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გარემოს დაცვისა და სოფლის  
მეურნეობის სამინისტრო

# Sustainable Public Procurement reforms and practices in Georgia

2023

Action implemented by:



LEPL ENVIRONMENTAL  
INFORMATION AND  
EDUCATION CENTRE

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Please cite this publication as: EU4Environment (2023), “Sustainable Public Procurement reforms and practices in Georgia”.

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## ACKNOWLEDGEMENTS

This document was prepared with the support of the LEPL Environmental Information and Education Centre (EIEC) of the Ministry of Environmental Protection and Agriculture of Georgia (United Nations Environment Programme’s (UNEP) implementing partner in Georgia) and the LEPL State Procurement Agency of Georgia (SPA), under the guidance of UNEP.

The document was written by Mr. Levan Baidurashvili (National Expert, EU4Environment project team).

EIEC expresses its gratitude to everyone who participated in the elaboration of the document.

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## ABBREVIATIONS AND ACRONYMS

<b>CNG</b>	Compressed Natural Gas
<b>EICE</b>	Legal Entity of Public Law Environmental Information and Education Centre
<b>eProcurement system</b>	Georgian Electronic Government Procurement System
<b>EU</b>	European Union
<b>EU4Environment</b>	European Union for Environment Action
<b>GDP</b>	Gross Domestic Product
<b>GoG</b>	Government of Georgia
<b>GPP</b>	Green Public Procurement
<b>LCC</b>	Life Cycle Cost
<b>OCP</b>	Open Contracts Partnership
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PPL</b>	Law of Georgia on Public Procurement
<b>Resolution N411</b>	Resolution N411 of Government of Georgia "On the approval of the rules and guidelines for the implementation of energy efficiency in the field of state procurement, as well as the national monetary thresholds for the implementation of energy efficient state procurement"
<b>SDGs</b>	Global Sustainable Development Goals
<b>SPA</b>	Legal Entity of Public Law State Procurement Agency of Georgia
<b>SPP</b>	Sustainable Public Procurement
<b>UN</b>	United Nations
<b>UNEP</b>	United Nations Environment Program

## 1. INTRODUCTION

The following document assesses the public procurement practices in Georgia, provides analysis of relevant statistical data, and reviews initiatives and legislative reforms related to establishing a sustainable public procurement (SPP) framework. In addition, specific procurement procedures conducted by the state contracting organizations of Georgia were analyzed considering sustainability, energy efficiency aspects and environmental criteria.

The importance of SPP in recent years is growing due to the greater actualization of the socio-economic and environmental challenges in the world. By one of the widely used definitions SPP is<sup>1</sup>:

***“a process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimizing damage to the environment.”***

In 2015, all member states of the United Nations (UN), including Georgia, adopted the "2030 Agenda for Sustainable Development" and defined 17 global sustainable development goals (SDGs)<sup>2</sup>. In achieving SDGs an important role is assigned to the development of SPP approach which will contribute mainly to the accomplishment of the 12<sup>th</sup> SDG – a responsible consumption and production. As a result, amongst the rest of positive impacts, efficient use of resources and reduction of environmental damage will be achieved.

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<sup>1</sup> e.g. see: Procuring the Future - Sustainable Procurement National Action Plan: Recommendations from the Sustainable Procurement Task Force, 2006:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69417/pb11710-procuring-the-future-060607.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69417/pb11710-procuring-the-future-060607.pdf)

<sup>2</sup> See: Transforming our world: the 2030 Agenda for Sustainable Development: <https://sdgs.un.org/2030agenda>



Credits: iStock.com/Parradee Kietsirikul

Contracting entities have high bargaining power, which can be used by the state, along with other tools at its disposal, as an important mechanism in achieving the goals of sustainable development. The great importance of public procurement in the implementation of sustainable development is emphasized by the procurement statistics in the world and in Georgia. In particular, according to a study<sup>3</sup> published by the "Open Contracts Partnership" (OCP) organization, in 2018 public procurement worldwide amounted to 11 trillion US dollars, which is about 13% of the global gross domestic product (GDP) (about 86 trillion US dollars). Also, the average share of public procurement across the member countries of the Organization for Economic Cooperation and Development (OECD) is about 13% of the GDP<sup>4</sup>. Across the European Union (EU), 250,000 public contracting entities procure goods, services and works worth around €2 trillion each year, which is 14% of the EU's GDP<sup>5</sup>.

The volumes of state procurement in Georgia are characterized by the dynamics of growth from year to year (see diagrams N1 and N2)<sup>6</sup>. During 2021, a total of 32,000 electronic tenders were announced by the state contracting organizations. The total volume of state procurement amounted to 5.8 billion GEL, which is equal to 10% of the country's GDP (see diagram N3)<sup>7</sup>.

<sup>3</sup> See: How governments spend: Opening up the value of global public procurement <https://www.open-contracting.org/wp-content/uploads/2020/08/OCP2020-Global-Public-Procurement-Spend.pdf>

<sup>4</sup> See: <https://www.oecd-ilibrary.org/sites/18dc0c2d-en/index.html?itemId=/content/component/18dc0c2d-en>

<sup>5</sup> See: [https://single-market-economy.ec.europa.eu/single-market/public-procurement\\_en](https://single-market-economy.ec.europa.eu/single-market/public-procurement_en)

<sup>6</sup> Note: The sharp decline in government procurement volumes in 2020 was due to restrictions and low economic activity due to the Covid pandemic.

