



# National Policy Roundtable on Sustainable Consumption and Production

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**Output Paper** 



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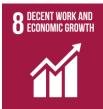
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#### **SDGs**











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# List of acronyms

CE Circular Economy

CCIU Chamber of Commerce and Industry of Uzbekistan

CII Confederation of Indian Industry

GDP Gross Domestic Product

GHG Greenhouse Gas

MoE Ministry of Economy

MoF Ministry of Finance

MSME Micro, Small & Medium Enterprises

RE Resource efficiency

SCEEP State Committee on Ecology of the Republic of Uzbekistan on Ecology and

**Environment Protection** 

SCP Sustainable Consumption and Production

SDG Sustainable Development Goals

SPP Sustainable Public Procurement

TC Technical Consultants

UNEP United Nations Environment Programme





















### Introduction

Present data and trends observed in the last decades on environmental pollution, threats to biodiversity, and climate change are forcing humanity to mobilise for sustainable use of natural resources to preserve a healthy environment for future generations. Such mobilization globally is undertaken on many levels and on various dimensions, one of which is enclosed in Sustainable Development Goal (SDG 12) - Sustainable Consumption and Production (SCP), including the efficient use of resources in agro-processing and production, either explicitly or implicitly contributing to other SDG goals such as: Goal 7: Affordable and clean energy, Goal 8: Decent work and economic growth, Goal 9: Industry innovation infrastructure, and Goal 13: Climate action through climate mitigation. The significance of this is of paramount importance due to the size of the sector and the anticipated population growth, whereas the first variable is directly correlated with the last.

The average annual population growth rate observed for the last decade in Uzbekistan is about 1.6% (United Nations, 2022), with 42 million people projected by 2050 (The Institut National d'Etudes Démographiques, 2019) compared to 34 million by 2022. Thus, the demand for food in the country is steadily increasing year by year.

Despite the recent liberalization processes in economy imparting mechanisms for enhancing competitiveness and resource efficiency, sustainable development is constrained by high water consumption (per capita), energy inefficiency and CO2 emissions in kg per PPP of GDP (The World Bank, 2022).

Numerous official documents and strategies address energy and resource efficiency, the main of them being a strategy on the transition of the Republic of Uzbekistan to "green" economy for the period 2019-2030, and the strategy for the Development of New Uzbekistan from 2022-2026 intends to improve

energy efficiency of the economy by 20% by 2026 and to reduce hazardous gas emissions by 10% by introduction of green economy technologies in all sectors (Decree of the President of the Republic of Uzbekistan №60 "On the strategy for the development of the new Uzbekistan for 2022-2026", 2022).

The REAP project aims to switch agroprocessing production practices in Uzbekistan and Tajikistan into a cleaner and more resource-efficient path. The project support is provided in two main directions. The first is direct support to MSMEs and the second is stakeholder engagement. The direct support entails a set of measures, comprising capacity building measures, direct assessment and consultation of the efficiency of resource use in the production process in agri-food MSMEs to provision of recommendations on possible modifications in equipment and production procedures and guidance through the process of implementing Sustainable Consumption and Production (SCP) practices by technical consultants (TCs) of the project. Besides, the TCs of the project will act as an intermediary MSMEs, between potential technology providers. and financial institutions accelerate the introduction of clean technologies in MSMEs.

ensure the sustainability of implementation and uptake not only on the ground with industries but also at the institutional level, certain multi-stakeholder activities are envisaged, intended to support the creation of a supportive and favourable institutional framework enabling MSMEs to transition to greener and cleaner production. A package of activities was launched in the summer of 2022 to foster financial inclusion of MSMEs in the implementation of SCP technologies, or in other words, in access to investments into clean or green technologies. Another major thrust of activities of institutional support is policy advocacy - the process of facilitating a dialog for policy change towards the creation of policy mechanisms for SCP implementation nationwide. The activities





















comprise development of policy briefs (input papers) for provision of an overview of a legal framework of SCP to the stakeholders and conduction of national policy roundtables. The latter creates a platform for exchange between relevant policy makers, business associations, academia and MSMEs, and is aimed at motivating established coalitions to promote policy mechanisms supporting SCP uptake. These activities are directly targeting the achievement of the goals set in the Development Strategy of New Uzbekistan and the strategy to transition the country to a green economy. This Output Paper (report) is a result of a policy roundtable organised by Uzbekistan Chamber of Commerce and adelphi gGmbH on 14 June 2022 in Bukhara, Uzbekistan. It is intended to describe the methodology used for the event as well as to summarise the outcomes with the purpose of further dissemination of the results.

