

Developing Sustainable Public Procurement In Indonesia

Manila, 21 March 2024

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Outline



**Sustainable Public Procurement
Concept**

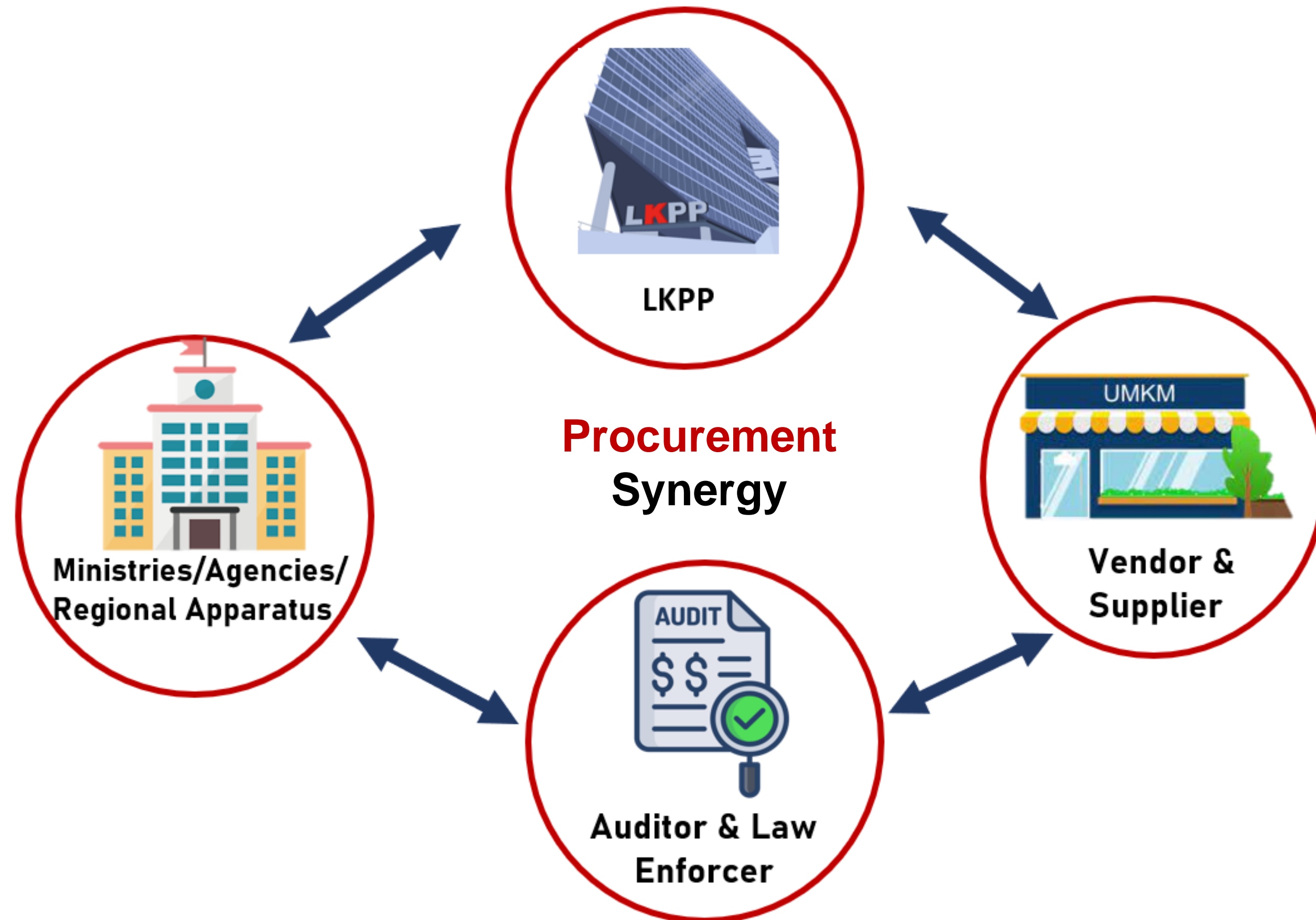


**Sustainable Public Procurement
Development Roadmap**

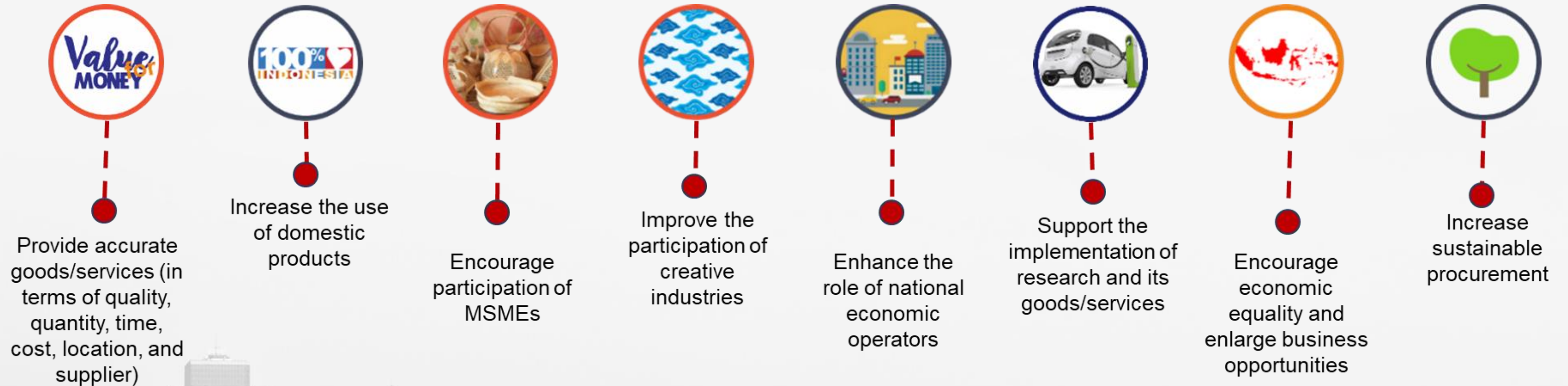


**Sustainable Public Procurement
Implementation**

SUSTAINABLE PUBLIC PROCUREMENT ECOSYSTEM



GOVERNMENT PROCUREMENT OBJECTIVES



REGULATORY AND POLICY FRAMEWORK

**PRESIDENTIAL
REGULATION 16/2018
AND ITS AMENDMENT
(PR No 12/21)**

**NPPA
REGULATIONS**

**CHAIRMAN OF NPPA
CIRCULATION
LETTERS**

**DEPUTY CHAIRMAN
CIRCULATION
LETTERS**

S/GPP Orientation

Government
Procurement of
Goods/Services
Encourages the
Achievement of
Development Goals

Environmental
Aspect

Social
Aspect

Economic
Aspect

- Reduction of negative impacts on health, air quality, soil quality, water quality use
- Resources usage in accordance with Regulation

- Use of Domestic Products/Natinal Contribution Value
- Increased Participation of MSMEs and Cooperatives
- Small Business Empowerment
- Guarantee of fair working conditions
- Empowerment of local communities/businesses
- Equality and diversity

- Value for Money on a whole life basis
- Economic life cycle cost

*Presidential Regulation No. 16 of 2018 on Government Procurement of Goods/Services

Poverty Rate

Unemployment Rate

Maternal Mortality Rate

Infant Mortality Rate

Human Development Index

Per Capita Income

Gini Ratio

Carbon Emission

Greenhouse Gas Reduction

Climate Change



ENVIRONMENTAL ASPECT

IMPLEMENTATION OF GREEN/ENVIRONMENTALLY FRIENDLY LABELS & SCHEMES

Presidential Regulation
Number 16 of 2018 on
Government Procurement of
Goods/Services

Law 32/2009 Law of Environment Protection and Management

Green Procurement served as incentives for Environment
Economic Instrument through prioritization of
environmentally friendly labeled goods and services.