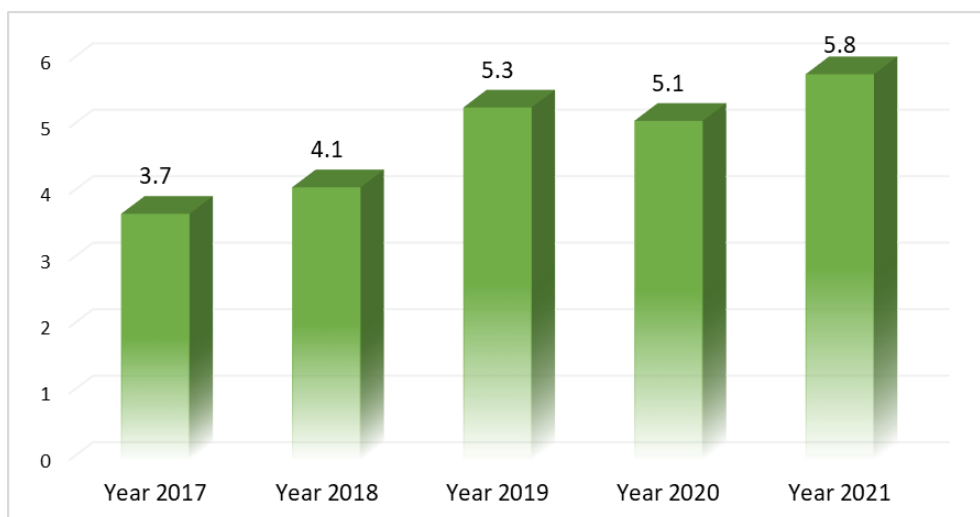
<sup>7</sup> The statistical data shown in diagrams 1, 2 and 3 are taken from the annual reports of the State Procurement Agency for 2019, 2020 and 2021:

<http://procurement.gov.ge/files/showfiles?id=ad93b8d6-98b6-44ee-b035-2f6bd53df946>

<http://procurement.gov.ge/Files/ShowFiles?id=d563066d-9c34-482b-9395-58442bd7d16d>

<http://procurement.gov.ge/Files/ShowFiles?id=e947b3ed-af47-4c82-b1a7-d70e2b50b165>

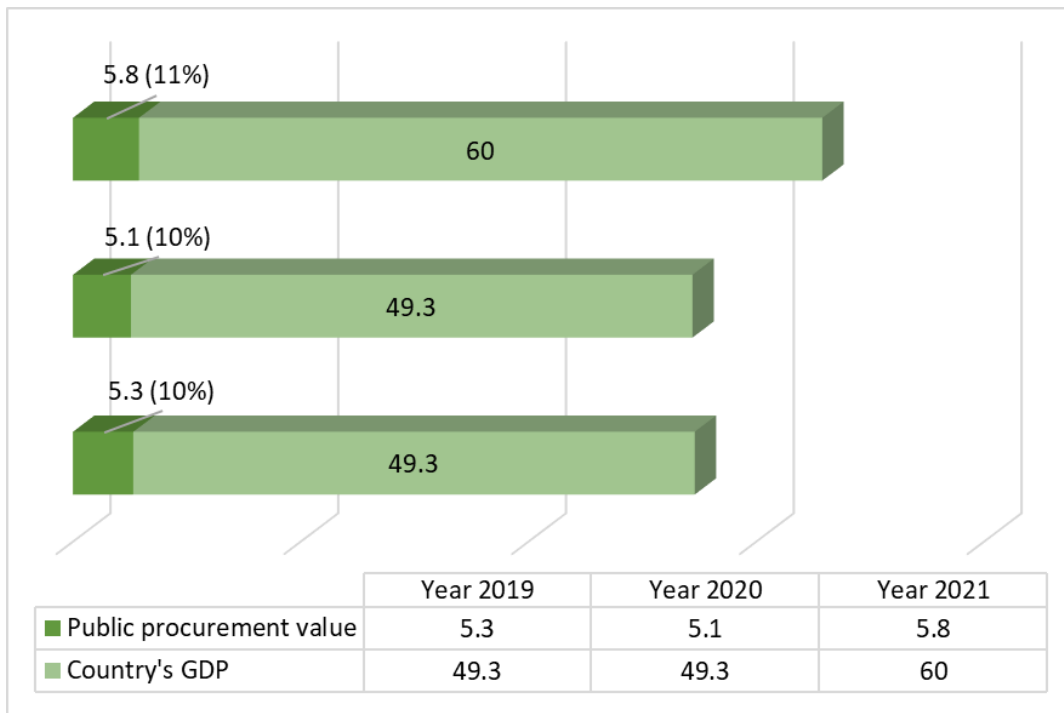
**Diagram N1: Contract values of state procurements carried out in 2017-2021 in Georgia (billion GEL).**



**Diagram N2: Quantities of electronic tenders announced by state contracting organizations in 2017-2021.**



**Diagram N3:** The share of public procurement value in relation to the country's GDP according to the data of years 2019-2021 (billion GEL).



The above statistics clearly show the significant share of public procurement in global economy. Therefore, SPP can be used by governments as an effective policy tool to achieve their sustainable development goals.

The following chapters of this report discuss the legislative reforms implemented for the creation of SPP regulatory legislation and relevant instruments in Georgia. Furthermore, examples of SPP and existing challenges are discussed in order to analyze the current situation in Georgia, in this regard.

## 2. OVERVIEW OF SUSTAINABLE PUBLIC PROCUREMENT LEGISLATION

Several initiatives and legislative reforms have been implemented in recent years in order to promote the implementation of a SPP model in the country, the efficient use of energy resources, including the consumption and production of energy-efficient goods.