Methodology

The project's policy advocacy activities are structured in a two-stage approach. In the first stage, the project team prepares a policy input paper that encompasses a comprehensive overview of the country's background within the Sustainable Consumption and Production

(SCP) framework. It also meticulously outlines the existing major policies contributing to SCP, delving into an analysis of the gaps in policy implementation and offering recommendations for immediate action.

Moving on to the second stage of the policy activities, the policy input paper will be subjected to a broad and inclusive discussion among various stakeholders in the SCP ecosystem. These stakeholders include policy makers, industry associations, public sector organizations, and academia. The primary focus during this stage will be on the development of policy mechanisms and policy implementation solutions aimed at bolstering the adoption of SCP practices within the industry. These solutions will be crafted through the inspiration drawn from successful global SCP policy case studies, with the goal of promoting sustainable practices at the industry level.

In this output paper, we have drafted such 3 policy mechanisms that have been discussed and designed by participants of the national policy roundtable on SCP in Uzbekistan.





















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### **Background**

Unsustainable production and consumption are among the leading contributors to the environmental pollution and induced problems that have been observed in recent decades and have become increasingly severe.

Unregulated production in terms of efficient use of resources weakens the commitment to compliance with good production practices, facilitated by a lack of knowledge about sustainability and SCP. The concept of SCP emerged relatively recently and a number of countries are undergoing a process of adoption (onboarding) which is taking longer in transition economies. Meanwhile, MSMEs are gradually accepting the necessity for sustainable growth and production, which was initially started as a social responsibility and now extends to environmental dimension.

MSMEs lack a robust standardised compliance system that would be beneficial in terms of reducing their footprint on the environment, facilitating their access to local and international markets, and last but not least, improving their image. SCP targets can be achieved through many instruments initiated and administered by authorities or the private sector. One of them is green certification, which can be divided into categories such as green food certification, building certification, green business certification, eco/green product certification, etc.

The proposed solution focuses on **resource efficiency in manufacturing** in MSMEs in order to improve environmental performance and is needed for provision of a baseline for **standardization**, evaluation of manufacturing processes. The contributes to the achievement

of one of the needs defined in the The strategy for the transition of Uzbekistan to a green economy for the period 2019-2030: development of a system for training and retraining of personnel for the labor market in the green economy.

### Key challenges addressed

- Lack of knowledge on sustainable production in MSMEs;
- Lack of capacities to increase resource efficiency in production;
- No accessible services on resource efficiency evaluation in the country;
- Limited market niche due to noncompliance with import standards in other countries;
- Inexistence of a central and accessible green certification of MSMEs on sustainability;
- · Limited access to finance;
- Lack of information on equipment suppliers/vendors.

#### **Solution Overview**

The green certification will provide a robust assessment system for rating MSMEs for sustainability. It will be developed in same lines with the GreenCo certification by Confederation of Indian Industry (CII) for Indian insurteies. CII India's experience with GreenCo is useful for setting up a similar system in Uzbekistan, considering the experience and lessons learnt from GreenCo certification.





















The rating will be based on such aspects as:

- · Energy Efficiency,
- · Water conservation,
- Renewable energy (optional),
- · Greenhouse gas mitigation,
- · Waste management,
- Material Conservation,
- · Recycling and Recyclability,
- · Life Cycle Assessment (optional).

