity on enabling provisions related to sustainability. Once the law is enacted, the government should amend existing procurement guidelines to align them with the new procurement law.
- 2. Strategic Roadmap:** Empower the Inter-Agency Expert Committee to develop a National G/SPP Strategic Roadmap & Action Plan. This roadmap should translate the provisions of the procurement law into smaller, actionable goals and activities that drive sustainability benefits through public procurement.
- 3. e-Procurement Integration:** Leverage the existing e-procurement system to introduce functionalities that simplify the integration and verification of sustainability criteria in procurement decisions. This will accelerate G/SPP implementation and enable effective monitoring.
- 4. Guidelines and Documents:** Develop S/GPP Implementation Guidelines and Standard Bidding Documents for the procurement of goods and works in line with the new procurement law. These guidelines should clearly outline options for integrating sustainability at different stages of the procurement cycle.
- 5. Supply-side Support:** Address market constraints by introducing fiscal and non-fiscal measures to enhance the capacity and capability of small vendors. This will help them shift their production processes and become competitive in both domestic and export markets for sustainable products and services.
- 6. Training Programmes:** Strengthen the training programmes at the Miloda Academy of Financial Studies, the training arm of the Ministry of Finance, to equip public procurers with the necessary skills to identify sustainability risks during the planning phase and choose appropriate procurement phases to maximise environmental and social sustainability outcomes. This may require developing a separate curriculum on S/GPP that details various legal provisions, step-by-step approaches for identifying sustainability risks, and good practices.
- 7. Ecolabelling:** Expand the national ecolabeling scheme managed by the National Cleaner Production Centre to include more products and services. This will accelerate the purchase of environmentally friendly and energy-efficient products by public agencies. Additionally, the Sri Lanka Sustainable Energy Authority (SLSEA) should enhance the number of electrical products covered under its Energy Efficiency Rating Label programme.

These measures will support Sri Lanka in achieving its ambitious sustainability goals and transforming its procurement practices to drive significant environmental, social, and economic benefits.

1. Introduction

The goal of Green Public Procurement (G/SPP) is to help public agencies purchase products and services with a smaller ecological footprint over their whole life cycle compared to competing options that provide the same basic purpose.⁹ In order to assist economic development, Green Procurement goes beyond the financial and technical aspects of procurement decisions by integrating strategic priorities that centre on greener criteria and specifications in order to minimize environmental hazards.¹⁰

A National Policy on Green Procurement has been developed by the Ministry of Environment (MOE) in collaboration with the key stakeholders including MOF and Department of DOPF. The Policy was approved by the Cabinet of Ministers on 24.07.2023.

The overall objective of this assessment is to understand the current state of legal, regulatory and institutional G/SPP Policy implementation framework in Sri Lanka, identify gaps and challenges faced when implementing the policy and suggest recommendations for bridging those gaps. Special objectives of this assessment are identifying progress of the regulatory and Institutional provisions for implementation of policy, available green products and green certification, market redlines, stakeholder engagement and current state of available opportunities to develop capacity to implement the G/SPP policy in procuring entity levels in Sri Lanka.

In addition, this assessment is important to get the feedback from Procuring entities about potential improvements and changes to be done to the existing policy and required infrastructure facilities.

Further, this assessment will have a significant impact on the supply side (Contractors, Suppliers, Service providers and Consultants) of the procurement process to understand potential market opportunities, government expectations on G/SPP and trends in public procurement in Sri Lanka.

Therefore, this Assessment will cover the following four components:

- Assessment of G/SPP Policy initiatives
- Assessment of G/SPP Regulatory measures
- Market readiness
- Availability of green products

9 Communication from The Commission to The European Parliament, The Council, The European Economic and Social Committee and The Committee of the Regions, *Public procurement for a better environment*. <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0400:FIN:EN:pdf>

10 EU Procurement for a Circular Economy, <https://www.switchtogreen.eu/news/>

2. Analysis of Country Context

2.1. Political System and Administrative Structure

The Democratic Socialist Republic of Sri Lanka operates under a republican constitution, formulating legal and administrative framework of the country. The country's governance is structured into national and sub-national levels. Sub-national governance is divided into provincial councils and local government, comprising 9 provincial councils, 24 municipal councils, 41 urban councils, and 276 Pradeshiya Sabras.

The government consists of three branches:

Executive: The President acts as both head of state and government, exercising significant powers such as leading the armed forces and appointing ministers. The President is limited to serving two five-year terms following the 19th amendment.

Legislative: Parliament is the chamber comprising 225 members, holds authority over legislation. Most members are elected through electorates, with some through proportional representation.

Judicial: Judiciary system of the country operates within a multidimensional legal framework. Key institutions include the Supreme Court, Court of Appeal, and High Courts. Judicial appointments are made by the President and overseen by a judicial service commission. Various legal traditions, including customary, religious, and colonial laws, contribute to the legal framework.

The administrative setup of Sri Lanka is organised into different levels such as National, District, Divisional, and Village. At the national level, there is the Ministry of Home Affairs and other departments. District secretaries handle administration at the district level, while Divisional Secretaries manage administrative tasks at the divisional level. The smallest administrative units at the village level are called Grama Niladhari Divisions.

2.2. Economic Situation

According to a press release by the Department of Census and Statistics (DCS), Sri Lanka's Gross Domestic Product (GDP) in the third quarter of 2023 increased to LKR 2,9 trillion from LKR 2,9 trillion in the same period in 2022. The year-on-year GDP growth rate for Q3 2023 was reported at 1.6%. Additionally, the GDP at current prices rose to LKR 6,9 trillion from LKR 6,5 trillion, with a 4.9% positive change compared to Q3 2022. Major sectors contributing to GDP at current prices were agriculture (7.8%), industry (28.1%), and services (57.5%). Agriculture grew by 3%, industry by 0.3%, and services by 1.3% compared to the previous year. Factors contributing to this growth included favourable changes in foreign exchange, lower input costs, reduced interest rates, and expansion in tourism and manufacturing industries. Despite challenges, including current debt crisis and economic contraction, a modest growth of 1.8% is projected for the following year, contingent on reforms such as higher taxes and restructuring of foreign debt.¹¹

2.3. Effects of Economic Crisis on Procurement Systems in Sri Lanka

In 2022, Sri Lanka faced its greatest economic challenge since becoming independent from Britain in 1948. This crisis affected the country's financial system, making it riskier and more vulnerable. The local money market experienced many problems due to bad economic conditions. There wasn't enough money in the market, and it was unevenly spread among different players because of strict rules. As a result of this, most procurements in various industries faced critical issues in opening Letters of Credit and making payments to international suppliers. Furthermore, the Ministry of Finance made decisions not to initiate new capital projects and to pursue mutual termination if possible. Additionally, most government organisations faced other issues such as high contract variations, liquidated damages, time extensions, and disputes among contractors, suppliers, and contracting authorities.

¹¹ Sri Lanka, Department of Census and Statistics (DCS), News Release 3rd Quarter 2023. http://www.statistics.gov.lk/qlink/PressReleases/GDPSummaryIndicators2023Q3_En

From 2023 onwards, the economy showed some positive signs of improvement. It grew positively in the third quarter of 2023 after shrinking for a while since early 2022. The signs suggest that the economy continued to grow in the last part of 2023. Inflation, which refers to prices rising significantly, was a major problem in 2022. However, within a year, it was brought down to single digits. Even though prices surged in September 2022, they were subsequently controlled and decreased rapidly, which was positive. This occurred because of actions taken by the central bank and the government. Additionally, core inflation, which indicates how much people are buying, steadily decreased in 2023.

3. Sustainable Development Framework of Sri Lanka

Sri Lanka has committed to the United Nations Sustainable Development Goals in order to tackle poverty, commit to the planet sustainably and pursue peace. The Department of Census & Statistics is overseeing the implementation of these goals:

The 2030 Agenda for Sustainable Development was adopted by 193 UN member states at the United Nations Sustainable Development Summit in 2015. It provides an ambitious, globally agreed, shared blueprint for the world we want to see by 2030.

The Sustainable Development Goals (SDGs) were born at the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012. SDGs are a set of universal goals that meet the urgent environmental, political and economic challenges faced by the world. The SDGs replace the Millennium Development Goals (MDGs), which started a global effort in 2000 to tackle the indignity of poverty.

SDGs otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The SDGs, officially known as 'Transforming our world: the 2030 Agenda for Sustainable Development' is a set of 17 aspirational 'Global Goals' with 169 targets and 248 indicators by 2022. Though the indicator framework has 248 indicators, 13 indicators repeat under two or three different targets. Therefore, indicator framework has 231 unique indicators to monitor the status of sustainable development of countries. In 2015 UN member states, including Sri Lanka, universally accepted the 17 sustainable development goals (SDG) and 2030 Agenda. Within this framework, all countries are expected to set out their vision for 2030. Additionally, target 12.7 seeks to promote sustainable public procurement practices in alignment with national policies and priorities.¹²

3.1. The Sustainable Sri Lanka 2030 Vision

The Sustainable Sri Lanka 2030 Vision is a strategic document.¹³ The policy was developed by a committee known as the Presidential Expert Committee (PEC) to make this report. According to the plan, Sri Lanka aims to become a sustainable, rich country by 2030. It wants to be a hub in the Indian Ocean. The country wants to be prosperous, competitive, and advanced economically. It also wants to be green and healthy environmentally. Additionally, it aims to be inclusive, peaceful, and fair socially.

