Sustainable Public Procurement in the Caribbean: Examples of Current Initiatives

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Sustainable Public Procurement

- Economic
- Environmental
- Social

- Why is each important to the Caribbean?
- Who’s doing what in each sector?
The Environmental Challenge of SPP in the Caribbean

• 10 of the top 30 plastic polluters per capita in the world are in the Caribbean

• 80% of marine pollution in the Caribbean comes from discharge of solids and liquids on land

• 200,000 pieces of plastic waste per sq. km. in the northeastern Caribbean compared to a global average of 573 pieces.

• “SIDS exposed to concentrations of plastic litter that are disproportionate to their own consumption and populations” (Lachmann et al 2017)

• Government is the larger single purchase in each country
Grenada: Sustainable Public Procurement Policy

- **January 2018:** Amended Public Procurement Act to add, “promotion of local industry, sustainable development and protection of the environment” as objectives of public procurement

- **Early 2019:** Undertook a Public Procurement Spend Analysis to identify main product categories to introduce SPP

- **July 2019:** Adopted Cabinet Decision on Government of Grenada Sustainable Public Procurement Policy
Grenada’s Sustainable Public Procurement Policy

- “Grenada recognizes that procurement decisions by procuring entities have inherent social, environmental and economic impacts”

- “Is consistent with the government of Grenada’s commitment to continuously maintain a procurement system that obtains the greatest benefits possible for the citizens of Grenada”

- “Contributes to the delivery of the Grenada’s national sustainable development plan 2035 and the UN’s Sustainable Development Goals.”

- “ensure that all procuring entities incorporate the principles of sustainability in their procurement activities”

- “build capability of suppliers and contractors through engagement and dialogue on SPP.

- Aims to “achieve target for 25% of government contracts awarded annually to contain sustainability requirements”
The contribution of MSMEs to the SDGs

“MSMEs are an important vehicle for achieving the Sustainable Development Goals. Through their significant job creation impact, MSMEs can play a pivotal role in reducing poverty and income inequality, especially amongst women and youth.”

Dr. Warren Smith, President, CDB (September 2019)

• MSMEs, especially family-owned businesses, account for about 70% of private sector employment in the Caribbean

• On average, MSMEs contribute 50% of GDP and create 45% of jobs
Jamaica: Promoting Domestic Industry & MSMEs

Jamaica Public Procurement Regulations Public Procurement Regulations 46-47, 2018

- **MSME Set-Aside** reserves 20% of the Government’s total annual procurement budget for MSMEs
  - Follows the “Rule of Two” approach: where a procuring entity can identify at least two qualified MSMEs for contracts whose estimated value does not exceed a set threshold, entity is required to run an MSME-only competition.

- **Industry Set-Aside** which reserves contracts for goods, services or works in selected nascent industries for Jamaican suppliers.

- **Domestic Preference** Margin of 20% on the bid price vs an international supplier, provided comprises at least 35% domestic content.
In LAC, the participation of women in the labour force rose by 33% between 1990 and 2014.

Women conduct the majority of supportive roles and processing and marketing work in the fisheries sector, but their roles may not be adequately measured, valued or compensated. (Nembhard, UWI)

75% of tourism employment in the Eastern Caribbean is unskilled or semi-skilled labour, which includes women, youth, and marginalized groups. (World Bank)

Women tend to have lower-waged occupations in the economy and a lower female labour force participation (CDB)

Caribbean women make 65 cents to 70 cents for every Dollar that men make (IADB)
Dominican Republic: Women Now Win 1 in 4 Public Contracts

Procurement Strategy 2012 aimed to increase women’s participation in public procurement.

From 2013 to 2019, value of public contracts awarded to women-owned business fluctuated with public market but grew sharply in 2018-19.

In DR, 50% of women-owned businesses as MSMEs.

Value of public contracts awarded to women-owned MSMEs increased from $6m to $42m annually.
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