Among the enacted legislative reforms, first of all, it is worth mentioning that the new law of Georgia on public procurements (PPL) was adopted in February 2023, which will apply to public procurements announced from January 1, 2025<sup>8</sup>. The new PPL was developed by the LEPL State Procurement Agency of

<sup>8</sup> Until January 1, 2025, the existing law of Georgia on State Procurement will apply.



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Georgia (SPA), with the involvement of other state institutions and technical support from international organizations. The new public procurement law was developed as part of a series of reforms based on the goals of approximation with the EU legislation defined by the Association Agreement between Georgia and the EU. Thus, the new law is fully in line with EU public procurement regulatory directives, both with their principles and established procurement procedures. A comprehensive analysis of the norms established by the new PPL is beyond the scope of this document, however, several norms that regulate the principles, procedures and mechanisms of SPP should be highlighted.

Within the EU4Environment program funded by the EU, with the support of the United Nations Environment Program (UNEP), as a result of the close cooperation of the LEPL Environmental Information and Education Centre (EICE) and the SPA the specific legal provisions related to SPP were developed and added to the new PPL of Georgia. In particular, the fundamental principles on which the implementation of public procurement is based were defined. One of the principles is the achievement of the sustainable development goal during the execution of public procurement procedures. Also, contracting organizations became allowed to require economic operators to comply with social, environmental and labor legal norms in order to achieve the goal of sustainable development. In addition, in cases determined by the resolution of the Government of Georgia (GoG), contracting organizations will be obliged to set out the conditions necessary for sustainable development in the tender documentations. In addition, by the resolution of GoG, the list of procurement objects' Common Procurement Vocabulary (CPV) codes will be determined, during the procurement of which it will be mandatory to set the conditions necessary for sustainable development. Moreover, the rule and methodology of indicating these mandatory conditions in the public procurement procedures will be additionally defined by the decree.

In addition to the new PPL, several other legislative reforms have been initiated and adopted in Georgia in recent years, which will contribute to the implementation of SPP approaches stipulated by the PPL in real practice. The mentioned legislative changes are listed and summarized below.

- In 2019, the Law of Georgia on "Energy Labeling"<sup>9</sup> was adopted, the purpose of which is to provide information regarding electricity and other energy-resources consumption rate by energy-consuming goods. The mentioned labeling rule allows consumers to choose the goods with the energy consumption parameters they want and thereby reduce the costs for electricity and other consumed resources (such as: water, chemicals and other substances that the product consumes during the use phase).
- In 2020, the Law of Georgia "On Energy Efficiency of Buildings"<sup>10</sup> was issued. The purpose of the law is to promote the improvement of the energy efficiency of buildings, which will lead to the efficient use of energy.

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<sup>9</sup> <https://matsne.gov.ge/ka/document/view/4745123?publication=1>

<sup>10</sup> <https://www.matsne.gov.ge/ka/document/view/4873932?publication=1>

- Furthermore, in 2020, Georgia adopted the law "On Energy Efficiency"<sup>11</sup>. The goals of the mentioned law are to ensure energy saving, energy supply security and increase energy independence.
- Besides the laws mentioned above, in 2022 the Resolution N411 of Government of Georgia "On the approval of the rules and guidelines for the implementation of energy efficiency in the field of state procurement, as well as the national monetary thresholds for the implementation of energy efficient state procurement"<sup>12</sup> (hereinafter Resolution N411) was adopted. It will enter into force on January 1, 2025.

The purpose of the aforementioned Resolution N411 is to determine the norms for the use of energy efficiency criteria within state procurement electronic tenders and consolidated tenders. The purpose of promotion of energy-efficient procurement is to reduce the energy consumption of goods purchased by the state, during the entire life cycle and to encourage the procurement of such goods, which will have a positive economic effect in terms of promoting the production of energy-efficient goods on the local market.

Annex N1 of the Resolution N411 lists 20 different energy consuming procurement objects<sup>13</sup>, in the case of procurement of which it will be mandatory to follow the requirements and conditions of the resolution. The Resolution N411 also lists 46 state contracting organizations, which will be obliged to apply the norms defined by the Resolution N411 while procuring the above-mentioned procurement objects. It should be mentioned that the use of the norms of the resolution is mandatory only if the estimated value of the procurement object equals or exceeds the established national monetary thresholds. Furthermore, contracting organizations will be able to voluntarily apply the norms of the Resolution N411 even in the case of procurement of objects with an estimated value lower than the established monetary thresholds.

Statistical analysis of the tenders announced for the procurement of goods specified in Annex N1 of the Resolution N411 was conducted, in order to gain a general overview of the procurement share that may potentially be covered by the Resolution N411. The statistics below include data on electronic tenders and consolidated tenders conducted by the state contracting organizations through the Georgian Electronic Government Procurement System (hereafter eProcurement system) during 2021. It shall be noted, that the purpose of the research was not to prepare precise forecast data on the state procurement to which the norms of the Resolution N411 will be applied in the future. In addition, based on the data at our disposal, it is impossible to determine in advance in how many cases of state procurement the contracting organizations will use the norms of the Resolution N411 voluntarily, also for other categories of procurement. In addition, it is important to note that the national monetary thresholds mentioned above are subject to review and adjustment accordingly.

According to the conducted research, during the year 2021, a total of 503 state procurement contracts were signed for the procurement of goods defined by the above-mentioned Resolution N411. And, the total contractual value of the mentioned procurements amounted to 18 million GEL, which is 3% of all

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<sup>11</sup> <https://matsne.gov.ge/ka/document/view/4873938?publication=0>

<sup>12</sup> <https://www.matsne.gov.ge/ka/document/view/5536747?publication=0>

<sup>13</sup> The list of procurement objects determined by the Resolution N411 is given in table N1.