3.2. Sustainable Consumption and Production National Policy Support Component Sri Lanka

The SWITCH-Asia SCP National Policy Support Component Sri Lanka (SCP NPSC SL) was a project that lasted for 4 years. It was funded by the European Union (EU) and was requested by the Ministry of Mahaweli Development and Environment (MoMDE).¹⁴ This project aimed to help the government make better policies and systems for SCP. It started on 15 January 2015 and ended on 14 January 2019. The Application Européennes de Technologies et de Services (AETS) led the project. During the project, the team stayed in touch with the beneficiaries, the Delegation of the European Union to Sri Lanka and the Maldives (EUD), and other important stakeholders involved. Here are the six key result areas from this project, as described in its Logical Framework:

Result 1: National Sustainable Consumption & Production (SCP) Policy & Organizational Set-up are strengthened

Result 2: Sustainable Production (SP) Framework is strengthened and SCP Principles applied in selected sectors

¹² <http://www.statistics.gov.lk/sdg/index.php/sdg>

¹³ <https://www.presidentsoffice.gov.lk/wp-content/uploads/2019/05/Final-v2.4-Typeset-MM-v12F-Cov3.pdf>

¹⁴ https://env.gov.lk/web/images/pdf/divisions/environemt_planning/Final_Report_switch_Asia.pdf

Result 3: Sustainable Consumption (SC) Framework is strengthened and Green Procurement Policy & Eco-labelling implemented

Result 4: Knowledge on SCP is enhanced and awareness is raised among public/private sectors and civil society

Result 5: Information Management Data Base on selecting, adopting and implementing suitable economic and regulatory policy instruments to promote SCP is developed¹⁵

Result 6: Contribute to long-term Sustainability of consumption and production patterns is ensured.

3.3. Public Procurement in Sri Lanka

Public procurement plays a vital role in any economy, and it has become a key component of national income and well-being. The Organization for Economic Cooperation and Development (OECD) estimates public procurement globally amounts to approximately 15% of GDP. According to the data mapper of the IMF, in 2022 government expenditure in Sri Lanka accounted for 18.52% of GDP¹⁶. It includes some recurrent expenditures such as salaries that are not necessarily subject to the procurement procedure when disbursed. Therefore, approximately, the value of public procurement accounts for 15% of GDP in Sri Lanka as well. It is not easy to express the value of Green public procurement relative to GDP in Sri Lanka due to a lack of reliable data at the moment.

Also approximately 35% of funds allocated under the national budget (Except, Local Authorities, Provincial Councils and State Owned Enterprises (SOEs) are disbursed through public procurement process in Sri Lanka. The economic development of a country is not solely determined by the amount of funds allocated and disbursed by the government. Instead, the key critical success factors for a country's development are the effective and efficient utilization of public funds in an economical manner. Sound procurement practices help to spend public funds meaningfully, while maintaining Transparency, Accountability, equal opportunity and sustainability.

Traditional procurement has mainly focused lowest cost/Price, Technical and Commercial compliance as the key criteria to determine what is best in public procurement. Also defined the initial cost as cost of investment rather integrating running cost, maintenance cost, environmental cost, social aspects and disposal cost etc. G/SPP is the procurement that integrates environmental considerations into the procurement process, with the goal of reducing adverse impacts upon health and the environment. G/SPP integrates strategic priorities focusing specifications and criteria that minimize environmental hazards, and in support of economic development beyond the financial and technical factors in making procurement decisions.¹⁷

3.4. Regulatory Framework of Public Procurement System in Sri Lanka

The regulatory framework of public procurement procedures and regulations in Sri Lanka can be discussed under the following areas: the regulations consisting of Procurement Guidelines, Manuals, Supplements to the Procurement Manual, Acts, Treasury Circulars, Ministry Directives, Guidelines issued by International Funding Agencies. In addition, in the case of foreign-funded projects regulations issued by the ICC and UNCITRAL (5.4.15 of the procurement guideline 2006 Goods and Works) apply. These have conducive provisions for integrating sustainability in procurement decisions.¹⁸

15 https://env.gov.lk/web/images/pdf/divisions/environemt_planning/Final_Report_switch_Asia.pdf

16 IMF Datamapper (consulted on 18 October 2024: <https://www.imf.org/external/datamapper/profile/LKA>)

17 envmin.nsf.gov.lk/bitstream/handle/1/640/SOBA_31_2022_34_36.pdf?isAllowed=y&sequence=2

18 Democratic Socialist Republic of Sri Lanka, Procurement Guidelines 2006: Goods & Works, National Procurement Agency. <https://www.treasury.gov.lk/api/file/f91cd0e0-6dab-44d4-b9b7-2c5652ed3390>

3.4.1. Historical Context of Public procurement in Sri Lanka (1992-1997)

The Government Financial Regulations, published in 1966, were the key documents used by government organisations until 1992. However, recognising the need for comprehensive reforms in Public Financial Management, the Government of Sri Lanka amended these regulations in 1992 to incorporate procurement as well. This led to the issuance of the Revised Financial Regulations in 1992, which expanded the scope of procurement governance. Therefore, until 1997, procurement activities in Sri Lanka were governed by Chapter XIII of the Financial Regulation 1992.

3.4.2. Transition to Revised Tender Procedure (1997-2006)

In 1997, the Department of Public Finance introduced a new set of guidelines titled 'The Guidelines on Government Tender Procedure (Revised Edition, 1997)' to streamline procurement processes further. These guidelines were further refined with the issuance of the 'Revised Guidelines on Government Tender Procedure for Projects Assisted by Foreign Financing Agencies (Revised Edition-2000)', ensuring alignment with international standards for procurement in projects funded by foreign agencies.

3.4.3. Transition to Government Tender Procedure to Public Procurement (NPA Guidelines)

2006 to the present: A significant milestone in Sri Lanka's procurement landscape occurred in 2006 with the establishment of the National Procurement Agency (NPA). The NPA issued comprehensive guidelines and manuals covering various aspects of procurement, including goods, works, consultancy services, pharmaceutical items, medical devices, and infrastructure projects. These guidelines aimed to enhance efficiency, transparency, and accountability in procurement processes across different sectors.

3.4.4. Current Status and Future Developments

As of the latest update, the Procurement Guideline 2024 for goods and works proposed to be submitted to the parliament, signalling a commitment to modernise procurement practices in line with evolving needs and international best practices. However, the implementation of the Procurement Manual 2024 is pending approval, highlighting the ongoing efforts to strengthen the regulatory framework and institutional capacity for effective procurement management. Therefore, until the procurement Manual 2024 is completed by NPC, the existing procurement guideline 2006 (Goods and works) is applicable for public procurement in the country. The proposed procurement guidelines include some additional provisions to the 2006 procurement guidelines, such as new methods of procurement like framework agreements and procurement under co-financing. However, provisions for G/SPP are not included in the 2024 guidelines; guidelines for G/SPP will be issued separately in the future.

This guideline is applicable for the office of the Secretary to the President, the office of the Secretary to the Prime Minister, the office of the Secretary to the Cabinet of Ministers, the offices of the Ministers appointed under Article 44 or 45, the Judicial Service Commission, the Constitutional Council, the Commissions referred to in the Schedule to Article 41B, the Parliamentary Commissioner for Administration, the Secretary-General of Parliament, Ministries, Government Departments, Provincial Councils, local Authorities, Public Corporations, business or other undertakings vested in the Government under any written law and Companies registered or deemed to be registered under the Companies Act, No.7 of 2007, in which the Government, a Public Corporation or Local Authority holds more than 50% of the shares of that Company.¹⁹

Furthermore, Sri Lanka's public procurement practices also incorporate regulatory provisions commonly used by other countries and funding agencies. These include guidelines issued by esteemed organisations such as the ICC and the UNCITRAL, emphasising principles of harmonisation and unification of international trade laws. Additionally, Sri Lanka's procurement framework draws upon domestic legislation such as the Construction Industry Development Act No.33 of 2014 and the Public Contracts Act No.3 of 1987, which provide specific regulations tailored to the country's context.