Registered MSMEs will undergo a training process on certification rating, providing enterprises with knowledge of the assessment process and applicable indicators. This will be followed by visits from technical consultants of CCIU for the initial assessment. Following the results of the initial assessment, MSMEs will be given a period of time to optimise production processes aimed at improving assessed

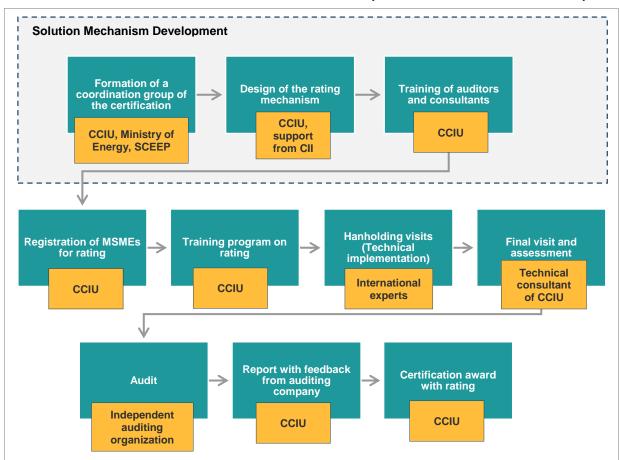
performance, facilities and equipment before a formal assessment is conducted by CCIU.

After the official evaluation for each criterion, an aggregate of all the values is used to determine the rating. The rating defines the level of certification to be awarded to an enterprise. A system of certification levels similar to GreenCo can be established, e.g. 'platinum' for outstanding performance, then 'gold', then 'silver' and so on (Confederation of Indian Industry, n.d.). Two official evaluations are foreseen in total, the first being conducted by CCIU and the second by independent auditors as a verification of the results received by CCIU.

The solution has a developed backbone in the

Encouragement from government authorities and high consumer awareness of sustainable production can significantly increase the success of the scheme.

country - technical consultants trained by the























REAP project. They have the skills and experience in resource efficiency analysis in agro-processing MSMEs, that can be further

integrated into the proposed solution, thereby reducing the cost of establishing a functioning mechanism.

### **Key Stakeholders**

Group	Key stakeholders	Roles/functions
	CCI Uzbekistan	<ul> <li>Lead the establishment of a coordination group and its operation;</li> <li>Establish standards and a certification system in accordance with environmental criteria to measure resource efficiency in production, supported by a coordination group;</li> <li>Certification of MSMEs based on developed criteria and certification system;</li> <li>Function as an intermediary for access to finance and suppliers.</li> </ul>
Regulatory bodies	Confederation of Indian Industry (CII)	<ul> <li>Support CCIU through/and the certification coordination group in setting standards and establishing enterprise certification system on environmental criteria to measure resource efficiency in production.</li> </ul>
	Independent audit organizations	Third party audits of MSMEs.
	International consultancies/experts	Support in assessment of MSMEs in handholding visits.
Government Bodies	Ministry of Energy, State Committee on ecology and Environmental Protection	<ul> <li>Support CCIU through the certification coordination group in setting standards and establishing certification on environmental criteria to measure resource efficiency in production;</li> <li>Awareness raising among producers and consumers on the</li> </ul>
		certification system established.
Manufacturers	MSMEs	<ul> <li>Provision of feedback to the coordination group on the criteria used and other components of the certification;</li> <li>End users – obtaining developed certification on resource-efficient production and processing of agro-food products.</li> </ul>

# **Key features**

The main features of the Enterprise Green Certification System are provided below:

- The Certification will be coordinated by the CCIU, which will be a national central MSMEs certification authority;
- CCIU will provide all the technical advice;
- A transparent national certification system that provides MSMEs with baseline data on environmental performance, encouraging those for future continual improvement;
- Technical consultants of CCIU will function as intermediaries in access to vendors, facilitate access to financial institutions, and funding schemes;





















 The certification will enable consumers or enterprises to choose products manufactured with less environmental impact. international markets, therefore strengthen the position of the national production on the global market.

