

10YFP Trust Fund

Full Project Document template

PART 1 - PROJECT SUMMARY (MAXIMUM 1 PAGE)

Date: 21/04/2015

Title of project: Towards a Sustainable Public Procurement System in Uruguay (TSPPU 1)

Related 10YFP programme: Sustainable Public Procurement
Programme area (if relevant): 1. Implementing SPP on the ground

Targeted countries/regions: Uruguay

Applicant name: Agencia de Compras y Contrataciones del Estado (ACCE) – Uruguayan Government Procurement Agency.

Applicant type: government

List of partner(s):

DINAMA (Dirección Nacional de Medioambiente – Ministerio de Vivienda, Ordenamiento Territorial y Medioambiente MVOTMA).

DINAMA is the National Environmental Agency under the Ministry of Housing, Territorial development and Environment, with 200 employees and 24 years of experience. DINAMA is responsible for the formulation, implementation, monitoring and evaluation of national plans for environmental protection and to propose and implement a national policy regarding this area, to reconcile through MVOTMA these needs of environmental protection and sustainable development. DINAMA also coordinates exclusively integrated environmental management of the State and public entities in general.

DINAMA will provide technical expertise for the Project.

Executing agency, if any, (if an executing agency is designated, it will receive funding):

UNOPS - Oficina de Servicios para Proyectos de las Naciones Unidas

Start date: 01/07/2015

End date (maximum 24 months): 30/06/2017

Project Executive Summary including Primary objectives, Expected results, targeted beneficiaries of the project:

Uruguay is highly engaged in the field of Sustainable Public Procurement (SPP), and has actively participated in a number of initiatives including those led by the United Nations Environment Programme UNEP. However, although a number of national laws already provide for sustainability criteria to be incorporated in public procurement, the actual implementation and enforcement in Uruguay of these laws and the SPP action plan designed with UNEP have so far been limited.

To address these limitations, ACCE integrated SPP in its institutional Strategic Plan for 2015-2020, and this project is an integral part of this strategic plan: one of the 4 axes of the Plan is Sustainable Public Procurement. ACCE's TSPPU project, on a broad scale, aims at aligning the SPP Policy with the government program, to lead the government procurement process and to encourage the public purchaser's institutions to increasingly use environmentally sound products or services. Having such policy creates already a national commitment to the targets identified.

The project will be implemented in two consecutive phases, TSPPU1 and TSPPU2, which will progressively incorporate definitions and tools for sustainability in the Uruguay Public Procurement System

The overall objective of this project is to transform the Uruguayan Public Procurement System as an enabler for sustainable development, promoting sustainable goods and services production and more efficient and sustainable consumption from the public sector. This will be achieved through the following specific objectives: a) design and implement a National Sustainable Public Procurement Policy, b) incorporate the supply chain management and life-cycle approach in the Uruguayan Public Procurement System, c) strengthen public buyers and national suppliers' capacity for the application of sustainable criteria, d) design and implement a monitoring system to control sustainability standards compliance.

The objective of the project will be achieved through three blocks of activities in line with the UNEP SPP Approach that could then be shortly described as: i) the development of instruments and tools to implement SPP in Uruguay; ii) the implementation of SPP in procurement processes; iii) Monitoring and assessment.

The development of instruments and tools to implement SPP in Uruguay will address both regulatory requirements and technical requirements. At legal/procedural level, the project TSPPU1 will develop a sustainable public procurement policy and the 2015-2020 Sustainable Public Procurement Action Plan. It will seek the promotion and monitoring of the latest regulations in force and will propose amendments when needed. At technical level, the project will develop technical guidelines, establish technical specifications of sustainability and tender clauses for prioritized products. Activity A1.2 will take into account SPP Prioritization performed on Project "Fortalecimiento de las Capacidades para las Compras Publicas Sustentables en Uruguay".

Another asset to be implemented is the supplier evaluation and selection matrix that includes the product life cycle and sustainability parameters.

The implementation of SPP in procurement processes will focus on the operationalization of the guidance developed through direct application in procurement case. An essential output of this project is the empowerment of public procurers and suppliers to operationalize sustainable public procurement, through training, pilot testing and direct support. The Pilot testing of SPP to procurement cases will consist of more than 600 direct support testing hours for an amount of

approx 1,4 M U\$D per year for two prioritized products¹. The pilots will be selected based on the list of prioritized products obtained in PNUMA-OPP-CPS project. Supplier engagement and awareness raising of all external stakeholders will ensure smooth running of the project and engagement of external stakeholders which is crucial for project success.

The main expected result is that the Uruguayan Public Procurement System will fully integrate the sustainability dimension at all levels (programs design, standards for implementation, capacity development and monitoring of results and compliance). ACCE will lead this process as the national procurement authority ensuring a progressive process with all the public entities involved in public spending. An Advisory Committee will be established in order to create a space for dialogue between government, productive sector, education sector and NGOs, in order to strengthen and encourage actions regarding SPP.

The targeted beneficiaries for the project will be ACCE, National and sub-national governments, State-owned enterprises, Decentralized Services, Public buyers and suppliers.

ACCE will benefit from new guidance, tools, and techniques on the implementation of sustainable public procurement and from an increased capacity of its procurement staff.

National and sub-national governments, State-owned enterprises and Decentralized Services can use procurement to address certain chosen agendas in buying solutions which could contribute to the achievement of community, environmental and equality goals, in addition to the strengthened knowledge and capabilities.

Public buyers will strengthen their capacity to integrate in their day-to-day work sustainability policies' definitions.

Public suppliers will benefit from competitiveness and transfer of skills and technology, been able to see how they could bring benefits to the local economy through their framework activities.

1 Project "Fortalecimiento de las Capacidades para las Compras Publicas Sustentables en Uruguay" PNUMA-OPP Final Report, page 28. We have considered 2011 dollar valid quote.

PART II: PROJECT PROPOSAL (MAXIMUM 10 PAGES)

A. PROJECT BACKGROUND

Context and project justification

The Uruguayan government is highly committed to Sustainable Development and in response to citizens' demand and regional and global requirements; it has increased its efforts under multiple initiatives. The purchasing power of the State represents a great opportunity to influence markets by encouraging the production and acquisition of goods with better social and environmental performance, introducing incentives to providers through the incorporation of these criteria in their procurement and contracting.

Uruguay is highly engaged in the field of Sustainable Public Procurement (SPP), and has actively participated to a number of initiatives including ones led by UNEP, such as the market readiness analysis and action plan on SPP, the SPPEL sub-regional activity of developing an ecolabelling benchmarking system for the Southern Cone countries, etc. Despite those initiatives as well as national laws and decrees in which sustainability criteria are already incorporated, actual implementation and enforcement in Uruguay have so far been limited. An example of the practical limitations and barriers to implementation is the Contracting Program for Development (Programa de Contratación para el Desarrollo). The goal of the Contracting Program for Development is to employ special regimes and procurement procedures, appropriate to the goals of developing local suppliers, particularly micro, small and medium enterprises. The decree establishes the creation of innovative mechanisms in public procurement as a tool to promote sustainable development. However, as emerges from the baseline analysis developed by ACCE in 2013, suppliers who are eligible beneficiaries of this program are unaware of the program and its benefits and procurers are unfamiliar with the scope of the program. This is a very important regulation for the effective establishment of social sustainability criteria and in that sense its promotion and effective incorporation is part of the scope of this project.