¹⁹ <https://www.parliament.lk/files/pdf/constitution.pdf?bcs-agent-scanner=fa02e659-0250-6340-bba2-77dd6b38d012>

3.4.5. Applicable guidelines for Public Procurement in Sri Lanka

- PPP guidelines for Private Sector Infrastructure Projects 1998
- Procurement guidelines (Goods and Works) 2006
- Procurement Manual (Goods and Works) 2006
- Guidelines for Selection and Employment of Consultants 2007
- Consultancy Service Manual 2007
- Guide to Project Management and Contract Management 2017
- Guidelines for Procurement of Pharmaceutical & Medical devices of a Consumable nature 2022
- Bidders Guide to Success in Public Procurement²⁰
- Additionally, New World Bank Procurement Framework, ADB and JICA guidelines are used for foreign funded projects according to the terms available in the credit agreements.²¹

3.4.6. Bidding Documents in Sri Lanka

In Sri Lanka, a variety of Standard Bidding Documents (SBDs) are used for different procurements. CIDA/SBD series is applicable to works contract, which caters to contracts of varying sizes and types, such as medium-sized contracts valued between LKR 10–100 million (CIDA/SBD/01), those exceeding LKR 100 million (CIDA/SBD/02), and those below LKR 10 million (CIDA/SBD/03). Additionally, specific documents like CIDA/SBD/04 are designated for design and building contracts.

For larger and more complex projects, the FIDIC (International Federation of Consulting Engineers) documents, such as the Red, Yellow, Silver, and Gold Books, are employed, particularly for Engineering, Procurement, and Construction (EPC) contracts.²²

In addition, organisations like the Ceylon Electricity Board adopt Orgalim²³ standard bidding documents for procuring machinery and equipment in the engineering industry, promoting efficiency and transparency in bidding processes.

For supply contracts, standard bidding documents such as International Competitive Bidding (ICB), National Competitive Bidding (NCB), and National Shopping are used. Approved standard bidding documents are currently unavailable for service procurement. For consultancies, bidding documents tailored for Quality-Based Selection (QBS), Quality and Cost-Based Selection (QCBS), Fixed-Budget Selection (FBS), and Least-Cost Selection (LCS) are used to ensure the selection of qualified and competent service providers. These standardised bidding documents play a crucial role in facilitating fair, competitive, and efficient procurement practices across various sectors in Sri Lanka.

3.5. Institutional framework of Public Procurement in Sri Lanka

In 1999, the government acknowledged the necessity for an organization to supervise the public procurement function and established the Procurement Support Bureau. In 2003, the World Bank, Asian Development Bank, and Japan Bank for International Cooperation undertook a thorough assessment of the public procurement landscape and proposed several solutions, including the establishment of a Procurement Regulatory Authority.

20 National Procurement Agency (NPA), Bidders' Guide to Success in Public Procurement, A Hand Book [sic], <https://www.treasury.gov.lk/web/procurement-guidelines-and-manuals/section/bidder%20guide%20to%20success%20in%20public%20procurement>

21 World Bank Procurement Framework 2016, <https://wbnpf.procurementinet.org/>; <https://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>; <https://www.worldbank.org/en/projects-operations/products-and-services/procurement-projects-programs>.

22 See <https://www.fidic.org/>.

23 Orgalim represents Europe's technology industries at EU level: innovative companies across the mechanical engineering, electrical and electronics, ICT and metal technology sectors. <https://orgalim.eu/>

The Procurement Support Bureau was dissolved in 2003, and its responsibilities were transferred to the Ministry of Finance.

The NPA was founded in 2004 by Her Excellency the President, exercising powers conferred by Article 33 of the Constitution of the Democratic Socialist Republic of Sri Lanka. The aims of the NPA were to formulate a national procurement strategy and to streamline the national procurement system and procedures. The NPA established the initial set of Procurement Guidelines and a Procurement Manual.

The NPA was dissolved in 2008, and its functions were moved to the Department of Public Finance (DOPF) of the Ministry of Finance (MOF).²⁴

The implementation of the 19th amendment to Sri Lanka's constitution in 2015 led to the establishment of the National Procurement Commission, signifying a pivotal moment in the country's procurement practices. This reform introduced various measures aimed at enhancing transparency, efficiency, and accountability within the procurement process. Key changes included the introduction of Appeals Boards at all levels of procurement to ensure fairness and effective dispute resolution, as well as the integration of Green Procurement principles to promote sustainable development goals. The adoption of Electronic Government Procurement (e-GP) marked a shift towards automated processes, enhancing accuracy and minimising errors. Furthermore, the inclusion of Framework Agreements and a separate category for Information Systems diversified procurement procedures, fostering innovation and service delivery improvements. Although the NPC was dissolved in 2022, its responsibilities were transferred to the Public Finance Department of the Ministry of Finance, ensuring continuity in procurement oversight.

Again, The National Procurement Commission had been established by the Hon. President with effect from 04.05.2023 in terms of the Article 156 B (1) of the Twenty-first Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka.

3.6. Functions of the National Procurement Commission Established Under the Article 156 B (1) of the Twenty-first Amendment to the Constitution

These functions were established to:

1. Monitor and report to the appropriate authorities, on whether all procurement of goods and services, works, consultancy services and information systems by government institutions are based on procurement plans prepared in accordance with previously approved action plans;
2. Monitor and report to the appropriate authorities on whether all qualified bidders for the provision of goods and services, works, consultancy services and information systems by government institutions are afforded an equal opportunity to participate in the bidding process for the provision of those goods and services, works, consultancy services and information systems;
3. Monitor and report to the appropriate authorities on whether the procedures for the selection of contractors, and the awarding of contracts for the provision of goods and services, works, consultancy services and information systems to government institutions, are fair and transparent;
4. Report on whether members of Procurement Committees and Technical Evaluation Committees relating to the procurements, appointed by government institutions are suitably qualified;
5. Investigate complaints/reports of procurements made by government institutions outside established procedures and guidelines, and to report the officers responsible for such procurements to the relevant authorities for necessary action;²⁵ and
6. Promote awareness of the policies, guidelines and procedures on public procurement.

24 <https://www.adb.org/sites/default/files/linked-documents/52203-001-sd-11.pdf>

25 <https://www.parliament.lk/files/pdf/constitution/amendment-proposals/2022/independent-group-proposal-en.pdf>

4. Procurement Policy Reforms in Sri Lanka

Over the past few years, Sri Lanka has implemented several significant policy reforms in public procurement. These reforms have greatly contributed to improving the country's public procurement systems. The primary objectives of these changes are to enhance transparency, increase efficiency, and ensure better value for money in public spending, while simultaneously reducing corruption and waste.

4.1. Harmonisation Provisions

The government's tender procedures were not aligned with the protocols of major international financing organizations. Consequently, governmental officials, contractors, and suppliers encounter challenges due to the necessity of adhering to various regulations and protocols. Consequently, the NPA has sought to change the existing Guidelines to align as closely as possible with the stipulations of international funding agencies. This is expected to streamline the procurement process.²⁶

4.2. Establishment of e-GP Policy (Promis.lk)

As a result of the fourth South Asia Region Public Procurement Conference, which took place in Sri Lanka from 20th to 23rd February 2017 under the theme 'e-GP in South Asia Achievements, Opportunities, and Challenges,' the Ministry of Finance and Mass Media has undertaken initiatives to develop an Electronic Government Procurement (e-GP) system, approved by the Cabinet of Ministers.

The e-GP system, designed to meet local needs in alignment with government procurement guidelines.

The implementation of the e-GP system is expected to significantly enhance the public procurement system, optimising resource use and improving economy, efficiency, transparency, and accountability in government procurement processes.

This system includes various modules, including Vendor Registration, Procuring Entity Registration, Goods and Services Categorisation, Procurement Plan and Activity Entry, Bidding Documentation Preparation, Bidding Process Management, Clarification and Announcement Modules, Bid Issuance, Bid Evaluation, Purchase Order Handling, Contract Awarding, e-Catalog System, Complaints and Appeal Management, Payment Processing, Contract Administration and Project Monitoring. Currently, promis.lk provides facilities for implementing procurement activities under the shopping method.

At present, there are 2870 suppliers and 465 procuring entities registered. A total of 5679 procurements have been handled since the implementation of the e-GP system. This system is very useful to ensure the green practice in procurement process through moving from paper based procurement practices.

4.3. Health Sector Procurement Policy

The 2022 Guidelines for the Procurement of Pharmaceuticals & Medical Devices of a Consumable Nature²⁷ have been issued with the approval of the Cabinet of Ministers to streamline the procurement process for Pharmaceuticals and a limited range of Medical Devices, ensuring transparency, efficiency, and fair dealing while maximising value for money.

This guideline has been applied for procurement of Pharmaceuticals and Medical Devices since 1 February, 2023, and Guidelines are accessible on the websites of both the Ministry of Finance, Economic Stabilisation, and National Policies (<https://www.treasury.gov.lk>) and the Ministry of Health (<http://www.health.gov.lk>).

²⁶ www.erd.gov.lk/devforum/Treasury/all_papers.pdf

²⁷ <https://www.treasury.gov.lk/web/procurement-guidelines-and-manuals/section/guidelines%20for%20procurement%20of%20pharmaceuticals%20-%2020202>

4.4. Relevance of Green Public Procurement

According to the Sustainable Development Goals (12.7), 'Promote public procurement practices that are sustainable, in accordance with national policies and priorities' is directly on the G/SPP. It comes under the Goal 12 'Ensure SCP patterns'. It also related with the other SDG goals such as Goal 6, 7, 9, 13, 14 and 15.