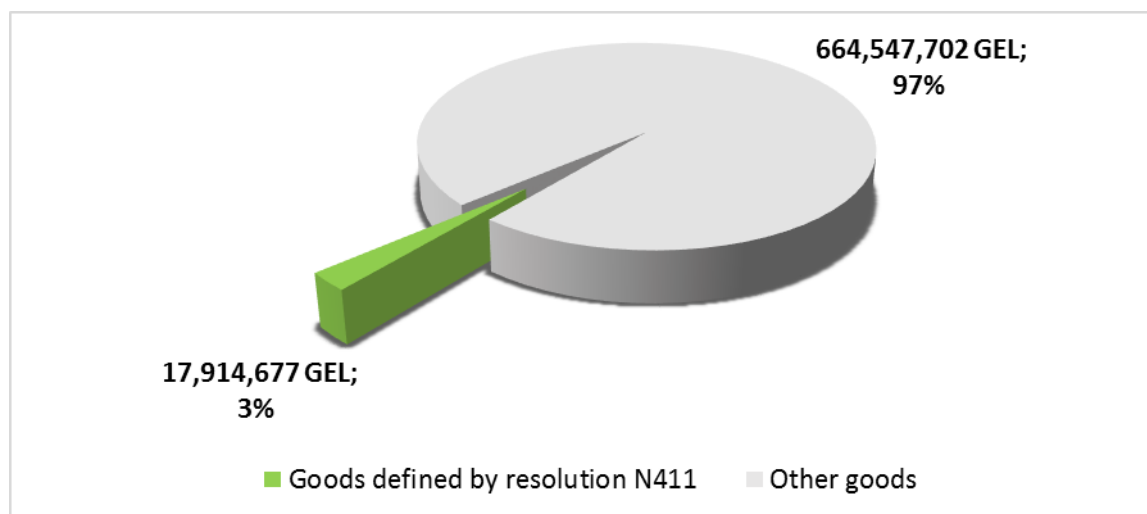
types of goods purchased by the state organizations in the same reporting period. (More data is depicted on the diagram N4 below).

**Table N1: Data of tenders conducted during 2021 with CPV codes of procurement of objects determined by Annex 1 of Resolution N411.**

CPV code	Number of conducted tenders	Number of tenders with only one participant	Average number of bidders in call for tenders	Value of awarded contracts (GEL)
31500000 - Lighting equipment and electric lamps	256	115	2	11,028,568
42512000 - Air-conditioning installations	60	27	2	2,753,199
39711100 - Refrigerators and freezers	47	15	2.6	1,180,215
39715000 - Water heaters and heating for buildings; plumbing equipment	37	10	2.4	694,340
39711360 - Ovens	14	7	2	471,643
44621000 - Radiators and boilers	17	8	1.7	362,555
39713200 - Clothes-washing and drying machines	17	5	2	325,180
39714000 - Ventilating or recycling hoods	14	5	2	310,053

CPV code	Number of conducted tenders	Number of tenders with only one participant	Average number of bidders in call for tenders	Value of awarded contracts (GEL)
39714110 - Extraction ventilators	11	5	1.9	261,134
39713100 - Dishwashing machines	7	3	2.3	112,906
42513000 - Refrigerating and freezing equipment	8	3	1.6	97,697
32324100 - Colour televisions	5	2	1.6	97,353
42160000 - Boiler installations	3	3	1	92,392
09331000 - Solar panels	1	0	2	85,329
39721410 - Gas appliances	5	0	2	25,336
39717100 - Fans	1	1	1	16,777
42214100 - Cooking ovens	0	-	-	-
39721310 - Air heaters	0	-	-	-
32324600 - Digital-TV boxes	0	-	-	-
42716200 - Drying machines	0	-	-	-
<b>Sum:</b>			<b>503</b>	<b>17,914,677 GEL</b>

**Diagram N4:** The share (in GEL) of tenders conducted during 2021 with CPV codes of procurement objects determined by Annex 1 of Resolution N411 in relation to other goods category procurement.



In addition to the aforementioned legislative reforms, within the EU4Environment program funded by the EU, with the support of the UNEP, as a result of the close cooperation of the EICE and the SPA, a number of activities for the implementation of SPP in national legislation and practice was carried out. Among them, the draft Decree of the GoG on SPP - "On the Necessary Measures to Be Taken in Order to Achieve the Goal of Sustainable Development in Public Procurement" – was prepared. The annex to the draft Decree provides the CPV codes of those procurement objects, for which the application of sustainability criteria will be mandatory during procurement procedures<sup>14</sup>.

As part of the preparation of this document, a statistical analysis of the procurement objects (various types of cartridges, printers and plotters, and cleaning/polishing products) proposed by the above-mentioned annex to the draft Decree was conducted. It shall be noted that these procurement objects were selected based on the prioritization that was conducted according to the UNEP's instruction for the prioritization exercise<sup>15</sup>. The data includes electronic and consolidated tenders conducted by Georgian contracting organizations through the eProcurement system of during 2021<sup>16</sup>.

According to the conducted analysis, a total of 841 state procurement contracts were signed for the procurement of the aforementioned selected goods in 2021 and their total value amounted to 11.5 million GEL. This amount is equal to 2% of the total procurement of the goods category.

**Table N2:** Volumes of contracts for cartridges, printers and cleaning products awarded on the basis of tenders and consolidated tenders during 2021.