ACCE's TSPPU project, on a broad scale, aims at aligning the Sustainable Procurement Policy with the government program, to lead the government procurement process and to encourage the State purchaser's institutions to increasingly use environmentally sound products or services. Having such policy creates a national commitment to the targets identified. The project will be implemented in two consecutive phases, TSPPU1 and TSPPU2, which will progressively incorporate a policy & action plan, definitions and tools for sustainability in the Public Procurement of the Uruguayan State. Whereas ACCE and the Government of Uruguay are committed to the TSPPU project and will be directly funding most of it, the support of the 10 YFP will be indispensable to kick-off the project by providing the necessary international endorsement, guidance and a part of the funding required (indicatively 25%).

ACCE, being the national public procurement authority is in a unique position to lead and implement SPP in Uruguay. In order to successfully implement the TSPPU project, ACCE will be supported by the United Nations Office for Project Services (UNOPS) and the Inter-American Network on Government Procurement (INGP). UNEP which has been supporting over 15 countries on SPP implementation since 2009 and has developed an SPP implementation approach will provide methodological advice to ACCE. In particular, the Panama based regional office of UNEP will ensure that the experience and best practices of this organization and of other 10YFP SPP Programme members is shared with ACCE.

DINAMA, a key partner of the project and, belonging to the Ministry of Environment, is positioned as a leader in environmental issues in the country. It is the government institution in charge of promoting integrated strategies for the protection, prevention, evaluation and environmental control and is equipped with structures and adequate resources to meet efficiently and effectively its tasks.

[Link to relevant international, regional, national strategies and legal frameworks, relevant policies and institutional arrangements](#)

The project is embedded in the **ACCE strategic plan for 2015-2020** and thereby closely linked to the national procurement strategy. The strategic position of ACCE, as national public procurement authority, enables a successful implementation of the project. ACCE advises the Executive Power in the preparation and monitoring of public procurement policies and processes for updating the regulations, and developing quality standards for products and services, coordinating with standardization and certification bodies and the National Quality Institute. ACCE is also a decentralized body of the Presidency what strengthens its facilitation capacities overall and particularly for this project implementation.

Whereas Uruguay does not have a defined Sustainability policy for Public Procurement (which is part of the objective of this project); there are diverse initiatives for economic, environmental and social development, some of them related to public procurement. An essential aspect is that incorporation of sustainability criteria in public procurement is already foreseen in the existing legislation (Article 152 of TOCAF, additional relevant legislation presented in Annex L).

The project will contribute to the **Uruguay Government Plan 2015-2020**, which states: "In terms of economics, the State must continue and deepen its leadership with a vision that helps ensure the quality of life of the population and distribution of wealth. In this regard, the role of the state through public investment is central, this enables to plan the development of strategic areas, and control the compliance with the applicable legislation. The generation of a public procurement system aimed at productive and social development articulating the different areas of the state is a fundamental tool in the planning of public spending to direct the industrial and commercial development as well as social policies. The aforementioned policies must necessarily be linked to these two areas of integration that are the labor market and the world of education and training. The procurement system should be developed and implemented in a participatory manner with all stakeholders". The incorporation of sustainability criteria in public procurement is already foreseen in the existing legislation (Article 152 of TOCAF).

This project contributes to a number of international strategies on sustainable development, and in particular international agreements addressing sustainable consumption and production. The project aims to contribute to the outcomes of Rio+ 20 and to the Johannesburg Implementation plan agreed at the World Summit on Sustainable Development in 2002. This project builds on the progress and initiatives developed under the "Marrakesh Process" and aims to contribute to the objectives of the 10 Year Framework Programme on Sustainable Consumption and Production (10YFP) established at Rio+20, specially to its Sustainable Public Procurement Programme. Examples of those initiatives are:

- UNEP "Capacity Building for SPP in developing countries" project, supported by the European Commission, , the Swiss Government and the Organization of francophone countries (2009-2012). One of the 7 pilot countries of this project was

Uruguay.

Numerous projects began to develop in the region in order to strengthen the capacities of governments to accelerate the shift towards a model of sustainable production and consumption. The project will ensure coordination and synergies with these existing initiatives.

- MERCOSUR adopted in 2007 its Promotion and Cooperation in Sustainable Production and Consumption Policy, which sets up its instruments to develop programs and projects aimed at the inclusion of practices of sustainable production and consumption in public administrations.
- The UNEP-led Global Project on Sustainable Public Procurement and Ecolabelling (SPPEL), Uruguay has actively participated in the sub-regional activity of developing an ecolabelling benchmarking system for the Southern Cone countries. DINAMA is the Uruguayan Focal Point for the SPPEL project. In March 2014 UNEP invited ACCE to join this regional component of the project whose goals are to identify and agree on “core” sustainability criteria for two productive sectors with countries in the region (Argentina, Brazil, Chile, Paraguay and Uruguay), and be able to compare them with internationally recognized sustainability ecolabels and standards through a benchmarking tool. SPPEL is also implemented in seven LAC countries (Brazil, Chile, Argentina, Peru, Uruguay, Costa Rica, Colombia) with the support of UNEP. ACCE will benefit from the expertise of UNEP and other LAC supported countries. UNEP also expects ACCE to share its SPP experience with other countries in the future and to take part in the international group in charge of the periodical revision of the UNEP Approach which is due to evolve towards a 10YFP SPP Approach.
- Two further assessments in which Uruguay is involved and which are key to SPP implementation are expected under the project “Sustainable procurement: a tool for greening the economy” an initiative being undertaken by the Organization of American States (OAS), the International Development Research Center (IDRC) and the International Institute for Sustainable Development (IISD) in the framework of the Inter-American Government Procurement Network (INGP): i) Sustainable Public Procurement and small businesses; ii) Measuring progress on sustainable public procurement.

Relationship to 10YFP programme(s) (Explain how the project will substantially advance the implementation of the Programme(s) and hence contribute to the shift to SCP patterns).

The proposed project will address the implementation of Sustainable Public Procurement and thereby advance the implementation of the SPP programme of the 10 YFP. This project will contribute in particular to the second objective of the SPP programme – i.e. the implementation of SPP on the ground, through the development of guidelines and manuals and through the implementation on pilot procurement processes. The monitoring and evaluation system of the project will also contribute to the efforts under the SPP programme to assessing implementation and impacts.