Govt. Regulation 46/2017 Environment Economic Instrument

Encourage the utilization of environmentally friendly
goods and services in governmental institution and
improving the market opportunities for green labeled
goods and services.

Ministry Regulations regarding SPP Scheme:

- Regulation of Ministerial of Environment and Forestry 5/2019
- Regulation of Ministerial of Energy and Mineral Resources 14/2021
- Regulation of Ministerial of Industry 51/2015
- Regulation of Ministerial of Public Works and housing 21/2021

Ecolabel Scheme



**Eco-Friendly
Goods & Services**
Ministry of Environment
and Forestry

**Energy Saving Label &
Minimum Energy
Performance Standard**

Ministry of Energy
and Mineral Resources



Green Industry
Ministry of Industry

Green Buildings
Ministry of Public Works
and
Public Housing





Social Aspect

Law No. 3 of 2014 on Industry

**Govt. Regulation No. 29 of 2018 on
Industry Utilization**

**Presidential Regulation No. 12 of
2021 on Jo Presidential Regulation
16/2018 on Government
Procurement of Goods/Services**

In-House Procurement

- In-House Procurement with Civil Society Organization (Ormas) and Community Group (Pokmas)

Involving Small Businesses

- Small Business comprises of Micro Enterprises and Small Enterprises
- Procurement packages up to 2,5 Billion Rupiah are allocated for Small Businesses, unless it requires technical capacity which unable to meet by Small Businesses

Utilizing Local/Domestic Product

- Government Institutions are obligated to make use of domestic products, including national design and engineering

Instruksi Presiden No. 2 Tahun 2022 tentang
“Acceleration for the Increased Utilization of Domestic Products
and Products of Micro, Small Enterprises, and Cooperatives for
the Success of the Bangga Buatan Indonesia Program in the
Implementation of Government Procurement of Goods/Services”



Economic Aspect

Presidential
Regulation Number
16 of 2018 on
Government
Procurement of
Goods/Services



Provide accurate
goods/services (in
terms of quality,
quantity, time, cost,
location, and supplier)