### Impact potential

- The system will increase environmental performance of agri-food processing MSMEs through resource use reduction and therefore contributing to SCP and Climate Action SDGs;
- The solution can promote sustainable state procurement;
- The solution will promote competitiveness of certified MSMEs on local and

### Implementation plan

- Development of a concept note with detailed description of the solution mechanism;
- Creation of a coordination group of the certification with representatives from respective ministries and other governmental bodies;
- Establishment of cooperation between CII and the coordination group;
- Development of a scaling tool with adjustments to the local production context.

















### **Background**

Sustainable Consumption and Production is a holistic approach aimed at minimization the use of natural resources, toxic substances along with reduction of waste emissions and pollutants throughout the life cycle of a service or product (UNEP, n.d.).

Following recognition by countries of the need to transition to sustainable development, of which circular economy and SCP are essential approaches, regulators and governments are developing strategies to transition to green economy. The plans and indicators developed based on the strategies are then translated into national development programmes, sectoral programmes or other policy documents, which are usually developed by the relevant ministries.

In designing these programmes, each administrative authority pursues its own interests and development agenda, causing conflicts in the implementation of other development programmes. Thus, there is a lack of coherence in achieving the goal of sustainable production, considering that production encompasses many aspects under the jurisdiction of different ministries and agencies.

Hence, coordinated and unified efforts are essential to improve the efficiency of resource use in manufacturing sector, thereby creating a synergistic impact and contributing to the achievement of the SDGs by the country.

The solution to these challenges is the formation of a **nodal agency** dedicated to **coordinate** the implementation of **sustainable production** practices in MSMEs in Uzbekistan.

### Key challenges addressed

- Lack of coordinated transformation of the agri-food and other sectors with respect to efficient use of resources and reduction of waste and other emissions;
- Inexistence of a central agency operating as a directory for MSMEs and national agencies in achieving resource-efficient production;
- Inexistence of a database to monitor the progress of MSMEs and the sector;
- Ineffective replication of best practices in the country to improve resource efficiency in agri-food production due to the absence of an enabling executive authority;
- Conflict of interest between governmental organizations, national strategies and action plans relevant for agri-food production.

#### Solution Overview

The SCP nodal agency will be the central directory for the implementation and coordination of a holistic and integrated approach towards fostering resource efficiency practices in agro-food production and processing MSMEs in Uzbekistan. For this purpose, a Resource Efficiency Department – SCP nodal agency chaired by the Deputy Minister for Resource Efficiency will be established within the Ministry of Energy.

The nodal agency will be supported by a **core group** in the coordination of implementation of sustainable consumption in MSMEs.















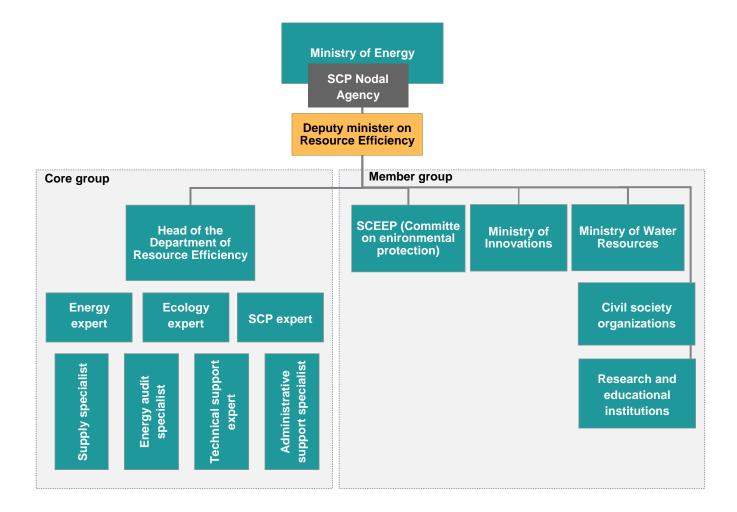






The nodal agency is supported by the **member** group consisting of representatives of relevant governmental agencies, such as the State Committee on Ecology of the Republic of Uzbekistan on Ecology and Environment Protection, Ministry of Innovative Development of the Republic of Uzbekistan, Ministry of Water Resources. Research and Educational institutions and the civil society organizations. The member group will engage in the development of action plans, and goals for MSMEs, along with ensuring these goals are incorporated into the sectoral development plans and are not conflicting with each other. In addition, a holistic approach is ensured by the composition of the core group. As shown in Figure 2, experts and specialists in the relevant areas will be permanent members of the core group, and they will be appointed by the line ministries.