South America already has some countries that have started implementing sustainable public procurement. The present TSPPU1 project includes a replication study to be included on the Risk Assessment on activity A1.2 in order to allow extrapolations to other countries or regions and

we believe it will constitute a significant contribution to the program and will become a multiplier of the shift to SCP patterns. In addition, in many countries the focal point for Sustainable Consumption and Production are the Ministries of Environment and Sustainable Development; where implementation of public procurement related activities may be constrained. Implementing SPP directly within the processes of the national procurement authority, as is ACCE, will: a) be directly applicable to all national public procurements, b) give direct, tangible results, c) have a ripple effect on all public spending in Uruguay. An Advisory committee will be established in order to create a space for dialogue and public-private partnerships between the government, the productive sector, the education sector and NGOs to strengthen and encourage actions regarding SPP.

Finally, UNOPS as executing agency of the project will ensure that this project remains closely linked to the 10 YFP SPP programme and objectives, through its close collaboration with UNEP on Sustainable Procurement, and as a member of the 10 YFP inter-agency coordination group.

B. PROJECT TOTAL BUDGET AND TOTAL AMOUNT REQUESTED FROM THE 10YFP TRUST FUND

Amount requested from the 10YFP Trust Fund: **US\$ 173.245,50**

Co-funding – not compulsory: **US\$ 219.235,85** (ACCE commitment)

Project total budget: **US\$ 392.481,37**

C. PROJECT DESCRIPTION

Project objective(s) (Describe in one sentence the main objective of this project)

The overall objective of this project is to transform the Uruguayan Public Procurement System as an enabler for sustainable development, promoting sustainable goods and services' production and a more efficient and sustainable consumption from the public sector.

This will be achieved through the following specific objectives:

- α) To design and implement a **National Sustainable Public Procurement Policy**, strengthening the existing legal framework to fully incorporate sustainability criteria in public procurement.
- β) To develop a suite of **tools, guidance and standard tender documents**, based on a rigorous assessment of sustainability risks and a life cycle approach (LCA) to products and services, to be implemented in the Uruguayan Public Procurement System.
- χ) To **strengthen public buyers' and national suppliers' capacity** through the concrete application of sustainable criteria in their day-to-day activities.
- δ) To design and implement a **monitoring system**, that can be used beyond the duration of the project, to control compliance with sustainability standards in procurement.

Describe how the project helps promote the shift towards SCP patterns

The project will result in the actual implementation of SPP, thereby stimulating the supply of sustainable goods and services.

While the project also encompasses traditional elements of policy development, guidance and training (*consumption* side), specific focus is placed on building the capacity of the supplier

basis, which is directly influencing the *production* patterns. In order to strengthen the supply offer, it is essential to prepare the specific markets and their ability to adapt their supply in the short and medium-terms is a key to the success of a SPP initiative. The inclusion of sustainability criteria will take into account the state of market development and the need for a gradual incorporation of sustainability criteria in order not to exclude domestic producers while encouraging the import of goods with the desired sustainability characteristics.

Describe the project's approach and methodology including how this project will take into account the lifecycle approach (analysis of both consumption and production side and multiple stages of a product's life cycle) and which type of policy instruments (economic, regulatory, social) will be used for necessary intervention.

The life-cycle approach is at the basis of the tools and techniques that will be utilized during the project, the project will benefit from tools aligned with the UNEP SPP Approach. At procurement process level, the identification of sustainability criteria throughout the whole life-cycle of products and services will be indicated as a pre-planning activity in all developed methodology. Such assessment will then spill-over in the whole procurement cycle, as impacts identified throughout the life cycle will be mitigated in the process. Even more specifically, during evaluation and selection of suppliers, special attention will be put on sustainability issues going beyond the first-tier suppliers, and spanning down the supply chain. Furthermore, financial evaluation based on life cycle costing considerations will be promoted in relevant product categories. At regulatory level, the development of the SPP policy and proposed incorporations of sustainability in sectorial policies will address the Life Cycle Approach.

Detailed Project Activities (A.1, A.2,)

| Activity | Detailed description | Expected output | Delivery date |
|----------|---|--|-------------------------------------|
| A.0. | Start-up of Project and Development of project management documents | Project Plan | Month 1 (Pre-selection activity) |
| A.1. | Development of instruments and tools to implement SPP in Uruguay: | (Please see below disaggregated outputs) | Month 1 to Month 12 |
| A.1.1. | Addressing the regulatory requirements to operationalize SPP | Proposed policy on sustainable public procurement ACCE SPP Action plan List of actions for the promotion of regulations List of social, economic and environmental sustainability criteria already contained in the regulations Proposed amendment of existing Regulations | Month 1 to Month 6 |
| A.1.2 | Implementation of sustainability risk assessment | Sustainability risk assessment report SPP priorities in ACCE Monitoring framework to measure progress in mitigation of SPP risks and in SPP implementation | From Month 3 up to Month 6 |

| Activity | Detailed description | Expected output | Delivery date |
|----------|---|---|------------------------------|
| A.1.3. | Development of methodological tools to implement SPP, tailored to Uruguayan context | ACCE SPP Manual List of indicative technical specifications of sustainability List of sustainability attributes to incorporate to the catalogue Technical sheets for prioritized products Standard tendering templates incorporating sustainability | From Month 6 up to Month 12 |
| A.2. | Implementation of SPP in procurement process | (Please see below disaggregated outputs) | From Month 6 up to Month 24 |
| A.2.1. | Strengthening the capacity of public procurers on SPP | SPP training strategy- SPP training material for procurers and for suppliers 1200h of SPP training delivery Strategy for technical assistance to procurers Communication products to procurers and suppliers | From Month 6 up to Month 24 |
| A.2.2. | Testing and Implementation of Sustainability criteria to prioritized products | 600h of test (Pilot Project Plan) Tenders including sustainability criteria Practical case study of SPP implementation Best practices guide for SPP implementation | From Month 13 up to Month 24 |
| A.2.3. | Strengthening supplier engagement in the SPP process | Supplier engagement strategy and action plan Briefings / workshops with suppliers Communication products: Internet site, leaflets, etc Competition to support development of sustainable products | From Month 13 up to Month 20 |
| A.3. | Monitoring and assessment / Project Closure | Final project report, including lessons learned and best practices report Monitoring and evaluation report | From Month 20 up to Month 24 |

Describe project outputs detailed above (output/deliverables and brief descriptions)

The outputs related to the project management activities will be included among the pre-selection activities and delivered on A0 like Scope, Schedule, Risk, Budget, Communications etc.

During the development of policy framework to implement SPP in Uruguay phase, the most relevant deliverable will be the proposed policy on sustainable public procurement, a statement outlining Uruguayan government commitment and strategy towards all areas of SPP. In addition, an action plan will be created including specific targets, metrics and agenda for the next 5 years in order to make sure that all procurement related plans contain actions that contribute to sustainable development. This phase will also walk the project team through preparing deliverables that will be used to develop and finalize regulation analysis like a list of actions for the promotion of regulations, a list of social, economic and environmental sustainability criteria already contained in the regulations and a proposed amendment of existing regulations.