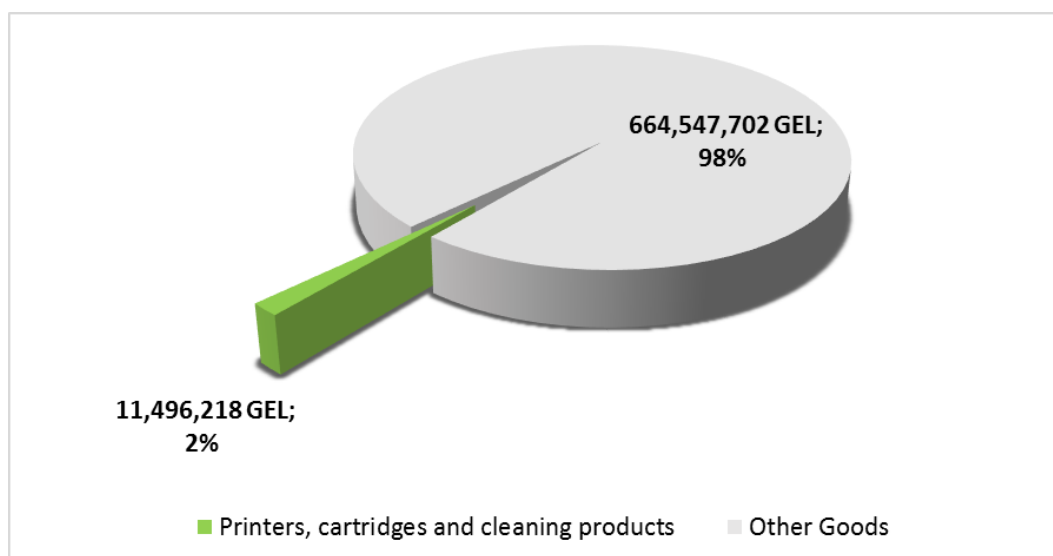
<sup>14</sup> The list of procurement objects determined by the resolution is given in table N2 of the report.

<sup>15</sup> For more information regarding the UNEP's Instructions for the Prioritisation Exercise see: <https://wedocs.unep.org/bitstream/handle/20.500.11822/35412/IPE.pdf>

<sup>16</sup> Table N2 and diagram N5.

CPV code	Average number of bidders in calls for tenders	Number of contracts awarded	Value of awarded contracts (GEL)
30125100 - Toner cartridges	2	632	5,645,483
30192113 - Ink cartridges	1.8	17	193,377
30232100 - Printers and plotters	1.5	95	4,104,365
39800000 - Cleaning and polishing products	2	97	1,552,993
<b>Sum:</b>		<b>841</b>	<b>11,496,218 GEL</b>

**Diagram N5:** The share of total value (in GEL) of contracts for cartridges, printers and cleaning products awarded on the basis of tenders and consolidated tenders during 2021 in relation to other goods category procurement.



To summarize, it can be said that as a result of the reforms carried out, by 2023, Georgia already has the regulatory legislation necessary for the implementation of SPP, which is in line with the best international practices. As already mentioned, part of the legal norms has already entered into force and their application is mandatory, while the rules which are stipulated in the new PPL and the government Resolution N411, will come into force on January 1, 2025.

The next chapter discusses the practice of public procurement carried out within the current legislation framework and furthermore, tenders with SPP criteria are given as examples.

### 3. TENDERS WITH SUSTAINABLE PUBLIC PROCUREMENT CRITERIA

Within the current analysis, existing practices of the state contracting organizations regarding the SPP criteria were scrutinized. For this purpose, the tenders announced by the state contracting organizations during the last 5 years<sup>17</sup> were reviewed. It should be mentioned that there are no information filtering options built in the eProcurement system, which would make it feasible to identify particularly those procurements that contain economic, social and environmental criteria. Moreover, there are about 30,000 tenders announced annually in the eProcurement system of Georgia. Therefore, obviously it would have been impossible to manually review all the announced tenders which may have contain some socio-economic and environmental criteria. Hence, in order to analyze the current practice as effectively as possible, the randomly selected relatively large tenders were looked at. The procurement objects of selected tenders are such goods and services which directly consume energy and other resources, have associated life cycle costs, their operations impact the environment and also may have some social effect. For this purpose, all in all, 250 tenders announced during the years 2018-2022 (50 tenders from each year) were studied. These tenders were announced with the following CPV codes: 16300000-Harvesting machinery, 16600000-Specialist agricultural or forestry machinery, 16700000-Tractors, 30200000-Computer equipment and supplies, 31100000-Electric motors, generators and transformers, 31500000-Lighting equipment and electric lamps, 34100000-Motor vehicles, 39700000-Domestic appliances, 42500000-Cooling and ventilation equipment, 55500000-Canteen and catering services and 90900000-Cleaning and sanitation services.

The main goal of the analysis was to determine whether sustainability and environmental criteria are used by the state contracting organizations, to what extent and in what form they are reflected in tender notices and documentations, taking into account that the legislation regulating SPP and relevant mechanisms are only now being formed in the country and therefore are not obligatory till January 1, 2025. The Annex 1 of this document lists in details 30 examples of tenders, announced during 2018-2022, in which some socio-economic and environment criteria were present.

The conducted statistical analysis of public procurement showed the use of following socio-economic and environmental criteria:

- In the cases of procurement of **vehicles**: Adapting public transport to the **needs of people with disabilities**; **Reducing public transport emissions**; Euro 5 and Euro 6 **emission standards**; Maximum **fuel consumption** and associated **operating costs**.
- In cases of procurement of various **electricity-consuming goods**: Maximum **energy consumption**; **Energy efficiency classes**.