Research and education institutions will reinforce the overall change in the manufacturing sector by incorporating SCP topics into their curricula, as well as support MSMEs and government organizations in obtaining technical knowledge. Civil society organizations can support the promotion of SCP among the general public, thereby motivating MSMEs through informal institutions and norms.











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# **Key Stakeholders**

Group	Key stakeholders	Roles/functions
Governmental Organizations	Nodal Agency  • The State Committee on Ecology of the Republic of Uzbekistan on Ecology and Environment Protection;  • Ministry of Innovative Development of the Republic of Uzbekistan;  • Ministry of Water Resources;  • The Ministry of Economic; Development and	<ul> <li>Host institution for the Nodal Agency;</li> <li>Establishment of the Nodal Agency;</li> <li>Management and coordination of agency activities;</li> <li>Coordination of the activities of a member group;</li> <li>Ensuring funds for the operation of the agency.</li> <li>Development of strategies and action plans in collaboration with other governmental agencies assisted by their representatives in the member group;</li> <li>Elaboration of efficiency targets and indicators on sustainable production for agro-sector;</li> <li>Setting standards and guidelines for MSMEs;</li> <li>Establishment of an audit mechanism to monitor progress;</li> <li>Provision of training and capacity building for MSMEs, auditors and consultants;</li> <li>Securing funding to implement their activities.</li> <li>Designation of a responsible officer/s from organization to work in the core team of the nodal agency;</li> <li>Alignment and coordination of sectoral action plans with the strategies on resource efficiency improvement in MSMEs developed by the nodal agency;</li> <li>Provision of the necessary information and data to the nodal agency for the development of effective plans and mechanisms;</li> <li>Support the Nodal agency in development of action plans and their implementation on the ground;</li> <li>Audit of the MSMEs in line with the monitoring mechanism established by the nodal agency;</li> <li>Provision of consultancy to the MSMEs on improving</li> </ul>
Academia	Poverty reduction.  Research and educational institutions	<ul> <li>resource efficiency in line with the focus of organization.</li> <li>Provision of a technical knowledge to the general public, production sector, the profile ministries and agencies</li> </ul>
Civil Society	Civil Society Organizations	<ul> <li>Awareness raising among consumers and manufacturers on the importance of the resource efficient production;</li> <li>Provision of feedback on the action plans on RE production developed by the Nodal Agency and on the effectiveness of their implementation on the ground.</li> </ul>





















Manufacturers MSMEs

- Improvement of the efficient use of resource in production;
- Adherence to developed guidelines;
- Provision of data for indicator analysis.

### **Key features**

- The first governmental agency for the deliberate action and planning to increase resource efficiency in manufacturing companies and implement SCP practices;
- Strategies for the implementation of SCP in agri-food production and processing MSMEs are coordinated and aligned with other national and sectoral development strategies and action plans, which reduces the likelihood of conflicts of interest between them and increases the probability of success:
- Accountable body for coordination and implementation of actions on sustainable production on the governmental level.

### **Impact potential**

- Greater opportunities for seeking investments to sustainable production from international donors due to existing responsible directory for implementation of resource efficient practices in production;
- Reduction in GHG emissions contributing to target indicators set in National Determined Contribution of Uzbekistan;
- Formation of favourable environment for the transition of MSMEs to sustainable production;
- Overall improvement of the image of the agro-food production of the country on the international market, strengthening the competitiveness of domestic products.

### Implementation plan

- Development of the concept of the nodal agency and presentation of the project including the terms of reference to the Ministry of Energy and a Cabinet of Ministers;
- Development of the functional structure of the agency and designation of its members;
- Mobilisation of funds.

