Economic life
cycle cost

← acquisition

→ end of usage

Consideration

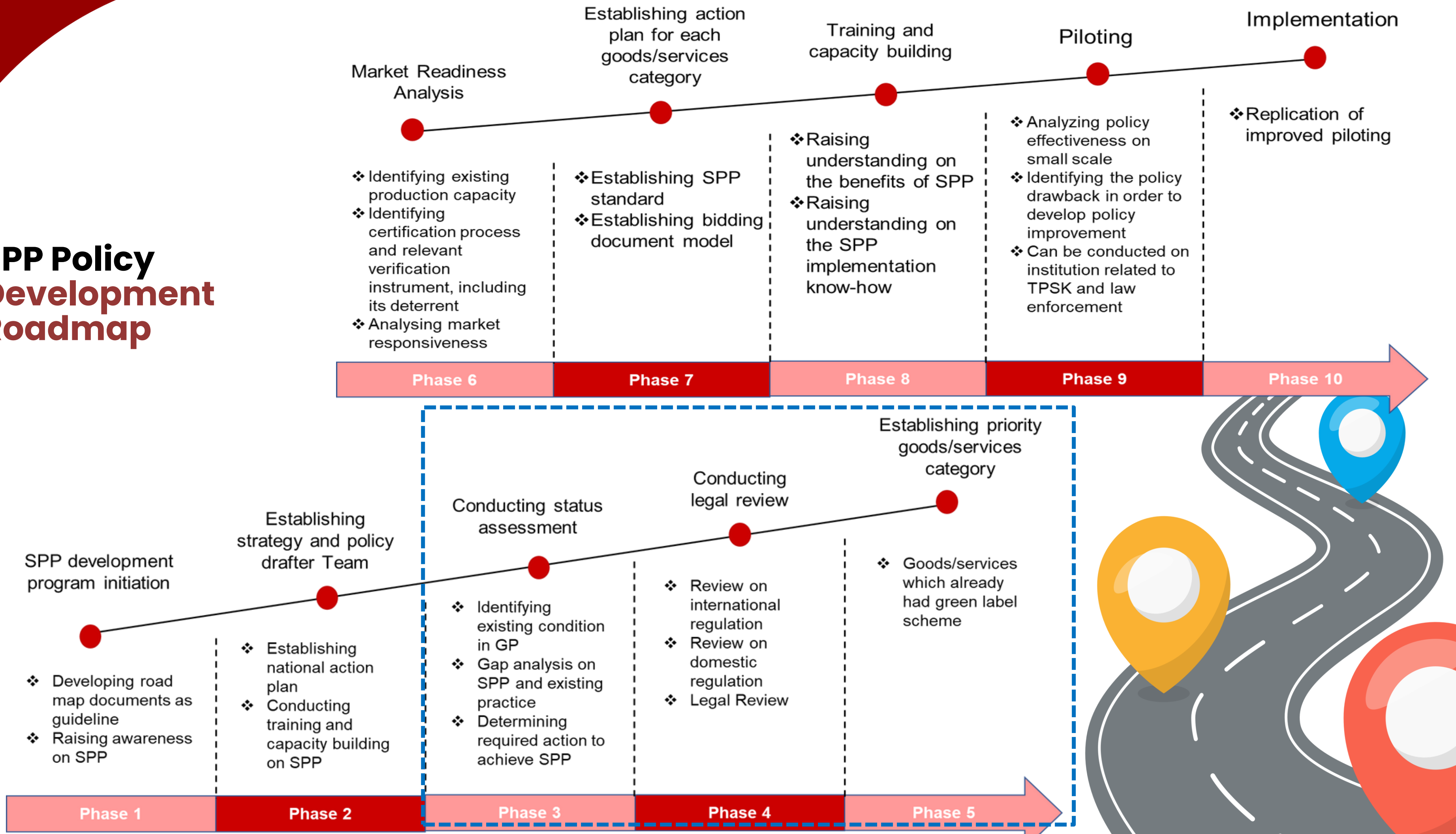


Environmental
Aspect



Social Aspect

SPP Policy Development Roadmap



IMPLEMENTATION OF SUSTAINABLE PUBLIC PROCUREMENT



INSTITUTIONAL BUILDINGS

- Increasing awareness for 617 procuring entities
- Market Readiness Analysis (supplier)
- Piloting SPP

REGULATORY FRAMEWORK

- Presidential Degree No. 16/2018 jo Presidential Degree No. 12/2021
- LKPP Circular Letter No 16/2020
- SPP Model Document Bidding



SPP MARKET

HUMAN RESOURCES DEVELOPMENT

- Capacity building dan Massive Open Online Course (MOOC)
- Business Actor Capacity Building



GP BUSINESS PROCESS

- Tagging on procurement planning system (SiRUP)
- Tagging on procurement system (SPSE, e-catalog, e-Monev)



POLICY & REGULATION FRAMEWORK

SUSTAINABLE PUBLIC PROCUREMENT

PRESIDENTIAL DECREE 16/2018 AND ITS AMENDMENT

LKPP Regulation Number 5 of 2022

Regarding Guideline for Procurement of Infrastructure, Goods/Services for IKN

Chairman of LKPP Circular Letter Number 16 of 2020

Introduction of Green Product / Product of Green Industry to be used in Government Procurement