Because products priorities had to be set, the result of the SPP assessment in ACCE will be a key deliverable of this phase in order to properly focus technical efforts. Furthermore, during this stage a technical and very exhaustive risk assessment report will be produced together with a

monitoring framework to measure progress of SPP implementation.

The list of indicative technical specifications of sustainability will provide a clear, accurate and full description of sustainability requirements and standards. This will also lead to a list of sustainability attributes to incorporate to the online catalogue and a set of technical sheets for prioritized products. Sustainable tender clauses will be included in the Public Procurement Procedure Manual and the ACCE SPP Manual will be produced.

The training deliverables will be developed by appropriately qualified specialists. SPP training products will be produced for specific training and communication events, conferences and exhibitions (portable stand, computer-designed slide shows and graphics, audio-visual material and printed material, Internet site) for a total of more than 1200h of training and communication. This will ensure change management and engagement of external stakeholders that are crucial for this project's success.

The training sessions will:

- Provide procurers with the practical knowledge to include sustainability considerations in the pilot tenders.
- Provide technical considerations to inform the choice of the pilot tenders and the procurement strategy to adopt in each of them.

The Supplier engagement strategy and action plan will set the required empowerment of public buyers and suppliers to operationalize SPP. The briefings and workshops with suppliers will be part of this approach. A strategy to support the development of sustainable products will be performed.

Finally, the Pilot Project Plan will consist in more than 600 testing hours and practical case studies for SPP implementation that will be guided by best practices for SPP pilots. The statistical analysis resulting from the pilot tests will be reflected on Project final report and lessons learned will be recorded for improvement and replication of the project.

A report containing the Project evaluation will be also delivered with the Project final report.

D. EXPECTED BENEFITS, EXPECTED RESULTS, MEASURING PROGRESS

Describe qualitatively and quantitatively the expected benefits in terms of environmental, social (poverty eradication), economic, other benefits such as gender, etc.

The following benefits are expected from the implementation of this project:

Strategy: the project will seek to ensure that that the policy, legal and procedural framework facilitates SPP and that barriers to implementation are removed. This is a necessary preliminary step to facilitate change towards SPP. This coordination between the national legal and policy framework will seek to ensure that SPP practices contribute significantly to the achievement of strategic objectives of government policies supporting and leveraging social inclusion, equal opportunities, employment, local development, environmental protection, sustainable development and improving public services, with special focus on micro and SMEs.

Sustainability: by adopting an approach which is rooted in a comprehensive analysis of the social, environmental and economic risks of the procurement volume, together with an

assessment of the opportunities offered by the local marketplace, the project aims at maximizing the sustainability return on investment of the SPP interventions. Adoption of Lyfe Cycle Approach (LCA) is an example of cost efficient sustainability measures (e.g. optimization of resources usage, waste management) that the project will implement.

Professionalism: the introduction of SPP appreciates the strategic nature of the Public Procurement Process, presenting an opportunity to build capacity and empower national procurement officers. A combination of standard tools and capacity building will result in sustainable and effective purchasing where the market is mature, but will also allow for a progressive approach where public procurers will facilitate transition towards more sustainable products and services in the local market.

Investment: SPP stimulates and encourages investment by private companies in social responsibility and environmental innovation, turning their efforts into competitive advantages. A clearly communicated, progressive and continued inclusion of sustainability criteria into public procurement tenders will provide the necessary incentive and drive for suppliers to consider investment in more sustainable products and services.

Commitment: The incorporation of sustainability criteria in public procurement improves the public image of administrations. The effective implementation of sustainable procurement means that public administration translates its commitments on environmental protection and sustainable development into concrete actions. Furthermore, it sets a good example in this regard to citizenship.

To ensure progress on the project plan is regularly monitored, specific indicators and a monitoring framework of SPP implementation will be developed under Activity A.1.

Describe the expected results (or project outcomes) directly resulting from the project implementation (both qualitative and quantitative, as far as possible)

The most relevant output of the project will be a proposal of Sustainable Public Procurement Policy, a statement outlining Uruguayan government commitment and strategy towards sustainability. Uruguay's SPP policy and regulatory framework adoption by both public buyers and providers will facilitate and encourage sustainable public procurement.

By implementing sustainability risk assessment, ACCE and its partners will have a clear understanding of the sustainability risk in the national supply chain, and will share a common understanding of the activities necessary to mitigate it.

All actors involved on the SPP implementation and development of methodological tools to implement SP will experience a significant increase in technical knowledge of SPP and their capacity to implement it

Tender and procurement processes will increasingly reflect sustainability considerations.

Performance indicators to measure progress of the project towards its objectives, outputs and outcomes:

Please refer to Appendix N for detailed tables of Outcomes and Outputs, with relative Indicators (with baseline and targets) and Means of Verifications (with data source and method for measuring progress)

Describe how progress towards SCP patterns will be measured

SCP Indicators will be developed under activity A1.2. The indicator presented below might be used to follow up the progress of Uruguay towards Sustainable Consumption and Production Patterns:

- % of MSMEs that have sold produced sustainable goods and services

Describe how the specific project impact will be assessed (methodology, indicator, baseline, data / information sources)

The project impact assessment will involve the collaboration of UNEP and UNOPS. One of the methods to be used is the one called statistical control. This method identifies the exogenous variation in outcomes attributable to the project, recognizing that their property is not random but deterministic. This method is first used to predict participation in the project and then shows how the outcome indicator varies among projected values.

In addition, reflexive comparisons method will be used, in which a basic or reference survey to participants will be performed before implementation and then a follow-up survey will be conducted. The baseline survey provides the comparison group and the effect is measured by the change in outcome indicators before and after the intervention.

Approaches "before and after" will be taken into account in which the behavior of key variables compared during and after the project with those prior to the project. In this case, statistical methods are used to assess whether there is any significant change in some essential variables over time.

Of course, all the above-mentioned methods will be combined to have more robust evaluations and consider contingencies in its implementation. From a methodological perspective, a combination of an approach "with and without" and an approach "before and after" with baseline data and follow up will be exploited.

E. PROJECT LOGFRAME:

This project logical framework (logframe) is a synthesis of sections PROJECT DESCRIPTION and EXPECTED BENEFITS, EXPECTED RESULTS, MEASURING PROGRESS. The project outcome was identified under expected results. Related indicators can be found in the indicator table. The project outputs were identified under project description. Related indicator can be found in the indicator table.