### **Background**

Public procurement is the purchase of goods and services by governments from the public sector for partially or fully public funds. They accounted for 12% of global GDP in 2018, whereas there is no significant difference between low-, middle- and high-income countries (Bosio & Djankov, 2020). Due to the substantial volume of public procurement in GDP, it has a tremendous influence on aspects such as the social, environmental and economic sustainability of production and services in national economies. Moreover, sustainable public procurement will create a large green market.

In many countries, public procurement was not legally regulated until the 1990's or 2000's (Bosio & Djankov, 2020). Meanwhile, since independence. Uzbekistan has adopted a number of acts to regulate public procurement. particular: the **law on** "Public procurement", the act of the President of the Republic of Uzbekistan "Optimization of the **Public Procurement System and Expanding** Attraction of Small Business" 07.02.2011, "On Measures to Improve the Legal Framework for Public Procurement" of the Republic of Uzbekistan dated 01.04.2011, The act of the Republic of Uzbekistan about "Public procurement" 9.04.2018 among others (Muminov & Rakhimova, 2020). These regulations aim to achieve national strategic goals and objectives, and the main priority criteria are related to economic benefits, without highlighting the importance of environmental sustainability. Although the Article 32. "Rules concerning evaluation criteria and procedures" of the law on "Public procurement" mentions the possibility to include criteria as; energy efficiency; rational use of natural resources; the

use of environmentally friendly materials and secondary raw materials; renewable energy sources; and other factors in assessing the environmental friendliness of purchased goods it is not mandatory. Hence the need to focus more on environmental criteria in order to embark on a sustainable development path.

**Sustainable public procurement** (SPP) is an excellent catalyst for strengthening national commitment to sustainable development goals and shifting public spending to a "green" path, along with steering the sector toward a transition to sustainable production.

However, transformational change is impossible in the absence of a systematic approach for adoption of SPP, which includes an action plan, the responsible and accountable authority for the implementation of this plan, and cohesive inter-governmental cooperation.

## Key challenges addressed

- Achievement of SDGs, particularly SCP and climate action;
- Lack of impetus for national agri-food processing and production MSMEs to resource-efficient production;
- Slow and functionally complex incorporation of sustainable production criteria into the legislative framework of Uzbekistan.

#### **Solution Overview**

The solution mechanism is a comprehensive approach for launching and implementing SPP on the national level. It consists of several components directed at different processes, regulations and actors directly responsible for shaping, implementing and monitoring of the















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national public procurement.

One of the key elements in the implementation of this mechanism is the creation of a national authority to embed sustainability in public procurement that will be responsible for implementation of SPP on different levels.

For the optimal integration of the SPP authority into the existing functioning national public procurement system, an **institutional analysis** of an existing public procurement system is crucial. This is done in order to identify intervention points for strengthening the mechanism being created.

In order to ease the process and to pilot the solution, an agri-food production and processing sector can be chosen to test the effectiveness and improve the mechanism (set of products and categories) for further upscaling of it on other products.

# Existing Institutional Framework of Public Procurement

Public procurement is regulated by many public authorities controlling various functionalities. Thus, for instance, according to the Law on Public Procurement, the Cabinet of Ministers of the Republic of Uzbekistan is responsible for the rational use of public procurement budget funds; controlling the activities of public contracting authorities and determining the methods and criteria for evaluation and comparison of bids on the legal level. (Law of the Republic of Uzbekistan on Public Procurement, Approved by the Senate on March 12, 2021).

The Ministry of Finance of the Republic of Uzbekistan (MoF) is responsible for: appointing operators of an electronic public procurement system, formation of the procurement system, procurement procedures and; ensuring monitoring of the implementation of regulations in the field of public procurement and control over their implementation (ibid). According to the decree of the President, the

MoF in addition, is responsible for regular training on public procurement for state customers starting from 2020 (Decision of the President of the Republic of Uzbekistan. On measures to further improve the public procurement system and broadly involve business entities in the public procurement process, 2019).