Sri Lanka committed to reduce greenhouse gas (GHG) emissions by 14.5% for the decade to 2030, including an unconditional reduction of 4%. Despite its low carbon footprint and highly vulnerable status, Sri Lanka has committed to increase its forest cover by 32% by 2030 and reduce greenhouse gas emissions by 14.5%. The island state also established 2030 targets to achieve 70% renewable energy in electricity generation.

Sri Lanka expects to achieve Carbon Neutrality by 2050 and has committed to not increase the capacity of its coal power plants.

The country also enhanced their adaptation goals and elaborated linkages to the Sustainable Development Goals.²⁸

Through the G/SPP, it can make a public demand for low GHG emitting products, energy efficient products, resource efficient products, products with green materials, healthier products, improve the facilities for waste management, implement environmentally friendly construction projects,²⁹ use sustainable transportation etc. Also it paves a way to procure services instead of purchasing products such as introducing business models to provide photocopying as a service instead of purchasing machines for public sector.³⁰ Therefore, it may create green job opportunities in the country.

4.5. Scope of G/SPP policy

The Green Procurement National Policy developed by MOE represents a framework for spending and investment aligned with public policy objectives. It mandates the integration of green standards into the current government procurement system, including Eco-labels and certifications, green specifications and green evaluation criteria.

This policy is equally applicable to the state owned enterprises and private sector to encourage environmental performance considerations into their business management cycles. The G/SPP policy will be used by the PEs after issue the G/SPP guidelines by the NPC.

4.6. G/SPP Policy Objectives

The overall objective of the G/SPP policy is to Encourage environmentally responsible procurement practices to optimise resource use, reduce adverse environmental and human health effects, and foster sustainable development by influencing consumer behaviour positively.

The specific Policy Objectives are:³¹

- To incorporate the Green Procurement Concept into the existing Public procurement process.
- To provide a clear direction and mandate for implementation of green procurement procedures to meet the government commitment for the Sustainable Development.
- To encourage local eco-friendly Goods, Works and Services and create a vibrant and sustainable market both at local and international levels.
- To assist and motivate local industrial and service sectors to improve their environmental performances and technologies.
- To consider the life-cycle environmental cost in the procurement processes.

28 <https://climatepromise.undp.org/es/taxonomy/term/176>

29 Green Building Council of Sri Lanka, 2022, Building a Brighter Future with Green Building Construction. <https://www.srilankagbc.org/#>

30 envmin.nsf.gov.lk/bitstream/handle/1/640/SOBA_31_2022_34_36.pdf?isAllowed=y&sequence=2

31 nv.gov.lk/web/images/announcements/Special_Notices/GPP_English.pdf

- To promote networking of environmentally responsible local suppliers.
- To adopt the Green Economy Concept in the society as a lifestyle
- To encourage green investments.

4.7. Current status of the policy

A National Policy on G/SPP has been developed by the MOE in collaboration with key stakeholders, including the MOF and DOPF. The Policy was approved by the Cabinet of Ministers on 24.07.2023. To implement the G/SPP policy, it is necessary for the following committees to actively function:

- National Steering Committee of National Eco-Labeling Framework (NELF): The committee has already been established and held its first meeting on 04.07.2023.
- Inter-Agency Expert Committee: The Inter-Agency Expert Committee of G/SPP has been established and held its first meeting on 14.11.2023, followed by the second meeting on 25.03.2024.
- Multi-Stakeholder Technical Committee (MSTC): This committee is currently being established, and the last meeting was held on 08.04.2024.
- G/SPP Knowledge Hub: This has not yet been established.

German Corporation for International Cooperation (GIZ) is dedicated to supporting the Ministry of Environment in Sri Lanka in the implementation of Green Public Procurement (GPP) and Eco-Labeling (EL) initiatives, with a primary focus on promoting sustainability, reducing environmental impact, and encouraging responsible consumption and production within government procurement processes.

GIZ's approach begins with comprehensive market and public sector surveys, involving thorough research into existing products, suppliers, consumers, and market dynamics related to environmentally friendly goods and services. GIZ also emphasises capacity building for government officials and relevant professionals by providing training and workshops on critical topics such as GPP, Life Cycle Analysis (LCA), Life Cycle Costing (LCC), and Eco-Labeling. Strengthening their knowledge and expertise is essential for informed decision-making and the development of effective policies.

Simultaneously, GIZ works on developing a National Eco-Labeling framework that aligns with GPP efforts. Our approach involves a holistic and coordinated effort to support the Ministry of Environment in implementing GPP and EL through conducting market and public sector analysis, capacity building, strategy development, and pilot projects to promote sustainable practices, reduce environmental impacts, and contribute to a greener and more responsible public procurement system in Sri Lanka. However, GIZ's works is likely to come to a standstill as their project is ending by the end of year.

4.8. Key Outputs

Expected output of engagement with GIZ are:

- **Output 1:** Legal frameworks, communication systems, and appropriate incentive mechanisms.
- **Output 2:** Strategies for Sustainable Public Procurement.
- **Output 3:** Establishing the eco-labelling criteria framework.

5. Assessment of country preparedness for S/GPP

SWITCH-Asia aimed to work in partnership with the Ministry of Environment, the National Procurement Commission, and competent ministries such as the Ministry of Finance to enhance G/SPP practices and foster greater transparency and public accountability in public financial management in Sri Lanka.

The first intervention included four countries for the initial year of activities, which began in August 2023: Bangladesh, Cambodia, Malaysia, and Vietnam. Sri Lanka requested to join the group and was welcomed into it in early 2024.

5.1. Assessment and Analysis of G/SPP Landscape in Sri Lanka

Assessment and analysis of current situation and available green products, market readiness, available regulations, knowledge on G/SPP and willingness to procure by the procuring entities are the critical success factor of G/SPP implementation framework. This assessment should be done based on the realistic and reliable information and also this assessment cannot be done only based on the secondary data.

In the framework of this Detailed Assessment, a survey conducted in February and March, 2024. The survey questionnaire is available here: <https://forms.gle/Luqr5DghiYp5kSmi6>. A total of 42 government entities provided comprehensive insight into the integration of G/SPP practices within organisations in Sri Lanka. It reveals that while there is some level of awareness and implementation of green procurement initiatives, significant gaps exist across various aspects. Notably, a portion of respondents (31% not at all, 28% very little) do not integrate green procurement practices into their organisation's current procurement activities.

Moreover, awareness of the recently approved Green procurement policy by the Cabinet of Ministers is lacking, with nearly a quarter (24%) not aware and a significant portion (31%) knowing very little about it.

Additionally, there seems to be a lack of awareness and implementation of environmental impact assessments (16% not at all aware, 33% very little) and the incorporation of green qualification and evaluation criteria in bidding documents (Only 7%). Although some efforts are made, such as using ISO 14001, Energy Star, and Energy Efficient standards for the procurement of some products such as digital printing machines, air conditioners, some biomedical equipment, ceiling fans, computers, solar panels, street lights, refrigerators, and chillers, etc. (applied only 9% and 16% moderately), and considering life cycle costs in bidding documents (14% applied), the overall adoption of these practices remains low. Moreover, environmental criteria in supplier selection processes such as whole life cost, minimum wage rates approved by the salaries and wages board for security and cleaning services, laboratory test reports for detergents and cleaning materials, points allocations for waste management plans and environmental pollution preventive plans, sulfur rate, and volatile material for coal procurement (used 9.5%), and the use of e-GP portals for bids (65% not at all) also show limited implementation. Furthermore, the competence of TEC members in using green criteria for bid evaluations is lacking (60% not much aware). Lastly, the correct consideration of G/SPP criteria for pre-qualification of bidders is low (12% applying).

The Survey output provides a picture of the current state of green procurement practices within organisations in Sri Lanka. It reveals that while there is a substantial level of awareness regarding G/SPP, with only 17% claiming to have no familiarity at all, there is still room for improvement, as nearly half of the respondents (48%) admit to being somewhat familiar. Similarly, when it comes to the familiarity of procurement staff with green products, the numbers indicate a lack of deep understanding, with 23% admitting to no familiarity and 45% claiming only a little. Despite this, there seems to be a recognition of the importance of sustainable practices, as a significant portion of respondents (45% very important, 19% extremely important). However, the gap between importance and practice is evident in the level of collaboration between organisations and green product suppliers, with a majority (33% not satisfy, 52% very little) expressing dissatisfaction with available green products in the market.