Deputy for Development of Strategy and Policy of LKPP Decree
Number 1 of 2022

SPP Bidding Document Model for Procurement of Wooden Furniture with SVLK

Deputy for Development of Strategy and Policy of LKPP Decree
Number 1 of 2023

SPP Bidding Document Model for Procurement of LED Lamp with SKEM

Deputy for Development of Strategy and Policy of LKPP Decree
Number 3 of 2024

SPP Bidding Document Model for Procurement of Construction Works

Chairman of LKPP Decree
Number 157 of 2024

Sustainable Public Procurement Guideline

SRUP

RekapRUPCari PaketPanduanFAQBeritaDashboard

Produk Dalam Negeri

☐ Ya☐ Tidak

Usaha Kecil/Koperasi

☐ Ya☐ Tidak

Pengadaan Berkelanjutan atau Sustainable Public Procurement (SPP)

Aspek Ekonomi

☒

Aspek Sosial

☒

Aspek Lingkungan

☒

Pengadaan Dikecualikan

☐ Ya☒ Tidak

Rencana Metode Pemilihan

pilih---

Pengadaan Berkelanjutan

Sesuai aturan pada Perpres Nomor 12 tahun 2021 Pasal 1 (50) dan Perpres Nomor 16 tahun 2018 Pasal 68.

Jadwal

Rencana Jadwal Pengadaan Barang/Jasa

Pemanfaatan Barang/Jasa

Akhir

Pilih Bulan

Awal

Pilih Bulan





Pelaksanaan Kontrak

Akhir

Pilih Bulan

Awal

Pilih Bulan

<div><div></div><div><div>PaperOne KERTAS HVS A4 80 GSM</div><div>PAPERONE</div></div><div><div>CV. ADD KOMPUTER</div><div>TKDN(%) : 79.56</div><div>BMP : n/a</div><div>TKDN + BMP : 79.56</div><div>Kabupaten Magelang</div><div>IDR 55,000.00</div></div></div>	<div><div></div><div><div>Box File Bantex</div></div><div><div>Videa Stationary</div><div>TKDN(%) : 99.64</div><div>BMP : n/a</div><div>TKDN + BMP : 99.64</div><div>Kota Jambi</div><div>IDR 36,300.00</div></div></div>	<div><div></div><div><div>SOLID WOOD Meja Siswa SMP Kayu</div></div><div><div>CV. BANYUMAS</div><div>TKDN(%) : 88.84</div><div>BMP : n/a</div><div>TKDN + BMP : 88.84</div><div></div><div>IDR 3,400,000.00</div></div></div>	<div><div></div><div><div>PANASONIC Pendingin Udara</div><div>Panasonic 1 PK</div></div><div><div>CV. AGUNG SUKSES BERSAMA</div><div>TKDN(%) : 80.77</div><div>BMP : 10.2</div><div>TKDN + BMP : 90.97</div><div>Kabupaten Pasaman Barat</div><div>IDR 6,000,000.00</div></div></div>
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GREEN PRODUCT ON E- CATALOG

Product Labelling in e-Katalog, including:

- Domestic Product
- Imported Product
- SMEs Product
- Verified Product
- Product of Innovation
- Environmentally Friendly Product

TAG IMPLEMENTATION SPP ON SIRUP

AMEL

Main Info

Planning

Preparation

Election

Contract

Handover

Monitoring

Government Goods/S...2022All Working Units

PLANNING

IDR 92.5 billior

1598 packets

PDN : IDR 68.3 billion

UMK : IDR 67.7 billion

Provider

IDR 74.7 B / 1211 packages (80.83 %)

self-management

IDR 17.7 B / 387 packages (19.17 %)

PREPARATION

IDR 52 billion

336 packages

PDN : IDR 46.9 billion

UMK : IDR 46.7 billion

Provider

IDR 48.7 billion / 321 packages (93.75 %)

self-management

IDR 3.2 B / 15 packages (6.25 %)