State customers are public organisations financed by the state, legal entities with 50%, or more of the state share in their authorised fund (share capital), etc. The state customer elaborates the procurement documents, comprising, among other elements, the terms of reference/technical specifications, and the evaluation criteria for concrete а procurement. Following which, the public contracting authority publishes the public procurement tender in the electronic procurement system (Law of the Republic of Uzbekistan on Public Procurement, Approved by the Senate on March 12, 2021) on a dedicated information portal (https://xarid.uzex.uz/home).

A participant in procurement procedures is an individual or legal entity, resident or nonresident of the Republic of Uzbekistan, taking part in the procurement procedure as a bidder for the execution of public procurement. The bidder identified as the winner of the procurement procedure to be awarded the public procurement contract becomes the Public Procurement Contractor. (Law of the Republic of Uzbekistan on Public Procurement, Approved by the Senate on March 12, 2021). In certain cases, participants of public procurement have to provide an advance payment as a guarantee for a tender.

The Procurement Commission is formed by the state customer when organising and conducting procurement procedures, where the procedure requires the formation of such a body. The task of the Procurement Commission is to evaluate and rank the bids of the participants of procurement procedures by degree of compliance with the order and to select the winner(s) in competitive methods of public procurement (ibid).



















### **Solution mechanism**

The first and foremost important element for setting the stage for SPP implementation in the country is the establishment of **SPP Department** as mentioned above. The SPP Department will have various functions and will interact with different public procurement governance levels supporting the implementation of SPP and monitor the effectiveness of actions.

Intervention points based on the Institutional framework of public procurement:

- 1. One of the main tasks of the SPP **Department** is formulation of the SPP policy or/and drafting the amendment of the "Public Procurement" law on integration on sustainability criteria as mandatory and setting up a quota (e.g. 50%) for the sustainable/green public procurement. In addition, the SCP Department will be in charge of developing other legislation and regulations on SCP. Upon the review of the draft by the Cabinet of Ministers, the decision will be made and released on the legislative level.
- To achieve the objectives set out in the legislation and goals in national development strategic documents, the department will be responsible for developing of SPP implementation plan/blueprint.
- The Department will be actively involved in supporting government authorities in implementing the plan through preparation of guidelines and monitoring the effectiveness of implementation of SPP plans, acting as a leader and agent of SPP at national level.
- As the Ministry of Finance is in charge of conducting regular trainings for public customers, the SPP Department could collaborate with it in order is to develop sustainability criteria for product groups,

- starting with a pilot set of products for inclusion of them into the regular **training** for **public customers**. The criteria, among others, could also be based on national ecological standards, eco-labelling, and other eco-certifications.
- 5. Capacity building aspect can be enlarged by elaboration of sustainable procurement manuals along with sample Standard Bidding Documents for SPP for public customers and for potential procurement participants. The distribution of a latter can be eased by provision of open access to manuals and establishment of a service centre for information, tools and guidelines provision on SPP for MSMEs.
- 6. Furthermore, the SPP department in cooperation with standardization and other relevant agencies, will develop and regularly update list or a database of "sustainable" vendors and green products for facilitating easier public procurement for public customers.
- In order to ensure an objective evaluation based on expert knowledge, the representation of the SPP Department officer will be mandatory in cases where a procurement committee is required to carry out a tender.

The mechanism of intervention of the SPP Department is depicted below.