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<sup>17</sup> The data is retrieved from the unified electronic system of state procurement:  
<https://tenders.procurement.gov.ge/login.php>

- In cases of procurement of **printers**: **Page yield of cartridges**.
- In the cases of procurement of **lighting devices and lamps**: **Durability; Energy consumption rate**.
- In case of procurement of **cleaning and catering services**: The minimum **remuneration of the staff** of the supplier company; Also, in order to promote the **resocialization and employment of convicts**, one of the conditions of the tenders was the **employment of convicts** by the supplier which was awarded the contract.

In total about 35% of 250 reviewed tenders contained socio-economic and environmental requirements. In particular, social criterion - such as adaptation of transport for people with disabilities; economic criteria – such as fuel economy and operational costs; and environmental criterion – such as vehicle emission standards. It should be underlined that tenders for procurement of vehicles more often contain above mentioned SPP criteria. If tenders for the procurement of various vehicles are excluded, then the share of tenders with socio-economic and environmental criteria will fall to 29%. Also, it should be noted that real percentage of usage of such socio-economic and environmental criteria would be far lower if it was possible to retrieve the respective data from the eProcurement system regarding all announced tenders. It also should be taken into account that initially tenders with high probability of usage of socio-economic and environmental criteria were selected and reviewed (e.g., criteria related to energy efficiency more likely will be used in a tender for procurement of a washing machine, than in a tender for procurement of a cloth).

In overall, based on the obtained data, it is possible to say that although the use of socio-economic and environmental criteria is not mandatory according to the current legislation, they are still used mainly for the procurement of electric appliances and vehicles for which the use of eco-labeling, energy efficiency classes and emission standards are widely established practice on the market. In general, above-mentioned SPP criteria are used in a few cases of tenders, does not represent the standard of existing practice, but rather are case by case positive initiatives promoted by various international financial institutions, officials and procurement specialists. Therefore, it is unlikely that their use in this way will either have any tangible, positive socio-economic effect or contribute to a significant reduction of environmental damage, at the country level. However, at the same time, such procurements have an unequivocally positive social and economic impact on specific, at least small groups of society. From environmental point of view, these examples show positive environmental impact on air quality locally, on the scale of particular cities.



## 4. CONCLUSIONS

As a conclusion, it is possible to say that Georgia has carried out significant reforms. As a result, the new public procurement regulatory legislation has been elaborated and enacted, which will be the main pillar of SPP.

Moreover, based on the analysis it can be seen that there are several cases of successful tenders with SPP criteria, which may indicate the willingness of policy-makers, contracting organizations (particularly big cities' municipalities), other stake holders for implementing SPP framework and respective standards in the country. Moreover, based on the study it is possible to say that, usage of SPP criteria can be extended to broader range of tenders in order to reach SPP's positive effects at the country level. Also, the study showed the great role that international organizations already had in the process of establishing SPP legal frameworks and respective mechanisms, as these organizations have necessary knowledge and experience, which makes their support pivotal.

In addition, as a result of the analysis of legal changes and tenders, it is possible to highlight some challenges in the existing practice, which were identified within the scope of this report.

### 1. LACK OF SPP DATA FILTERING FUNCTIONALITY IN THE EPROCUREMENT SYSTEM FOR TRANSPARENCY AND MONITORING PURPOSES:

The eProcurement system does not have built-in information filtering functionality that would allow interested parties to easily find tenders that incorporate SPP criteria. The mentioned filters, on the one hand, would be used for transparency and monitoring purposes, and on the other hand, would help employees of contracting organizations, suppliers, educational institutions and other interested parties to retrieve the information they need. In addition, the existence of such system filters is necessary in order to be able to identify the exact share of SPP in total public procurement, so that policy-making state entities have the opportunity to evaluate the effectiveness of the implemented reforms.

### 2. ABSENCE OF LIFE CYCLE COST CALCULATORS OF PROCUREMENT OBJECTS:

It is a good practice of SPP to purchase goods, services and construction works not only according to the lowest price, but also taking into account the full life cycle cost (LCC) of the procurement objects. With this method, it is possible to reduce both, costs and harmful effects on the environment. For example, in the LCC, it is feasible to take into account such countable criteria as: the amount of energy and other necessary resources consumed by computer devices during their operation, as well as the possibility of updating computer devices instead of replacing them with new devices, etc. In order for contracting organizations to have the opportunity to easily calculate the expenses related to the complete life cycle of the procurement objects, it is necessary to adopt the so-called LCC calculators. This tool is relevant both for high-value procurements, where it is possible to obtain considerable savings during the whole life cycle of a procurement object, and for small and medium-sized contracting organizations, which have a lack of well qualified procurement practitioners.

### 3. SPP CRITERIA FOR PROCUREMENT OBJECTS ARE NOT ELABORATED:

In addition to LCC calculators, it is also important to adopt standardized SPP criteria of various procurement objects, which contracting organizations could easily incorporate in tender documentations without incurring additional expenses (at first, criteria could be adopted for more common procurement objects, e.g.: energy consuming appliances, machinery, IT equipment, vehicles etc.). In this regard, a good example of international practice is the common criteria for Green Public Procurement<sup>18</sup> (GPP) elaborated by the EU, the use of which aims to improve the environment and reduce costs related to the life cycle. In addition to the EU, the similar criteria have been developed in various countries around the world<sup>19</sup>. It is worth to emphasize that such criteria shall be elaborated based on comprehensive market research, so that, on the one hand, socio-economic and environmental effects are obtained and on the other hand, competition among suppliers is not limited by the developed criteria. At the same time, the adoption of such criteria may also be an incentive for contracting organizations to carry out SPP, since they will not have to spend additional resources on defining the specifications related to the sustainability of the procurement object at the stage of market research.