Trust in green labels and certifications is also lacking with a significant portion of respondents (48% very little, 37% moderately) indicating questioning. Eco-labelling is important for G/SPP because it helps identify

products and services that meet environmental standards. This encourages sustainable practices, reduces environmental impact, and supports informed purchasing decisions, ultimately contributing to a greener and more sustainable economy. Moreover, the availability of information about green products and suppliers seems to be severely lacking (Only few eco-labels are available for Construction Chemical Products, Tea Products and one dairy product Etc.), as the majority of respondents (60%) report having very little access to such information. Finally, the institutional framework for green certification in Sri Lanka appears to be inadequate, with 62% expressing very little confidence in its effectiveness. In conclusion, while there is a growing awareness and recognition of the importance of green procurement practices, significant gaps and challenges remain in terms of familiarity, collaboration, trust, availability, and institutional support, highlighting the need for concerted efforts to address these issues and promote sustainable procurement practices in Sri Lanka.

5.2. Assessment of G/SPP Regulatory Framework

Public procurement legal framework for integrating sustainability in purchasing decisions

The National Policy on Green Procurement has been developed by the MOE in consultation with key stakeholders including MOF, NPC. The Policy 2023 is approved by the Cabinet of Ministers on 24.07.2023. The G/SPP initiative is designed as a tailor-made programme and in a voluntary nature at the initial stage.

The policy is formulated to incorporate green considerations into the public procurement system, stemming from more user-friendly standards and specifications, and gradually taking into account more aspects or being based on higher levels of environmental performance through step-by-step implementation.³²

G/SPP criteria will be defined, and products and services will be prioritised based on the ease and quickness of implementation. Therefore, it is necessary to start the policy implementation with comprehensive assessments in both the public and private sectors and to periodically carry out surveys to gauge the dynamism.

Provisions for G/SPP were included in the Procurement Guidelines 2018 (Chapter 14) in 2018. However, due to political and administrative changes, approval for the procurement guideline 2018 was delayed. With the re-establishment of the Procurement Commission, the decision has been made to prepare new guidelines for green procurement incorporating provisions of the G/SPP policy. Therefore, no separate chapter in the recently cabinet approved procurement guideline -2024. This means that although Sri Lanka has a G/SPP policy approved by Cabinet in 2023, its provisions are currently not applicable in procurement process. It is therefore necessary that provisions of the G/SPP policy be urgently incorporated in the Procurement Guidelines 2024 to operationalise their mandate in actual practices.

In addition, some special industry-specific regulatory provisions recognised by different regulatory bodies are being used for certain identified civil works and goods procurement in Sri Lanka (see Table 1, below).

Table 1. G/SPP Regulatory Framework

S/N	Act	Purpose	Provisions available
01	National Environment Act No. 47 of 1980	Environmental protection regulations	<ul style="list-style-type: none"> Requires Environmental Impact Assessments (EIAs) for prescribed projects, which would include large-scale construction. Provides for the regulation of environmental quality.
02	National Environment Act (Amendment) Act No. 56 of 1988	Amendments to the original National Environment Act	

³² http://env.gov.lk/web/images/announcements/Special_Notices/GPP_English.pdf

03	National Environment Act (Amendment) No. 53 of 2000	Further amendments and updates to the National Environment Act	
04	Coast Conservation Act No. 57 of 1981	Compliance in harbour and marine work projects	<ul style="list-style-type: none"> • Mandates the consideration of environmental impact in coastal development projects.
05	Marine Pollution Prevention Act No. 59 of 1981	Compliance in harbour and marine work projects	<ul style="list-style-type: none"> • Focus on marine pollution, that may affect construction projects near water bodies. • Regulates discharge of waste and other pollutants that could result from construction activities.
06	Fauna and Flora Protection (Amendment) Act, No. 22 of 2009	Protection of fauna and flora	<ul style="list-style-type: none"> • Protects certain areas as national reserves and sanctuaries.
07	Felling of Trees (Control) Act No. 9 of 1951	Regulation and control of tree felling	<ul style="list-style-type: none"> • Regulates the felling of trees, which is relevant for site preparation in construction. • Require permits for removing trees from construction sites.
08	Soil Conservation Act (Amendment), No. 24	Enhancement and sustenance of the productive capacity of the soil	<ul style="list-style-type: none"> • Preserve soil stability and prevent erosion. • Required specific soil conservation measures in construction plans
09	Plant Protection Act No. 35	Plant protection regulations	<ul style="list-style-type: none"> • Focus on agriculture, it may affect landscaping aspects of green construction. • Could influence the choice of plants used in green building projects.
10	Pradeshiya Sabha Act No. 15	Regulatory provisions for eco-friendly civil works projects and environmental compliance	<ul style="list-style-type: none"> • Provides local authorities with powers to regulate construction activities. • May include provisions for eco-friendly civil works projects at the local level.

5.3. Assessment of Market readiness

According to the meeting held with contractors, suppliers, and consultants, the supply side is still not ready to cater to G/SPP in Sri Lanka (see Table 2, List of Supply-side Agencies/Suppliers, below). As suppliers explained, the available market for green products is very limited. Without a market and demand for green products, investing money is a risk. In Sri Lanka, the market for greener products and services varies, with urban areas showing some demand while rural areas are mostly price-conscious. However, the educated society comprehends the importance of the green concept and its repercussions.

Table 2. List of Supply-side Agencies/Suppliers

Name of the Person	Name of the Company	Address	Email address
Sarath Fernando	Sarath Fernando Architectural Consultancy Services	1067/49A, Pothuarawa Road Malabe	sarathfe@yahoo.com
Sugeeshwara Sirimanne	Glanrich (Pvt) Ltd.	No 387, Athurugiriya Road, Walgama, Athurugiriya	sugeelk@gmail.com
Dr M.S.Anurudhdha	Director General, Sri Lanka Tea Board	574, Galle Road, Colombo 3, Sri Lanka	senakamayadunne@gmail.com
D.K.Nimal	DKN Construction	Palatuwa, Matara	
Mr Malinga	Lanka Industrial Services Agencies (Pvt) Ltd.	No 38 Station Rd, Wattala, Sri Lanka	lankaind@gmail.com
Mr Hasitha Karunarathne	Sri Lanka Institute of Standards	No. 17 Victoria Place, Elvitigala Mawatha, Colombo-08, Sri Lanka	hasithwk@yahoo.com
Ms Priyanwada	CIDA	123 Wijerama Mawatha, Colombo-7	mpriyanwada1973@gmail.com
Mrs S U Narangoda	Sri Lanka Institute of Standards	No. 17 Victoria Place, Elvitigala Mawatha, Colombo-08, Sri Lanka	dsc@slsi.lk

Knowledge of the potential benefits for government institutions in adopting green procurement practices is a concern, emphasising that such measures could lead to significant advantages. However, due to insufficient awareness, institutions often suffer losses in the long run. For example, in the procurement of air conditioning units and industrial cooking equipment, outdated specifications are still being used despite the availability of more energy-efficient technologies. There is concern over the lack of consideration for factors like service distance in the service sector, leading to fuel wastage and environmental impact.

There may be uncertainty about whether procuring entities are willing to pay a premium for green products. If there is not enough demand for green products, sustaining the business will become a challenge.

For the identification of green products from non-green products, it is necessary to establish reputed green labels, standards, and accreditations. Unfortunately, available regulatory bodies are very limited in Sri Lanka.

Government organisations and other procuring entities are not ready to buy green products at higher prices due to limited budget allocation and the current economic crisis in Sri Lanka.

Investing in research, development, and marketing of green products can require significant financial resources, and investing money in green technologies may involve higher initial costs of investment. Therefore, due to the lack of demand for green products, there is market uncertainty regarding investments.

Although eco-friendly practices are not widely recognised, there are some efforts, like award ceremonies by Chambers of Commerce in Sri Lanka. However, government involvement in rewarding eco-friendly companies is minimal.

Understanding of eco-friendly issues in the country is still at a primary level, with limited investment prioritisation.

Most companies in Free Trade Zones practice eco-friendly measures due to customer regulations, but there is room for improvement in motivating eco-friendliness.

According to the assessment and discussions had with building contractors, In the case of building construction, the application of green building concepts, green designs, and the use of green materials are limited in construction projects. Procuring entities often prioritise cost as the main factor in procurement decisions. Some engineers and designers recommend the adoption of eco-friendly materials, such as:

- a. Inverter AC units for buildings
- b. Aluminium fabrications instead of timber
- c. Imported galvanised roofing sheets instead of asbestos roofing sheets
- d. Rainwater harvesting systems for some school buildings
- e. Not installing gutters on roofs in school buildings to minimise dengue problems
- f. Using warm colour LED panels instead of brilliant white lights
- g. Including sustainable energy solutions such as solar systems and bio-gas plants.

5.4. Assessments of Availability of Sustainable /Green Products

The eco-label system in Sri Lanka lacks a designated authority for verification, primarily relying on printed signs. Few organisations such as NCPCSL, The Green Building Council of Sri Lanka (GBCSL), Sri Lanka Sustainable Energy Authority (SLSEA) and The Forest Stewardship Council (FSC) Sri Lanka have introduced some eco-labels. In addition, some locally accredited agents and globally recognised bodies are issuing eco-labels for local manufacturers.