The only additional information contained in this logframe are

- *Milestones (for the project and for each project output)*
- *Means of verification*

Please refer to Appendix N for detailed tables of Outcomes and Outputs, with relative Indicators (with baseline and targets) and Means of Verifications (with data source and method for measuring progress). Milestones are added below.

| Relevant Expected Accomplishment in the Programme of Work: <i>Insert the Expected Accomplishment from the Programme of Work and its indicators</i> | | |
|--|-----------------------|------------------------------|
| 1. Project Outcome² | Indicators | Means of Verification |
| <i>POI-1: Uruguay's SPP policy and regulatory framework facilitate and encourage sustainable public procurement</i> | <i>See appendix N</i> | <i>See appendix N</i> |
| Project milestones that show progress towards achieving the project outcome | | Expected Milestone |
| M1³ <i>Approval of SPP Policy proposal & Action Plan by ACCE Management</i> | | <i>12/2015</i> |
| M2 <i>Approval of amendment to existing regulations by ACCE Management</i> | | <i>12/2015</i> |
| <i>POI-2 ACCE and its partners have a clear understanding of the sustainability risk in the national supply chain, and share a common understanding of the activities necessary to mitigate it</i> | <i>See appendix N</i> | <i>See appendix N</i> |
| M3 <i>Launch of the sustainability risk assessment</i> | | <i>09/2015</i> |
| M4 <i>Risk assessment report is approved</i> | | <i>12/2015</i> |
| M5 <i>2015-2020 Action Plan approved for Budget Law 2015-2020</i> | | <i>12/2015</i> |
| <i>POI-3 All actors involved experience a significant increase in technical knowledge of SPP and in their capacity to implement it</i> | <i>See appendix N</i> | <i>See appendix N</i> |
| M6 <i>Start workshops delivery</i> | | <i>08/2016</i> |
| <i>POI-4 Tender and procurement processes in ACCE increasingly reflect sustainability consideration in the social, economic and environmental areas</i> | <i>See appendix N</i> | <i>See appendix N</i> |
| M7 <i>SPP, Product Guidelines, general tender clauses with sustainability criteria & List of sustainability attributes presented to ACCE Management</i> | | <i>06/2016</i> |
| M8 <i>Release of the SPP manual and toolkit</i> | | <i>08/2016</i> |
| <i>POI-5 An increase in interest and understanding from buyers, suppliers and the general public regarding the SPP concept is observed.</i> | <i>See appendix N</i> | <i>See appendix N</i> |
| M9 <i>release of perception audit</i> | | <i>03/2017</i> |

² **Outcomes:** The uptake, adoption or use of project outputs by the project beneficiaries . Observed as change of Behavior, Attitude/Action, Condition, Knowledge or Skill

³ **Milestones:** Are benchmarks (not activities) that represent attainment of a project stage or project achievement that show progress towards project outcomes and outputs. Milestone attainment should be strictly answerable with a "yes" or "No" answer.

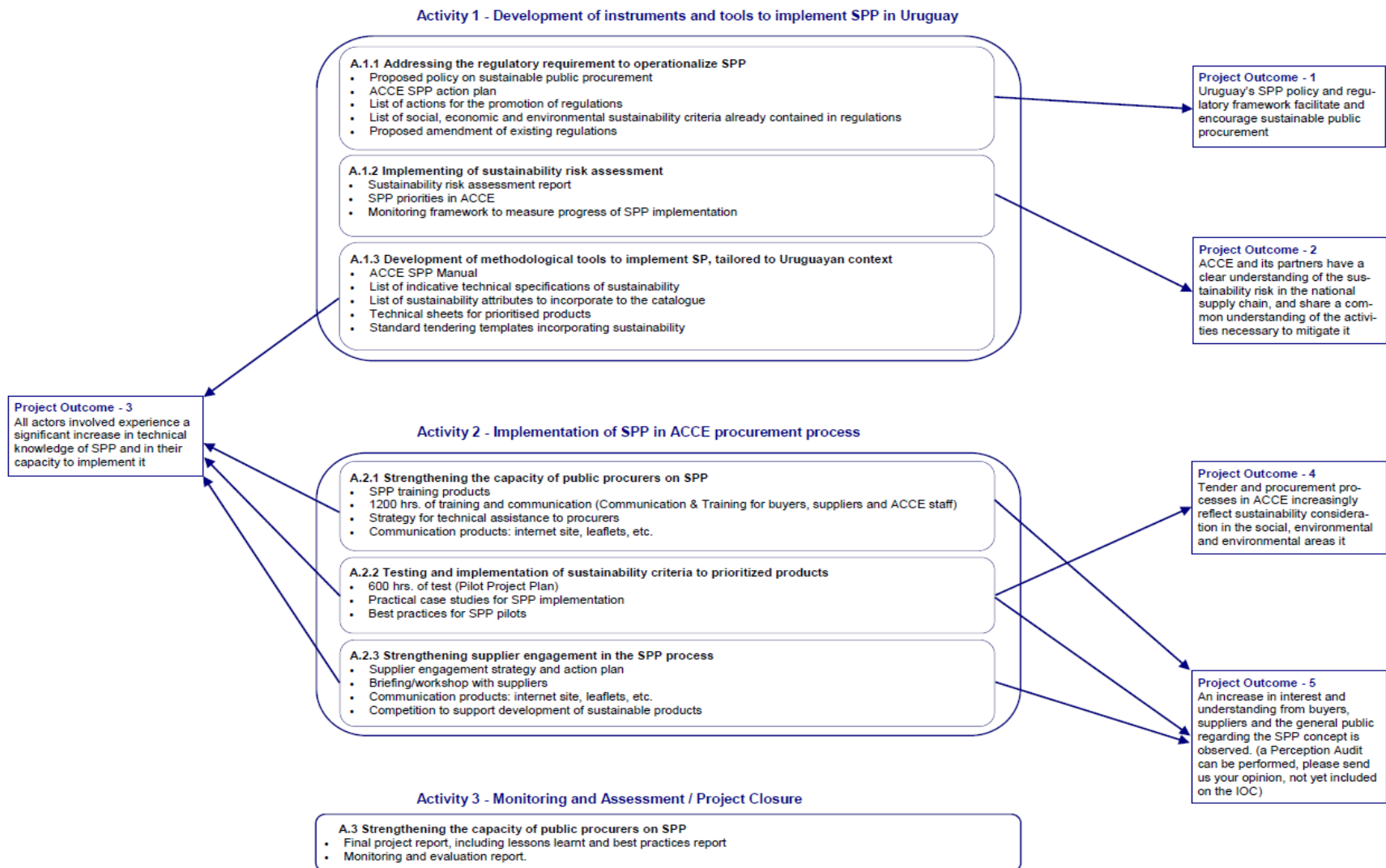
Outcome milestone will often show progress on a particular outcome indicator target, but can also be a major significance benchmark , believed to lead to the outcome