ELECTION

IDR 42.7 billior

Yield IDR 42.7 billion / 335 packages

336 packages

PDN : IDR 37.9 billion

UMK : IDR 37.7 billion

Provider

IDR 39.5 B / 321 packages (92.4 %)

Yield Rp. 39.4 billion / 320 packages

self-management

IDR 3.2 B / 15 packages (7.6 %)

Yield Rp. 3.2 billion / 15 packages

CONTRACT

IDR 34.8 billior

314 packages

NOP : IDR 17.7 billion

UMK : IDR 17.1 billion

Provider

IDR 34.5 B / 299 packages (99.29 %)

self-management

IDR 247.2 Million / 15 packages (0.71 %)

HANDOVER

IDR 24 billion

Completed IDR 587 million / 24 packages

281 packages

PDN : IDR 8.6 billion

UMK : IDR 8.4 billion

Provider

IDR 23.8 B / 266 packages (98.97 %)

Completed IDR 339.8 million / 9 packages

self-management

IDR 247.2 million / 15 packages (1.03 %)

Completed IDR 247.2 million / 15 packages

PAYMENT

IDR 33.7 billion

MONITORING AND EVALUATION ON AMEL

INTERNAL. This information is accessible to ADB Management and staff. It may be shared outside ADB with appropriate permission.

THE IMPLEMENTATION OF SUSTAINABLE PUBLIC PROCUREMENT (PILOT PROJECT 2022)

NO	NAMA OPD	METODE PENGADAAN
1	Dinas Pendidikan dan Kebudayaan Kota Parepare Provinsi Sulawesi Selatan	Tender
2	Dinas Kependudukan dan Catatan Sipil Kabupaten Kutai Kartanegara Provinsi Kalimantan Timur	e-Purchasing - Katalog Lokal
3	Inspektorat Kota Banjarmasin Provinsi Kalimantan Selatan	e-Purchasing – Katalog Lokal
4	Dinas Pekerjaan Umum dan Penataan Ruang Kota Bontang Kalimantan Timur	Pengadaan Langsung
5	Dinas Pengendalian Penduduk, Keluarga Berencana, dan Pengendalian Masyarakat Kota Banjarmasin Provinsi Kalimantan Selatan	e-Purchasing – Katalog lokal

Lesson Learned:

- Matching government needs with the availability of sustainable product in the market
- Conforming government budget for procurement of green product
- Commitment and support for implementation of sustainable procurement
- Supervisory support by Internal Auditor in the implementation of sustainable procurement

SUSTAINABLE PUBLIC PROCUREMENT

In INDONESIAN GOVERNMENT PROCUREMENT TRADE AGREEMENT

Regional Comprehensive Economic Partnership (RCEP)

- Sharing information, where possible, on best practices, including those in relation to small and medium enterprises

Indonesia-United Arab Emirates Comprehensive Economic Partnership Agreement (I-UAE CEPA)

- Cooperation in encouraging inclusive and sustainable procurement to help ensure that the benefits of the Chapter are widely shared

IMPLEMENTATION CHALLENGES OF SPP

Demand / Government Side

1. Adapting the Mindset and Awareness of procurement officers and auditors on the transition to SPP
2. Higher initial purchase price compared to similar non sustainable product
3. Diversity of implementation nature of sustainability aspects among various goods/services
4. Developing technical criteria / norms / procedure for implementation of SPP
5. Establishing monitoring and evaluation system for SPP Implementation

Supply / Supplier Side

1. The level of market readiness on various sectors are relatively low
2. Transition of production patterns require investment, including certification and labeling cost
3. Uncertainty of market demand for sustainable products/services
4. Lack of incentives to motivate the supplier / industry
5. Lack of local / domestic supplier for sustainable products/services

THANK YOU

DIRECTORATE FOR DEVELOPMENT OF BUSINESS
CLIMATE AND INTERNATIONAL COOPERATION

“ Tolak segala bentuk gratifikasi, jauhi Korupsi”