The development and implementation of the above-mentioned additional three tools are especially important considering that public procurement in Georgia is largely decentralized. As a result, there is a large number of small contracting organizations operating in the country, which do not have enough resources, to independently and effectively carry out SPP without supporting tools. For example, by March 2023, more than 4,500 state contracting organizations were registered in the eProcurement system<sup>20</sup>. Most of them are small-sized state organizations, which objectively lack resources and do not have enough qualified procurement practitioners (e.g., schools, small state-owned companies, state-funded sports clubs, small contracting organizations of municipalities etc.). Therefore, the elaboration and implementation of the above-mentioned additional tools may significantly assist the sector as a whole to effectively implement SPP in daily practice.

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<sup>18</sup> For more information regarding the EU Green Public Procurement criteria see:

[https://ec.europa.eu/environment/gpp/eu\\_gpp\\_criteria\\_en.htm](https://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm)

<sup>19</sup> For more information regarding the Sustainable Public Procurement criteria in other countries see UNEP's International directory of Sustainable Public Procurement criteria: <https://www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement>

<sup>20</sup> The data is taken from the state eProcurement system: <https://tenders.procurement.gov.ge/login.php?lang=en>

## ANNEX 1: EXAMPLES OF TENDERS WITH SUSTAINABLE PUBLIC PROCUREMENT CRITERIA

### 1. Tender number: [9506-IFT-51207](#)

**Procurement object:** Compressed natural gas (CNG) fueled city buses and related services

**SPP criteria included in the tender requirements:** Fuel efficiency and emission standards

**Contracting organization:** Tbilisi Transport Company

**Date of announcement:** 09.09.2019

### 2. Tender number: [CON220000301](#)

**Procurement object:** Buses

**Estimated value of procurement:** 561,140 GEL

**SPP criteria included in the tender requirements:** Fuel efficiency, emission standards and social requirements

**Contracting organization:** LEPL State Procurement Agency

**Date of announcement:** 15.09.2022

### 3. Tender number: [CON210000356](#)

**Procurement object:** Buses

**Estimated value of procurement:** 569,370 GEL

**SPP criteria included in the tender requirements:** Fuel efficiency, emission standards and social requirements

**Contracting organization:** LEPL State Procurement Agency

**Date of announcement:** 18.06.2021

### 4. Tender number: [CON210000330](#)

**Procurement object:** Buses

**Estimated value of procurement:** 521,350 GEL

**SPP criteria included in the tender requirements:** Fuel efficiency, emission standards and social requirements

**Contracting organization:** LEPL State Procurement Agency

**Date of announcement:** 25.05.2021

### 5. Tender number: [SPA210002447](#)

**Procurement object:** Buses

**Estimated value of procurement:** 1,498,500 GEL

**SPP criteria included in the tender requirements:** Social requirements and emission standards

**Contracting organization:** The Office of Self-Governance of Marneuli Municipality

**Date of announcement:** 09.09.2021

**6. Tender number:** [NAT190003055](#)**Procurement object:** Buses**Estimated value of procurement:** 3,419,544 GEL**SPP criteria included in the tender requirements:** Social requirements and emission standards**Contracting organization:** Zugdidi municipality city hall**Date of announcement:** 11.02.2019**7. Tender number:** [NAT180010244](#)**Procurement object:** Buses**Estimated value of procurement:** 45,000,000 GEL**SPP criteria included in the tender requirements:** Fuel efficiency, emission standards and social requirements**Contracting organization:** Tbilisi Transport Company**Date of announcement:** 05.07.2018**8. Tender number:** [CON220000174](#)**Procurement object:** Buses**Estimated value of procurement:** 661,720 GEL**SPP criteria included in the tender requirements:** Fuel efficiency and emission standards**Contracting organization:** LEPL State Procurement Agency**Date of announcement:** 23.03.2022**9. Tender number:** [NAT200006276](#)**Procurement object:** Buses**Estimated value of procurement:** 1,335,000 GEL**SPP criteria included in the tender requirements:** Social requirements and emission standards**Contracting organization:** The Office of Self-Governance of Marneuli Municipality**Date of announcement:** 19.03.2020**10. Tender number:** [CON210000343](#)**Procurement object:** Buses**Estimated value of procurement:** 494,200 GEL**SPP criteria included in the tender requirements:** Fuel efficiency, emission standards and social requirements**Contracting organization:** LEPL State Procurement Agency**Date of announcement:** 08.06.2021**11. Tender number:** [NAT220014549](#)**Procurement object:** Minibus**Estimated value of procurement:** 157,522 GEL

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**SPP criteria included in the tender requirements:** Fuel efficiency, emission standards and social requirements