| | | |
|---|-----------------------|------------------------------|
| M10 <i>perception audit report</i> | | 06/2017 |
| M11 <i>launch of supplier consultation service on SPP</i> | | 10/2016 |
| 2. Project Outputs⁴ | Indicators | Means of Verification |
| POP-1.1.1 Uruguay's high level SPP policy statements POP-1.1.2 Analysis and proposed changes to Uruguay procurement technical framework to sustain SPP | <i>See appendix N</i> | <i>See appendix N</i> |
| Project output Milestones: | | Expected Milestone |
| M1 <i>Approval of SPP Policy proposal & Action Plan by ACCE Management</i> | | 12/2015 |
| M2 <i>Approval of amendment to existing regulations by ACCE Management</i> | | 12/2015 |
| POP-1.2.1 Analysis of Uruguay's procurement sustainability risk profile | <i>See appendix N</i> | <i>See appendix N</i> |
| M3 <i>Launch of the sustainability risk assessment</i> | | 09/2015 |
| M4 <i>Risk assessment report is approved</i> | | 12/2015 |
| POP-1.2.2 Definition of SPP priorities in ACCE | <i>See appendix N</i> | <i>See appendix N</i> |
| M5 <i>Adoption of SPP priorities by ACCE</i> | | 12/2015 |
| POP-1.2.3 Monitoring framework arrangements | <i>See appendix N</i> | <i>See appendix N</i> |
| M6 <i>Adoption of monitoring framework by ACCE</i> | | 12/2015 |
| POP-1.3.1 An SPP Manual adapted to the Uruguay context and needs POP-1.3.2 A portfolio of technical tools for the implementation of SPP in Uruguay | <i>See appendix N</i> | <i>See appendix N</i> |
| M7 <i>Delivery of SPP Manual</i> | | 06/2016 |
| M8 <i>Delivery of SPP product sheets</i> | | 06/2016 |
| M9 <i>Online catalogue launches sustainability attributes</i> | | 05/2016 |
| POP-2.1.1 An SPP training strategy POP-2.1.2 SPP training material for procurers and suppliers | <i>See appendix N</i> | <i>See appendix N</i> |
| M10 <i>SPP training strategy is approved</i> | | 04/2016 |
| M11 <i>SPP training deck is delivered</i> | | 06/2016 |
| POP-2.1.5 Communication products to procurers and suppliers | <i>See appendix N</i> | <i>See appendix N</i> |
| M12 <i>Launch of Uruguay SPP website</i> | | 09/2016 |
| POP-2.2.1 Test of SPP pilot projects with inclusion of SPP clauses and criteria | <i>See appendix N</i> | <i>See appendix N</i> |
| M13 <i>Pilot Projects launched</i> | | 08/2016 |

⁴ **Outputs** : are the products, capital goods and services delivered by the project. Outputs relate to the completion of activities and managers have a high degree of control over them

| | | |
|--|-----------------------|-----------------------|
| POP-2.2.2 Collection of best practices case studies for SPP implementation | <i>See appendix N</i> | <i>See appendix N</i> |
| M14 Best practice Guide for SPP released | | 03/2017 |
| POP-2.3.1 Supplier engagement strategy and action plan | <i>See appendix N</i> | <i>See appendix N</i> |
| M15 Supplier engagement strategy and action plan delivered | | 09/2016 |
| POP-2.3.4 Competition to support development of sustainable products | <i>See appendix N</i> | <i>See appendix N</i> |
| M16 Launch of contest for best SPP product | | 10/2016 |
| POP-3.1 Final project report POP-3.2 Monitoring and evaluation report | <i>See appendix N</i> | <i>See appendix N</i> |
| M17 Final project report and monitoring and evaluation report delivered | | 06/2017 |

Chart of project Outcomes



F. IMPLEMENTATION

Implementation arrangements: PROJECT RESPONSIBILITY AND MANAGEMENT (including a list of stakeholders, related responsibilities, ...)

(Direct and indirect stakeholders should be listed here E.g. policymakers; technical staff; partner NGOs, private sector etc.)

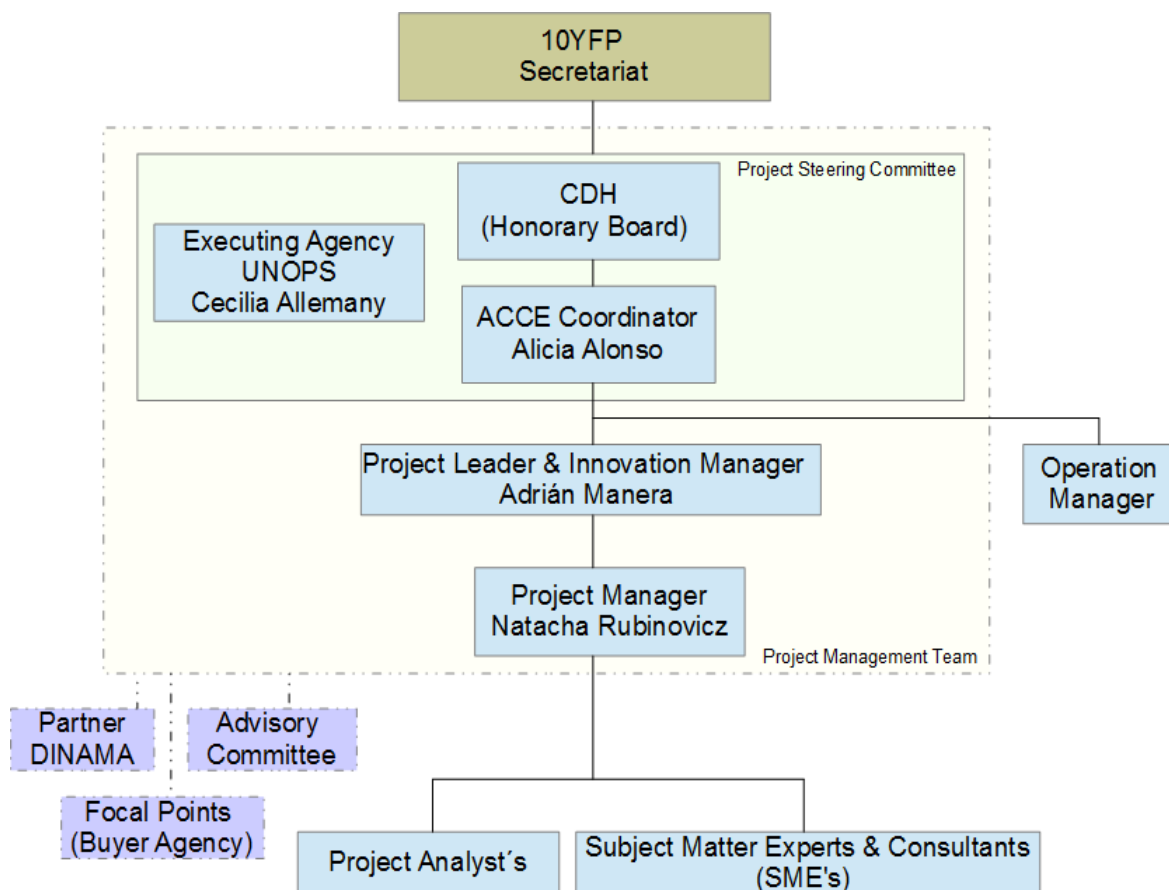
ACCE, being the national public procurement authority is in a unique position to lead and implement SPP in Uruguay. In addition ACCE is committed to advise the Executive Branch in the elaboration and monitoring of public procurement policies and processes for updating the regulations; and develop quality standards for products and services, in coordination with standardization and certification bodies and the National Quality Institute. In order to successfully implement the TSPPU1 project, ACCE will be supported by:

- The United Nations Office for Project Services (UNOPS) a central resource for the United Nations system in procurement, contracts management, civil works and physical infrastructure development, including the related capacity development activities.
- The Inter-American Network on Government Procurement (IANGP), of which Uruguay is a member. It has become the most recognized regional technical cooperation regarding public procurement. It has focused on facilitating the exchange of experiences and best practices among its members.