5.4.1. Energy Efficiency Standards

Energy efficiency rating systems and Minimum Energy Performance labels are issued for inefficient electrical appliances such as Electric Lamps, Refrigerators, Computers, Air-conditioners, Electric Motors, etc. The initiative is managed by the Sri Lanka Sustainable Energy Authority (SLSEA). These labels indicate the energy efficiency and minimum energy performance of the appliances.

SLSI offers certification for products produced following organic agriculture principles. This certification scheme is granted based on the SLS 1324:2018 Standard, which is developed in equivalence to international organic standards. The certification assures consumers of the organic integrity of the products and ensures that they meet the requirements for conversion, production, handling, marketing, and labelling according to organic standards.

At present, SLSI provides standards for the selected products. These standards are related to energy efficiency and can be used when calling for bids in public procurement (see Table 3, below).

Table 3. Energy Efficiency Standards

ENERGY EFFICIENCY RATING	<ul style="list-style-type: none"> • Energy efficiency rating for self-ballasted integral type compact fluorescent lamps for general lighting services: SLS 1225 • Energy Efficiency Rating for Electric Ceiling Fans with Regulators: SLS 1600 • Energy Efficiency Rating for LED modules – General Lighting: SLS 1740 • Energy efficiency rating for three-phase squirrel cage induction motors: SLS 1525 • Energy efficiency rating for single split type room air conditioners: SLS 1586
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MINIMUM ENERGY EFFICIENCY	<ul style="list-style-type: none"> • Minimum energy performance for self-ballasted integral type LED lamps for general lighting services: SLS 1530 • Minimum Energy Performance for Computers: SLS 1580 • Minimum energy performance for household refrigerators: SLS 1690
SOLAR PV SYSTEM CODE OF PRACTICE	<ul style="list-style-type: none"> • SLS 1522 Sri Lanka Standard Code of Practice for Grid Connected Photovoltaic Power Systems Requirements for System Documentation, Installation, Testing & Commissioning
POWER CONVERTERS	<ul style="list-style-type: none"> • SLS 1543 Sri Lanka Standard Specification for Safety of Power Converters for use in Photovoltaic Power Systems – (IEC 62109) • SLS 1547 Sri Lanka Standard Specification for Photovoltaic (PV) Systems – Characteristics of the Utility Interface (IEC 61727)
HYBRID INVERTER	<ul style="list-style-type: none"> • SLS 1680 Sri Lanka Standard Specification for Safety of Hybrid Inverter for Solar PV System
SWITCHGEAR AND CONTROLGEAR	<ul style="list-style-type: none"> • SLS 1554 Sri Lanka Standard Specification for Low-Voltage Switchgear and Control gear • Part 1 General Rules (IEC 60947-1) • Part 2 Circuit-Breakers (IEC 60947-2) • Part 3 Switches, Disconnectors, Switch-Disconnectors (IEC 60947-3)
DC CABLE	<ul style="list-style-type: none"> • SLS 1542 Sri Lanka Standard Specification for Electric Cable for Photovoltaic Systems (EN 50618)

5.4.2. CIDA-certified Green Products / material ratings

The Construction Industry Development Authority (CIDA) of Sri Lanka, as the apex government body for construction, has developed a framework to promote green buildings. This framework outlines the requirements for rating Green Construction Materials and Components (GCMC), integral to ensuring environmental sustainability in construction. This initiative aims to encourage stakeholders to minimise resource usage through the adoption of sustainable practices, including the application of circular economy principles.

Future buildings in Sri Lanka are envisioned to prioritise energy and water efficiency while mitigating negative environmental impacts throughout their lifecycle.

The introduction of the Green Rating system is expected to enhance opportunities and recognition for material suppliers, potentially becoming a value addition for state-sector projects. Professionals and stakeholders in the construction industry are encouraged to consider CIDA's Green Rating when selecting materials and components for construction projects. Additionally, manufacturers, importers, and suppliers registered in Sri Lanka stand to benefit from this rating system. The guidelines and scoring system for the Green Rating have been developed using internationally accepted methodologies, focusing on seven key fields tailored for the Sri Lankan context: Energy and Efficiency, Sustainable Site Planning and Management, Building Materials and Resources, Quality of Interior Environment, Water Efficiency, Green Innovation, and Socio-Cultural Compatibility (see list below).

List of CIDA-Certified/Rated green products material

- Ready Mix concrete
- Pebbles for Landscaping
- Aluminium extrusions
- Aluminium Composite Material
- Compressed earth blocks
- Fibre concrete cover blocks
- Interlock, block, flower pots, fence posts and handrails
- Cement Blocks

- Calcium Silicate Boards
- Square /Rectangular bars (PreGalvanised)
- Fibre cement flat sheet
- Concrete pots
- Chrysotile cement sheets
- Limestone cement
- Fly Ash Hydraulic Blended cement
- Non Asbestos fibre

5.4.3. NCPCSL Certified eco-labels

The NCPCSL Ecolabelling Programme is a green product certification scheme in Sri Lanka, started with support from the UN Environment Consumer Information Programme and help from Eco Mark, Japan.³³

Ecolabel Sri Lanka follows ISO 14024 principles, which are global standards for eco-labelling. Also, NCPC gets advice from other international eco-label programmes through its membership in GEN.

NCPC made strict voluntary standards with experts in different fields. These standards are checked and approved by a group called the Governing Council, made up of people from the government, industry, schools, and other areas.

Ecolabel Sri Lanka covers three product types, each with standards based on thinking about the whole life of the product. This includes products like food (Dairy, Tea) and building materials like paint, steel, and cement. The certification process checks if products meet strict rules about being good for the environment, people's health, society, and if they're right for what they're used for.

The NCPC Ecolabel is respected both in Sri Lanka and worldwide. As part of RECPnet, which was set up by UNIDO and UNEP, NCPC makes sure that consumers, suppliers, and people buying things for organisations can trust that the products have been checked independently.

List of NCPCSL-certified eco-friendly products

- Dairy Products
- Tea Products
- Constructions Chemical and Products

5.4.4. GBCSL certified eco-friendly products

The Green Building Council of Sri Lanka (GBCSL) is a not-for-profit organisation established to promote sustainability in the construction industry of Sri Lanka.

The key objectives of the council include the transformation of traditional construction practices by championing green building principles and embracing sustainability as the cornerstone of our collective progress.

GBCSL empowers both suppliers and consumers to make informed decisions that prioritise environmental responsibility and sustainable practices. Central to GBCSL's mission is the General Green Labelling system, designed to incentivise the production of environmentally sound products while enabling consumers to make informed choices

The GREEN^{SL}® Labelling System encourages the product manufacturers to implement measures that would result in environmental, health and wellbeing benefits at the following stages of the life cycle of the products.³⁴

33 Eco Label Sri Lanka (National Cleaner Production Centre Sri Lanka). <https://globalecolabelling.net/organisation/eco-label-sri-lanka/>. See also Ecolabel Index, 2024, All Ecolabels in Sri Lanka, <https://www.ecolabelindex.com/ecolabels/?st=country,lk>

34 <https://de.slideshare.net/SanglapAdhikary/sustainable-and-green-socioenvironmental-growth>



Figure 1. GREEN^{SL}® Labelling system

List of GREEN^{SL}® Labelled Products

- Cement
- Concrete and Concrete products
- Bricks
- Ceramic and Clay tiles
- Sanitary wares
- Paint and Coatings
- Composite products
- Roof Materials
- Constructions aggregates
- Glass
- Builders Hardware
- Aluminium
- Cables
- Wall coverings

However, products under these labels are not often purchased with ecolabel criteria. This shows that though Sri Lanka has favourable policy and tools for defining and verifying environmental criteria for few products, it is not being implemented for want of necessary amendment in procurement guidelines.

5.5. Assessment of Stakeholder Engagement

Engaging with various stakeholders including government agencies, non-governmental organisations, industry representatives, and civil society groups to gather insights, feedback, and perspectives on current G/SPP practices and potential areas for enhancement. Multi-stakeholder technical committee will consist of 26 organisations (see Table 7), including Ministries, Departments, State-owned Enterprises, and research institutes and universities.