**Contracting organization:** LELP Public Safety Command Center “112” of the Ministry of Internal Affairs of Georgia

**Date of announcement:** 25.07.2022

**12. Tender number:** [NAT180017308](#)

**Procurement object:** Buses

**Estimated value of procurement:** 79,564,320 GEL

**SPP criteria included in the tender requirements:** Fuel efficiency, emission standards and social requirements

**Contracting organization:** Tbilisi Transport Company

**Date of announcement:** 01.11.2018

**13. Tender number:** [SPA220002504](#)

**Procurement object:** Generators

**Estimated value of procurement:** 20,000 GEL

**SPP criteria included in the tender requirements:** Fuel efficiency

**Contracting organization:** Agency of nuclear and radiation safety

**Date of announcement:** 19.10.2022

**14. Tender number:** [NAT220012414](#)

**Procurement object:** Generators

**Estimated value of procurement:** 94,488 GEL

**SPP criteria included in the tender requirements:** Fuel efficiency

**Contracting organization:** Emergency Management Service

**Date of announcement:** 27.06.2022

**15. Tender number:** [NAT220021178](#)

**Procurement object:** Air conditioners

**Estimated value of procurement:** 16,600 GEL

**SPP criteria included in the tender requirements:** Energy efficiency class A+

**Contracting organization:** The House of Justice

**Date of announcement:** 17.10.2022

**16. Tender number:** [NAT220017507](#)

**Procurement object:** Air conditioners

**Estimated value of procurement:** 2,670 GEL

**SPP criteria included in the tender requirements:** Energy efficiency class A

**Contracting organization:** Gori Municipality City Hall

**Date of announcement:** 26.08.2022

**17. Tender number:** [NAT220021444](#)

**Procurement object:** Air conditioners

**Estimated value of procurement:** 8,850 GEL

**SPP criteria included in the tender requirements:** Energy efficiency class A

**Contracting organization:** Ivane Javakishvili Tbilisi State University

**Date of announcement:** 20.10.2022

**18. Tender number:** [NAT220022491](#)

**Procurement object:** Refrigerators

**Estimated value of procurement:** 7,000 GEL

**SPP criteria included in the tender requirements:** Energy efficiency class A

**Contracting organization:** Ilia State University

**Date of announcement:** 03.11.2022

**19. Tender number:** [NAT220006686](#)

**Procurement object:** Refrigerators

**Estimated value of procurement:** 17,700 GEL

**SPP criteria included in the tender requirements:** Energy efficiency class A

**Contracting organization:** Rustavi Day Nurseries Union

**Date of announcement:** 05.04.2022

**20. Tender number:** [NAT220021405](#)

**Procurement object:** A3 laser printers

**Estimated value of procurement:** 36,816 GEL

**SPP criteria included in the tender requirements:** Page yield of cartridges

**Contracting organization:** The Ministry of Justice of Georgia

**Date of announcement:** 20.10.2022

**21. Tender number:** [NAT220020933](#)

**Procurement object:** Laser printers

**Estimated value of procurement:** 134,400 GEL

**SPP criteria included in the tender requirements:** Page yield of cartridges

**Contracting organization:** Staff of the Parliament of Georgia

**Date of announcement:** 12.10.2022

**22. Tender number:** [NAT220008873](#)**Procurement object:** Bulbs and spotlights**Estimated value of procurement:** 167,000 GEL**SPP criteria included in the tender requirements:** Energy efficiency and durability**Contracting organization:** Special Penitentiary Service**Date of announcement:** 05.05.2022**23. Tender number:** [MEP210000014](#)**Procurement object:** LED lamps**Estimated value of procurement:** 29,132,901 GEL**SPP criteria included in the tender requirements:** Energy efficiency**Contracting organization:** TbilService Group**Date of announcement:** 08.07.2021**24. Tender number:** [MEP210000016](#)**Procurement object:** High-pressure sodium lamp**Estimated value of procurement:** 295,500 GEL**SPP criteria included in the tender requirements:** Durability**Contracting organization:** TbilService Group**Date of announcement:** 19.08.2021**25. Tender number:** [NAT220009454](#)**Procurement object:** Cleaning and sanitary services**Estimated value of procurement:** 331,811 GEL**SPP criteria included in the tender requirements:** The minimum remuneration of the supplier's staff**Contracting organization:** Ministry of Finance of Georgia**Date of announcement:** 16.05.2022**26. Tender number:** [NAT210024448](#)**Procurement object:** Cleaning and sanitary services**Estimated value of procurement:** 90,000 GEL**SPP criteria included in the tender requirements:** The minimum remuneration of the supplier's staff**Contracting organization:** Batumi City Hall**Date of announcement:** 14.12.2021**27. Tender number:** [NAT220020990](#)**Procurement object:** Administrative building cleaning and sanitary services**Estimated value of procurement:** 60,000 GEL**SPP criteria included in the tender requirements:** The minimum remuneration of the supplier's staff**Contracting organization:** Maritime Transport Agency

**Date of announcement:** 13.10.2022

**28. Tender number:** [NAT220022690](#)

**Procurement object:** Cleaning services for the needs of the special penitentiary service

**Estimated value of procurement:** 1,510,000 GEL

**SPP criteria included in the tender requirements:** The minimum remuneration of the supplier's staff

**Contracting organization:** Special Penitentiary Service

**Date of announcement:** 04.11.2022

**29. Tender number:** [SPA190002814](#)

**Procurement object:** Food services for convicts placed in penitentiary and for the employees

**Estimated value of procurement:** 90,000,000 GEL

**SPP criteria included in the tender requirements:** The minimum remuneration of the supplier's staff and requirements regarding resocialization and employment of convicts by the supplier

**Contracting organization:** Special Penitentiary Service

**Date of announcement:** 22.05.2019

**30. Tender number:** [NAT190019366](#)

**Procurement object:** Food services for convicts placed in penitentiary and for the employees

**Estimated value of procurement:** 73,900,000 GEL

**SPP criteria included in the tender requirements:** The minimum remuneration of the supplier's staff and requirements regarding resocialization and employment of convicts by the supplier

**Contracting organization:** Special Penitentiary Service

**Date of announcement:** 07.10.2019



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