The Partner DINAMA (Dirección Nacional de Medio Ambiente – Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente MVOTMA) will provide technical expertise for the Project.

UNEP will provide technical advice for activities A1.1. – Policy review (e.g. technical advice on the SPP policy, based on experience in different countries) and activity A1.2 – Providing inputs to the monitoring framework (technical inputs to the qualitative monitoring of impact of SPP at national level) and risk assessment.

The following diagram, illustrate corporate governance bodies that will be involved in the approval process.



Roles and responsibilities

10YFP Secretariat

The 10YFP Secretariat is the main interlocutor for applicants. This includes calling for and receiving the proposals, reviewing for completeness, as well as disbursing funding and reviewing annual progress and final reports.

Executing Agency

UNOPS Office in Uruguay is the Executing Agency of the TSPPU1 Project, under this role UNOPS will be in charge of administering 10YFP funds. In addition, UNOPS will involve regional and international experts on sustainable procurement and strategic supply chain management for development to advice, design and implement relevant training modules under this project.

Responsibilities:

- To provide status reports to the 10YFP Secretariat.
- To work closely with all stakeholders to ensure the project meets the SPP criteria of the 10YFP programme.
- To manage 10YFP funds under UNOPS rules and regulations.
- To manage consultants' contracts (selected and required by ACCE).

- To implement procurement processes for project's goods and services acquisition and control procurement carried by ACCE.
- To produce and monitor financial reports including entry and maintenance of all actual time and expense against the 10YFP master plan.
- To share best international practices on sustainable procurement and advise on the policy design, the strategic plan and standard sustainable tender clauses drafting (as reviewers).
- To develop training contents on sustainable procurement and supply chain strategic management, and implement those modules of this project training in coordination with ACCE. The training module on sustainable procurement will be developed with 10YFP funds and the module on supply chain strategic management will be developed with national government funding.
- To coordinate Project evaluation. Support will be requested to UNEP, DTIE, Consumer Unit, for undertaking the project evaluation as a neutral third-party evaluator that has extensive expertise in the area of SPP.

Partner DINAMA

The partner DINAMA (Dirección Nacional de Medio Ambiente – Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente MVOTMA) will provide technical expertise for the Project.

Responsibilities:

- Support the elaboration of environmental technical specifications for selected products or goods.
- Support the elaboration of the environmental criteria chapter of the Sustainable Public Procurement Manual.
- Support the elaboration of Environmental Guidelines for public Procurers and Providers.
- Participate on working groups and workshops.

Advisory Committee

The mission of the Advisory Committee is to create a space for dialogue and public-private partnerships between the government, the productive sector, the education sector and NGOs to strengthen and encourage actions regarding SPP.

Its main tasks would be to:

- To be a source of information.
- Advise the project working group in decision-making.
- Facilitate the engagement of procuring entities in project and SPP implementation
- Contribute to the implementation and evaluation of the project.
- Promote discussion of plans and products developed by the project.
- Promote the dissemination of material generated.
- Promote forums, seminars, workshops, round-tables and interagency coordination initiatives.

ACCE

ACCE will provide resources on its four functional levels in order to respond to TSPPUA requirements. The main responsibilities for the hierarchical levels are described below.

CDH

ACCE Honorary Board is in charge of designing the outlines of action, directing Procurement Agency and evaluating performance and results. It has six members, one of whom is the President, a joint proposal by the Presidency of the Republic and the Ministry of Economy and Finance.

Responsibilities:

- Evaluate performance and results of the project.
- Propose the integration of the Advisory Committee.
- Approve regulations proposal to be presented to the appropriate authority.

ACCE General Coordinator

ACCE General Coordinator is responsible for overseeing the progress of the project and reacting to any strategic problems.

Responsibilities:

- Championing the project and raising awareness at senior level.
- Approving strategies, implementation plan, project scope and milestones.
- Resolving strategic and policy issues.
- Driving and managing change through the organization.
- Prioritizing project goals with other ongoing projects.
- Assign resources
- Communicating with other key organizational representatives.

Other relevant roles and responsibilities are detailed on Appendix M.

Interaction with key project stakeholders

The definition of sustainability objectives and strategies for sustainable procurement emerge from collective areas involving different political and social actors. The continuous and constructive dialog between different both public and private actors is crucial to the success of the planned measures. This project will create the conditions to develop coordinated actions between the varieties of actors involved in various aspects of sustainable development.

Following the recommendations of the project "Strengthening SPP capacities in Uruguay", the creation of an Advisory Committee to provide a platform for dialogue and public private cooperation between the government, the productive sector, the education sector and NGOs will be fostered in order to strengthen and encourage actions regarding SPP. Members of DINAMA, DINAPYME, DNI, MGAP, MIDES, MEF, Udelar, BPS, BSE, LATU, OSE, URSEA, Suppliers Advisory Council will be invited to compose the Advisory Committee. Also, the appointment of a "Focal Point" of each buyer agency will be requested, which will act as a facilitator and a liaison between the TSPPU1 project and the concerned agency.

Responsibility by activity:

| ACTIVITY | Timeframe | Responsible Partner and their roles | Other Partners |
|----------|------------------------------|-------------------------------------|---|
| A.0. | Month 1 | UNOPS, ACCE | DINAMA Presidency Members of the SPP advisory committee |
| A.1. | | | |
| A.1.1. | Month 1 to Month 6 | UNOPS, ACCE | Members of the SPP advisory committee UNEP |
| A.1.2 | From Month 3 up to Month 6 | UNOPS, ACCE | DINAMA Members of the SPP advisory committee SPP focal point in all national institutions involved in procurement UNEP |
| A.1.3. | From Month 6 up to Month 12 | UNOPS, ACCE | Members of the SPP advisory committee SPP focal point in all national institutions involved in procurement Procurers |
| A.2. | | | |
| A.2.1. | From Month 6 up to Month 24 | UNOPS, ACCE | SPP focal point in all national institutions involved in procurement Procurers |
| A.2.2. | From Month 13 up to Month 24 | UNOPS, ACCE | Members of the SPP advisory committee SPP focal point in all national institutions involved in procurement Procurers |
| A.2.3. | From Month 13 up to Month 20 | UNOPS, ACCE | Members of the SPP advisory committee SPP focal point in all national institutions involved in procurement |
| A.3. | From Month 20 up to Month 24 | UNOPS, ACCE | SPP focal point in all national institutions involved in procurement Procurers |

Risks and mitigation:

(Describe the main risks and obstacles, likelihood of risk, related mitigation measures, responsibilities):

The approach that ACCE has taken to manage risks for this project includes a methodical process by which the project team identified, scored, and ranked the various risks. Main risks identified and related mitigation measures are:

Lack of support from Government Ministries and Agencies. ACCE is the national procurement Agency and falls under the Presidency but has no authority over Government Ministries and Agencies, as it plays an advisory role. To ensure that all relevant institutions are engaged, ACCE will establish an advisory committee of the SPP and will hold regular briefings and disseminate information material to concerned institutions.