Table 4. List of Multi-stakeholders

S/N	Line Ministry	Line Agency	Selected product	Task
01	Education	Education	Stationary	Specs Standards Green criteria
02	Health	National Hospital	Detergent	Specs Standards Regulations Green Criteria
03	Housing	CIDA	Building material	Specs Standards Regulations Green Criteria Disposal methods Green Rating
04	Environment	My of Environment	Bottled water	Specs Standards Regulations Green Criteria Disposal methods Circular economy practices
05	Power and Energy	Lanka Coal. Ltd	Coal	Regulations Green Criteria Disposal methods Circular economy practices Buy back practices
06	Industries	SLITA	Linen	Specs Standards Green criteria
07	Industries	SLITA	Leather products	Regulations Green Criteria Disposal methods Circular economy practices
08	Power and Energy	Sustainable Energy Authority	Solar Panels	Regulations Green Criteria Disposal methods Circular economy practices Buy back practices

09	Agriculture and plantation	Dept. of Agriculture	Fertiliser	Specs Standards Green criteria
10	Ministry Plantation	Tea Board	Tea	Specs Standards Green criteria

A Multi-stakeholder Technical Committee is being established; the first meeting was held on 19 November, 2023. A further workshop was held on 11 December, 2023, with 26 stakeholders at the MOE to collect inputs from stakeholders for future development of the G/SPP implementation. The role of the identified key stakeholders MOE and private sector, Civil societies and National Audit offices is presented below.

6. Institutional Framework and Management Capacity

An effective institutional framework ensures that green procurement policies are put into action, with clear guidelines and responsibilities across government agencies. It supports collaboration among stakeholders for sharing knowledge and resource, addressing implementation challenges. Strong management capacity is vital, requiring personnel training and resource allocation. It also enables strong compliance monitoring and enforcement to ensure adherence to environmental standards.

6.1. Integration of green procurement principles into the Public Financial Management

The integration of green procurement principles into the Public Financial Management (PFM) system is essential for promoting sustainable practices and mitigating environmental impacts. This integration encompasses various aspects, including financial provisions for green investment during the budget planning, such as prioritisation, setting quantitative targets, establishing green investment criteria, and implementing tracking mechanisms.

According to the series of meetings conducted by the MOE with inter agency expert committee, representatives of MOF highlighted that in the current financial context, MOF is not in a position to allocate extra budgetary allocation for procurement of green products. However, MOF highlighted, that application of green practices that do not present to the additional costs can be applied at the initial stage. Therefore, this assessment survey has identified the following non-cost activities that can be introduced at the initial stage of implementation of G/SPP in Sri Lanka.

1. Introduce circular economy practices in existing procurement practices during the pre-procurement stage.
2. Procure energy-efficient lighting solutions that have Energy Star and EPEAT (Electronic Product Environmental Assessment Tool) certification.
3. Introduce eco-friendly packaging materials, avoid excessive quality in packaging and wrapping, and prioritise products with minimal packaging. For example, promote the use of reusable glass water bottles instead of plastic water bottles.
4. Prepare specifications focusing on end-user requirements.
5. Support local and sustainable food options for office catering and functions.
6. Design buildings with provisions for future renewable energy sources such as solar panels.
7. Consider outsourcing for rarely used machinery and equipment instead of procurement.
8. Incorporate buy-back methods into public procurement practices.
9. Choose office furniture made from sustainable materials or refurbished items.
10. Establish a green culture and promote green thinking among government officers and clients. For example, offer appreciation letters for employees who adopt eco-friendly practices at work.
11. Provide training and education on green and sustainability practices for employees.
12. Lifecycle costing as evaluation criteria

Application of non-cost factors in the evaluation of bids is somewhat arbitrary. These non-cost factors can be used to select the bidders by converting them into point scores or considering non-cost factors during the pre-qualification stage and incorporating into the qualification/evaluation criteria. However, the application of this criteria should not be a reason for limiting fair competition, equal opportunity, transparency, and accountability in the procurement process.

6.2. Proposed Designated institutions for implementing G/SPP

The establishment of designated institutions for implementing Green and Sustainable Public Procurement (G/SPP) as pilot projects in Sri Lanka marks a significant step towards advancing G/SPP practices. These institutions, proposed to lead G/SPP implementation, will develop eligibility criteria, evaluation criteria, green standards, and specifications. Furthermore, these institutions will play a pivotal role in raising awareness about the importance of G/SPP among stakeholders and providing training and support to procurement professionals.

Table 5. Designated institutions and recommended products for implementing G/SPP

Responsible Agency	Agency responsibilities
The Ministry of Environment	Overall management of the G/SPP Policy, National strategic goals and priorities Management of the Green Procurement Information System and the Green Product Information System
National Procurement Commission	Development of G/SPP guidelines Monitor the implementation of G/SPP Communication of green products information to public institutions Monitoring and Evaluation of G/SPP application
The Ministry of Finance	Overall management of the G/SPP Framework Provide financial support to implement the G/SPP policy in Sri Lanka
Sri Lanka Standard Institute	Develops Energy efficient standards Eco-labelling and certifications Raise citizen awareness on products and services for use in public procurement
Sri Lanka Accreditation Board (SLAB)	Promote accreditation activities and provide the necessary accreditation services to facilitate conformity assessments in the provision of goods and services for domestic and export markets
Industrial Technology Institute (ITI)	Issues of laboratory test reports when asked by the bidders
Construction Industry Development Authority (CIDA, ICTAD)	Issues of guideline for green material and green design Certifications for green building material Development of G/SPP criteria for construction industry
Universities	Provision of education and awareness raising on G/SPP
Sri Lanka Institute of Development Administration (SLIDA)	Develop curricular for training programmes on G/SPP Capacity building of Public and Private sector on G/SPP
Sri Lanka Sustainable Energy Authority	Develop qualification and evaluation criteria, whole-life assessment of sustainable energy projects Facilitating as a member of the TEC procurement of sustainable energy projects

Urban Development Authority	<p>Development of green building manual</p> <p>Certification of Green building designers and Developers</p>
Ceylon Chamber of Commerce	<p>Recognition of Green Manufactures</p> <p>Awards and rewards for green products</p>
Ministry of Industries	<p>Production and supply Green products and services</p> <p>Innovation the development of new G/SPP solutions and approaches</p>
Private Sector	<p>Researching, developing, and implementing sustainable solutions that meet the requirements of green procurement policies</p> <p>Introducing new environmentally friendly products and processes</p> <p>Contribute to the expansion and improvement of green products for public entities.</p> <p>Encouraging their suppliers to adopt eco-friendly practices, private sector firms</p> <p>Private sector entities can collaborate with public sector organisations, and other stakeholders to promote the adoption of green procurement practices</p> <p>Sharing knowledge, resources, and best practices</p>
Civil Societies	<p>Advocates for environmental sustainability</p> <p>Creating demands for application of G/SPP practices</p> <p>Protest against the eco-hazard products and projects</p> <p>Watchdog activities</p> <p>Review of implementation of G/SPP policies and regulations</p>
National Audit Office	<p>Conduct independent and objective assessments of G/SPP practices</p> <p>Development of green –audit standards and criteria</p> <p>Assesses the economic feasibility of green procurement strategies, such as whole life cost value for money</p> <p>Advocates for the adoption of environmental standards, performance metrics, and monitoring mechanisms to drive continuous improvement in G/SPP implementation</p>

6.3. Communication strategy for G/SPP

When evaluating a communication strategy for Green and Sustainable Public Procurement (G/SPP) in Sri Lanka, it is important to consider various channels for sharing information, such as websites, newsletters, and media conferences. Additionally, conducting awareness campaigns, encouraging cooperation, and building the ability to use sustainable procurement practices across the country are crucial goals.

Many universities have incorporated public procurement as one of the main subjects into their undergraduate and postgraduate programmes, including the University of Jayawardhanapura, the University of Moratuwa, and the Open University of Sri Lanka. Additionally, the Sri Lanka Institute of Development Administration (SLIDA), the country's apex training body, offers a Higher National Diploma in Public Procurement and Contract Administration (HN-DIPPCA) for procurement staff from government and private sector organisations.

However, the available course content on G/SPP is currently minimal, highlighting the need to revise curricula to include more learning input to sustainable public procurement modules.

The policy outlines the creation of specific institutions to enhance G/SPP practices in Sri Lanka. The establishment of a Knowledge Hub (KH) and a Citizen Advisory Bureau (CAB) will involve close collaboration with relevant government bodies to facilitate the transition to green procurement. The CAB, using existing staff, will focus on integrating green practices locally by collecting information, raising awareness, and supporting local producers and suppliers. Meanwhile, the KH, comprising experts, will share knowledge, provide support, and address challenges in G/SPP implementation. Both the KH and CAB will work in conjunction with the Ministry of Environment (MOE) and the National Procurement Commission (NPC) to ensure effective policy implementation and monitoring.