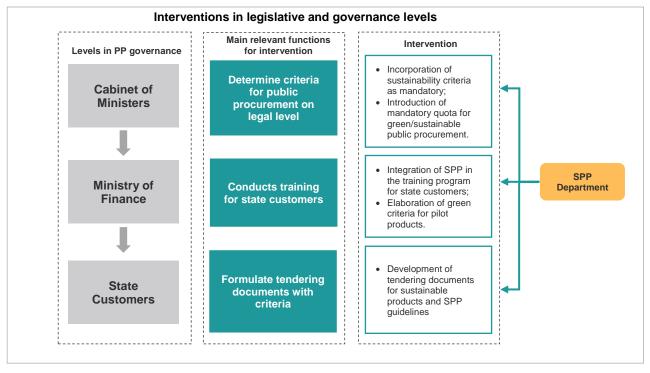


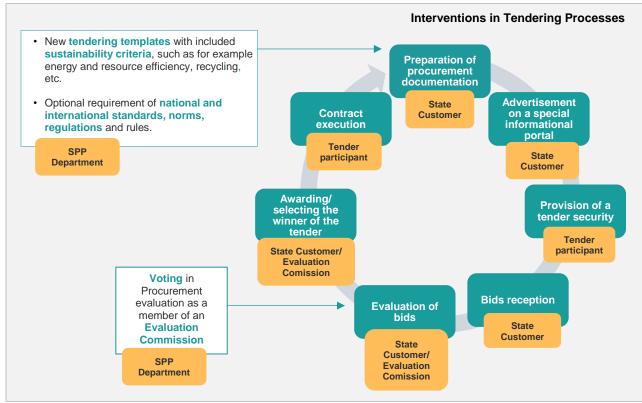












An impact of the SPP solution should be measured in order to ensure the continuous improvement of the system. Thus, indicators can be de be developed in order to measure the success of the policy change (International Bank for Reconstruction and Development / The World Bank, 2021)









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### **Key Stakeholders**

Group	Key stakeholders	Roles/functions
		Approval of the task of establishing the SPP Department;
Governmental Organizations	Cabinet of Ministers	<ul> <li>Adaptation of a new amendment to the Public Procurement Law to include sustainability criteria as mandatory and establish a quota for green agri-food products.</li> </ul>
		<ul> <li>Initiation of the process of establishment of the SPP Department;</li> </ul>
	Ministry of Finance	<ul> <li>Integration of the sustainable development aspect into regular training provided to public customers;</li> </ul>
		<ul> <li>Monitoring the share of environmentally friendly products procured.</li> </ul>
		Participation in the training on SPP;
	All state customers	<ul> <li>Following new regulations on SPP in procurement;</li> </ul>
		<ul> <li>Ensuring representation of SPP department officer in public procurement evaluation commissions for voting.</li> </ul>
Manufacturers	MSMEs	Following new guidelines on SPP.

### **Key features**

- A comprehensive mechanism for shifting the public procurement and eventually the agri-food production and processing in the country to sustainability path;
- An independent authority, implementing and monitoring all changes to the existing institutional framework and functioning of the

## **Impact potential**

- Transition of MSMEs to sustainable production followed by a change in producers' perception of the importance of sustainability in general;
- Reduction of negative impact of agro-food processing and production sector to environment, biodiversity and climate;
- Increased opportunities for foreign investment and grant funding.

### Implementation plan

- Preparation of a Concept Note proposing the establishment of an SPP Department in/by the Ministry of Finance;
- Development of a working structure, priority goals for the department as well as defining the human resources, and specifications needed;
- Identification of the first pilot set of products for SPP implementation.



















### Recommendations

The roundtable discussion resulted in the solutions described in this paper aimed at enabling MSMEs and the wider community to switch to SCP.

**SCP** implementation can be strengthened through an integrated approach of mutually reinforcing solutions. For instance, the introduction of green products and MSME certification, such as an example of GreenCo certification (Confederation of Indian Industry, n.d.), as an accessible tool for procurement stakeholders will facilitate sustainable public procurement. Due to the high market share of public procurement, raising the profile of sustainable public procurement will create a supply of sustainable products in the local market. Public procurement has a strong influence on production, it provides the initial investment for local companies to become resource efficient. These mechanisms can complement each other and act synergistically.

The **strategic direction** can be provided by the **SCP Nodal Body** established as an intergovernmental agency. It will be the body responsible for the implementation and coordination of the **overall SCP policy** and the successful implementation and monitoring of the above described mechanisms.

Until recently, **states** were responsible for social and economic development, but this has now changed as states **are now the agents of the transformation of the economy towards sustainable development**, which includes the preservation of the environment. As such, they play a leading role in guiding the transition process through a range of intervention instruments. In doing so, they play an important role in promoting SCP practices not only among MSMEs but also among other stakeholders.



















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