The supplier base may not be ready for the introduction of the SPP approach. ACCE will ensure adequate supplier involvement, through the development of a supplier engagement strategy. The SPP policy will be communicated through the internet and consultations with the suppliers and supplier associations. Also the project proposes the gradual incorporation of sustainability criteria to ensure market responsiveness **No funds 10YFP are obtained.** In that case the implementation of the project would be delayed until ACCE can find sources of financing. To manage that risk ACCE must seek alternative sources of funding.

Collaboration of Advisory Committee is reduced. In that case it might be some degree of difficulty to implement and to raise awareness about the program which would lead to a greater effort to achieve communication deliverables. To avoid this situation ACCE must increase communications with the Advisory Committee.

Delay in approval of internal documents. If ACCE had new priorities, then this could delay the approval of internal documents. It's very important to raise awareness among management about the relevance of this project.

Delay in approval of policy. As the SPP policy is one of the pillars of this project, to avoid this risk is very important to ensure communication with entities involved.

Difficulty in receiving technical specifications. To mitigate the delay that can cause this situation two measures can be implemented: increase communication with consultants and experts and evaluate the possibility of additional external collaboration.

Delay in generating tender clauses. If ACCE had new priorities, some delay might be present in generate tender clauses. To avoid this situation a close follow-up of critical path must be performed. If the situation cannot be avoided, an additional innovation consultant on peak production days must be incorporated.

Lack of coordination in training implementation. To avoid this risk it is important to involve all agencies and administrations since the start of the project and perform the planning of training in conjunction with each stakeholder.

Holidays, sickness. Given the limited number of staff assigned to the project, in all phases of the project the calendar to be used must include holidays to avoid conflict of resources.

Sustainability:

(Describe the ability and potential to sustain the activity after the end of the project):

The project will be designed in such a way that provides significant support, tools, guidance and training to ACCE to enable it to sustain SPP activities after the project.

ACCE is only requesting partial funding for this project, where indicative 75% of the funding for the entire 5 years project will be provided by the Uruguayan Government. This ensures the Government commitment to support the project beyond the 2 years of activity of TSPPU1.

The multidimensional attributes of sustainability imply that to enhance the project, a rigorous sustainability analysis at the time of formulation of the project is needed. A sustainability matrix will be produced taking into account:

- The data collected on the performance of the project will help to determine specific activities that can and should be continued.
- A detailed description of what services and activities we need to sustain.
- The identification of what resources and capacities are needed to manage and operate the selected activities
- The importance of rising awareness about sustainability planning activities
- The relevance of finding champions/allies

The above mentioned analysis will be followed up by development of a sustainability strategy that will assist in incorporating the elements of sustainability, right at the design stage of the project. The Sustainability matrix will be reviewed in a regular basis.

Replicability:

(Describe the ability and potential to scale-up over time, and to replicate in different contexts):

The project will contribute to the future joint UNEP-UNOPS Approach that will be used in future project countries for SPP implementation. If the project has been proven to work in our country, it could be exported to other countries and regions. While there are, of course, vast differences between countries, a good project will often be capable of being replicated elsewhere. Replicating a project also avoids the need to “reinvent the wheel”. If an approach has been proven to work in one place, there should be no need for anyone to reinvent it.

For that reason a replicability matrix will be analyzed in order to determine what conditions must be present and which parameters must be fixed to ensure replicability. Replicability matrix will be reviewed in a regular basis during project life.

Outreach and awareness raising:

(Outline the outreach and awareness raising activity that will support the achievement of expected benefits and results):

Awareness-raising is a keystone of this project. People need to know about sustainable procurement and why it is advantageous both for the consumer and provider concerned and for the society as a whole. Awareness-raising is a two-way street, fostering communication and information exchange in order to improve mutual understanding, mobilizing communities and wider society to bring about the necessary

change in attitudes and behavior. Awareness-raising is likely to continue throughout this project's lifetime and to take place around major events at different stages of the project. The basic forms of awareness-raising are information provision, communication, education, and training, preferably with the direct involvement of the target audience. Even though awareness-raising refers to mobilization on the cognitive or emotional level, by increasing people's knowledge and skills, it can contribute to practical changes too.

Awareness-raising activities will include:

- information workshops explaining the context of the project and its activities
- meetings with authorities, purchasers, suppliers, provider advisory council members, etc.;
- public demonstrations;
- training workshops for purchasers and providers;
- events to mark national or international days, such as the World environmental day, labor day, national holidays, etc. ;
- website, mascot campaigns, newsletter, poster campaigns, distribution of leaflets, flyers, stickers, etc.;
- Incentives, in the form of recognition, awards, winning of contests and other 'gold stars';
- media campaigns;
- Involving celebrities and politicians. Enlisting the support of a well-known individual or group can be a powerful method of creating awareness

G. MONITORING, REPORTING AND EVALUATION

Monitoring:

Regular reporting as per the requirements of the Call will be provided by the executing agency (UNOPS)

A reporting system in line with 10YFP Trust Fund requirements will be agreed at the start of the project.

The four essential types of reports will be:

1. Project Proposal
2. Project Plan, developed at the conclusion of the Starting & Planning phase of the project. It is a detailed document comprising: Scope definition, Schedule (including project milestones), Budget, Risk schedule, Project organization structure, Roles and responsibilities, Procurement schedule, Communications strategy, Change management procedure
3. Variance / Change Request
4. Status Report are intended to be delivered each 6 months containing at list the following information
 - Schedule- original approved completion date, authorized changes and current estimated completion date
 - Budget- original approved budget, authorized changes and current estimated budget

- Issues- any issues or risks triggered that have resulted in approved changes to scope, schedule, budget, quality or functionality.

Reporting:

This periodically recurring task will begin in the starting & planning stage of the project and will allow results, processes and experiences to be documented and used as a basis to steer decision-making and learning processes. The data acquired through monitoring is used for reporting and evaluation.

Evaluation:

Project evaluation will be conducted at the end of the project. Support will be requested to UNEP, DTIE, Consumer Unit, for undertaking the project evaluation as a neutral third party evaluator that has extensive expertise in the area of SPP.