This system will be established and administrated by the MOE in collaboration with NPC MOF will guide the operation of the G/SPP Platform and Interagency Expert Committee (IAEC)

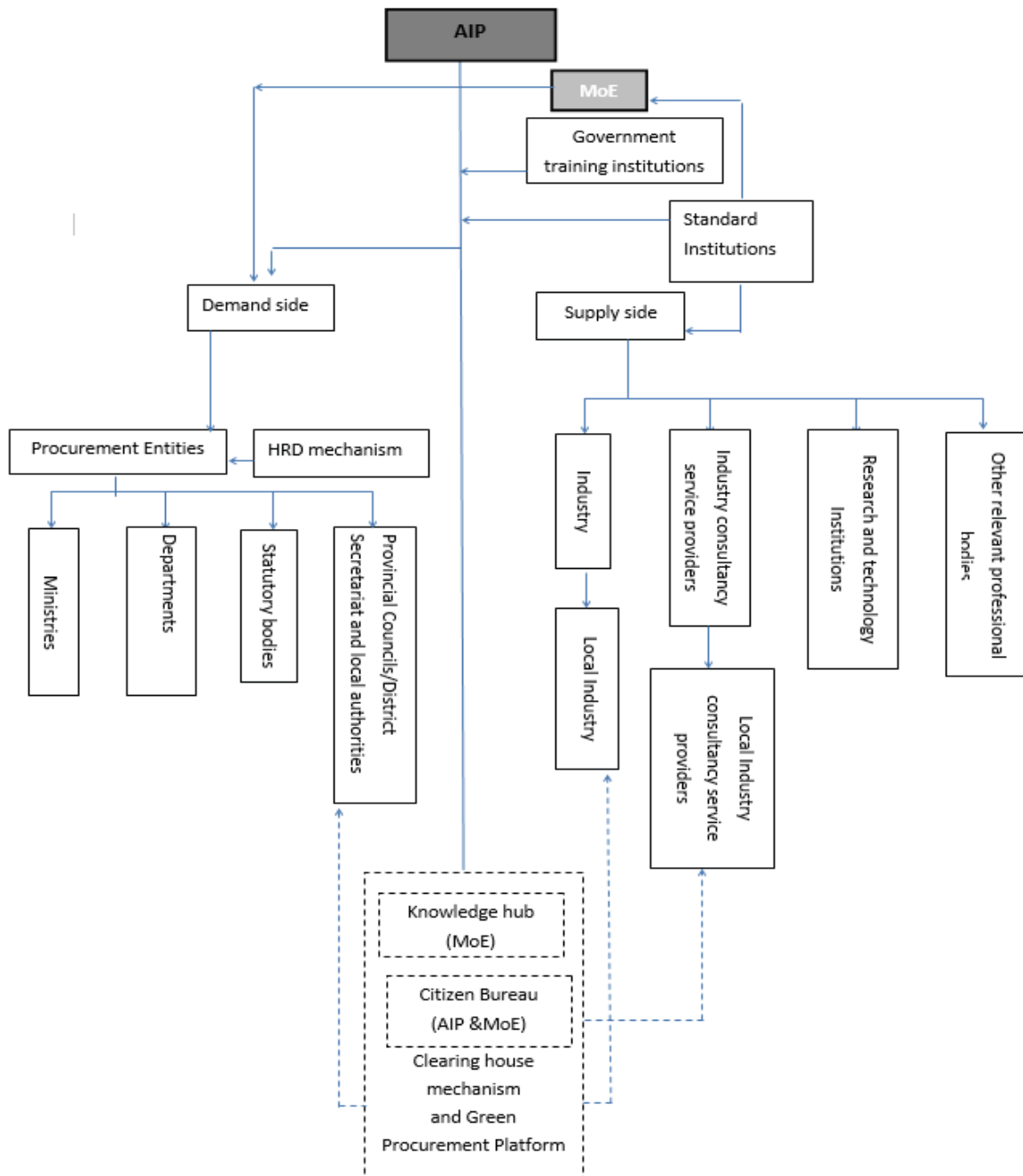


Figure 2. Knowledge management and capacity building (source: Ministry of Environment)

6.4. Accountability, Integrity and Transparency of the Public Procurement System in Sri Lanka

Civil society engagement are essential components to ensure transparency, accountability and sustainability in procurement practices in Sri Lanka. This involves actively engaging stakeholders, including government agencies, private sector entities, civil society organisations and individuals to solicit input and feedback, thereby promoting accountability and legitimacy in policy formulation.

By involving civil society organisations in the procurement process, leads to minimise procurement corrupt practices up to certain level, and diverse perspectives are considered, leading to more inclusive and sustainable outcomes. Over the past few years, several procurement-related investigations have occurred due to complaints made by civil societies and individuals. For example, there is an investigation into the procurement of human immunoglobulin by the Ministry of Health.

Additionally, some international non-Government organisations such as Transparency International Sri Lanka (TISL) are conducting social awareness programmes on corruption, conflict of interest, abuse of transparency, and public accountability in public procurement. TISL has also developed a website, www.apesalli.lk, to facilitate complaints against corrupt procurement and mis-procurement in the public sector of Sri Lanka.

The National Procurement Commission (NPC) is taking steps to update the existing appeal systems on public procurement, improving the currently used formal Cabinet-level appeal process to include appeals at the ministry level, department level, and regional level of procurement.

Furthermore, initial steps are being taken by the NPC to establish procurement laws instead of procedures, following the instruction of the IMF.

Building the capacities of relevant stakeholders to integrate sustainability into procurement practices is essential. Implementing capacity-building programmes and training initiatives for procurement professionals, government officials, and civil society representatives enable them to understand the importance of sustainability in procurement and equip them with the necessary knowledge and skills in public procurement.

The National Audit Office plays a vital role in combating corruption and maintaining integrity, transparency, and accountability in public procurement. It achieves this by conducting case study-based learning programmes for staff at all levels of the National Audit Office. Additionally, recent developments include the development of a Procurement Audit Manual and a Procurement Audit Checklist, aimed at achieving the aforementioned objectives.

7. Conclusion

In conclusion, the implementation of Green and Sustainable Public Procurement (G/SPP) policies in Sri Lanka is essential for fostering sustainability and aligning procurement practices with environmental, social, and economic objectives. The National Policy on Green Procurement, developed in collaboration with key stakeholders, represents a significant step towards integrating green considerations into the procurement system. However, there are challenges in policy implementation, including gaps in awareness, regulatory frameworks, and institutional capacity.

Civil society engagement plays a crucial role in promoting transparency, accountability, and sustainability in procurement processes. By actively involving stakeholders and addressing their feedback, procurement practices can become more inclusive and responsive to diverse perspectives.

Even though eco-labels, energy-efficient standards, and green standards issued by the Green Building Council, SLSI, and CIDA are available in Sri Lanka, the application of such standards is at a very low level. Approximately 95% of standards, eco-labels, and green standards relate to the building material and construction industry, and only a few eco-labels are available for goods and services. However, some procuring entities are using standards issued by SLSI for selected goods procurement on a voluntary basis. Therefore, identifying and introducing eco-labels and green standards for the goods and services sector is very important for the implementation of G/SPP in Sri Lanka.

Efforts to update appeal systems and establish procurement laws demonstrate a commitment to strengthening governance and accountability in procurement processes. Building the capacity of stakeholders through training programmes is vital for ensuring effective implementation of sustainability principles in procurement decisions.

Overall, the journey towards sustainable procurement practices in Sri Lanka requires concerted efforts from all stakeholders, including government agencies, private sector entities, civil society organisations, and individuals. By addressing existing challenges and enhancing collaboration, Sri Lanka can achieve its goals of promoting sustainable development through green procurement initiatives.

8. Recommendations

It is expected that proposed new public procurement law in Sri Lanka will maintain the current momentum on strengthening the legal provisions with respect to integrating sustainability in purchasing decisions. The application of G/SPP practices in Sri Lanka depends on a number of critical success factors as recommended below. Integrating these practices will not only promote G/SPP but also contribute to long-term economic resilience and social well-being in Sri Lanka.

1. It would be advisable to empower the Inter-Agency Expert Committee to develop a National G/SPP Strategic Roadmap & Action Plan for G/SPP implementation in a time bound manner. This roadmap should translate the provisions of the procurement law into smaller, actionable goals and activities that drive sustainability benefits through public procurement.
2. NPC, as the key regulatory body in the implementation of public procurement systems in Sri Lanka, shall appoint expert committees in the relevant fields to develop amendments to the Procurement Guidelines 2024 incorporating G/SPP practices and prepares a G/SPP guidelines with the assistance of the Ministry of Environment.
3. NPC and other regulatory bodies, such as CIDA, shall revisit the existing bidding documents and make necessary changes, incorporating provisions for G/SPP policy, including green qualification criteria, green evaluation criteria, green specifications, ecolabels, and standards.
4. MOE shall formulate a citizen advisory bureau with the support of the NPC in collaboration with the relevant government institutions to support the transformation from conventional procurement to G/SPP. An Eco-Product Directory shall be developed as a tool for showcasing a range of green products available in the country.
5. MOE, NPC, CIDA, and SLIDA together shall conduct awareness creation programmes and knowledge-sharing programmes for both sides, demand and supply, to raise awareness about the application of G/SPP policy.
6. NPC shall establish a complaint mechanism to take action against non-compliance and corrupt practices in G/SPP.
7. The Ceylon Chamber of Commerce and CIDA shall introduce a reward system for suppliers and contractors who produce genuine green products in Sri Lanka.
8. MOE shall develop a performance indicator to monitor, verify, and evaluate the performance of the G/SPP and the progress of the implementation of the policy.

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