INDONESIA
SUSTAINABLE PUBLIC PROCUREMENT
MONITORING & EVALUATION (M&E)
NEEDS ASSESSMENT, DESIGN AND
SHORT TERM ACTION PLAN

Contents

List of Abbreviations

AMEL	:	*Aplikasi Monitoring Evaluasi Lokal* or Regional Monitoring and Evaluation Application
APIP	:	*Aparat Pengawasan Intern Pemerintah* or Government Internal Supervision Apparatus
BAPPENAS	:	*Badan Perencanaan Pembangunan Nasional* or National Development Planning Agency
BPKP	:	*Badan Pengawasan Keuangan dan Pembangunan* or Development and Finance Supervisory Agency
BSILHK	:	*Badan Standardisasi Instrumen Lingkungan Hidup dan Kehutanan* or Environmental and Forestry Instrument Standardization Agency
Ditjen PPI	:	*Direktorat Jenderal Pengendalian Perubahan Iklim* or Directorate General of Climate Change Control
EL	:	Ecolabelling
GHG	:	Green House Gases
HFC	:	Hidrofluorokarbon
KLHK	:	*Kementerian Lingkungan Hidup dan Kehutanan* or Ministry of Environment and Forestry
K/L/PD	:	*Kementerian/Lembaga/Pemerintah Daerah* or Ministries/Agencies/Regional Governments
KPA	:	*Kuasa Pengguna Anggaran*
KPI	:	Key Performance Indicator
LKPP	:	*Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah* or National Public Procurement Policy
M&E	:	Monitoring and Evaluation
NDC	:	National Determined Contribution
PA	:	*Pengguna Anggaran* or Budget Users
PCD	:	Pollution Control Department
PDN	:	*Produk Dalam Negeri* or Domestic Products
PPK	:	*Pejabat Pembuat Komitmen* or Commitment-Making Official
PUSDARLING	:	*Pusat Standarisasi Lingkungan Hidup dan Kehutanan* or The Center Environmental and Forestry Standardization
PUSFASTER	:	*Pusat Fasilitasi Penerapan Standar Instrumen Lingkungan Hidup dan Kehutanan* or The Centre for Facilitation and Implementation Standards Instrument
P3DN	:	*Program Peningkatan Penggunaan Produk Dalam Negeri* or Program to Increase the Use of Domestic Products
SC	:	Steering Committee
SCP	:	Sustainable Consumption and Production
Sibarjasramling	:	*Sistem Barang/Jasa Ramah Lingkungan* or Environmentally Friendly Goods/Services System
SiRUP	:	*Sistem Informasi Rencana Umum Pengadaan* or General Procurement Planning Information System
SMART	:	Specific, Measurable, Achievable, Relevant, and Time-Related
SME	:	Small Medium Enterprise
SoP	:	Standard Operating Procedure
SPP	:	Sustainable Public Procurement
SVLK	:	*Sistem Verifikasi dan Legalitas Kayu* or Timber Verification and Legality System
TWG	:	Technical Working Group

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IDENTIFY NEEDS OF SUSTAINABLE PUBLIC PROCUREMENT MONITORING & EVALUATION (M&E) IN INDONESIA

M&E SPP System Development Objectives

The Monitoring and Evaluation System on Sustainable Public Procurement (SPP) aims to assess and monitor the effectiveness of SPP practices in an organization. It aims to evaluate the extent to which sustainable and environmentally friendly criteria are integrated into the procurement process and whether the desired objectives have been achieved.

The main **objectives** of the SPP Monitoring and Evaluation System include:

1. **Monitor and measure progress**: This system enables monitoring and measuring SPP performance indicators and targets. The system provides data and an overview of the implementation of sustainable procurement practices so that organizations can assess the progress of their implementation over time.

2. **Identify strengths and weaknesses:** By evaluating SPP practices, the system can help identify things that have been successfully done and other areas that need improvement. This enables organizations to identify strengths and weaknesses in their procurement processes and make informed decisions to improve sustainability performance.

3. **Compliance and accountability:** The monitoring and evaluation system ensures compliance with SPP policies, regulations, and standards. The M&E system becomes an accountability mechanism to verify that sustainable procurement requirements have been met and support organizations in meeting their environmental commitments.

4. **Reporting and transparency:** The SPP monitoring and evaluation system will facilitate reporting SPP performance to internal and external stakeholders. This can increase transparency by sharing information on sustainable procurement practices, progress, and outcomes, fostering accountability and public trust.

5. **Decision-making and improvement:** This system provides critical information for the decision-making process related to SPP. This enables organizations to analyze data, identify trends, and make evidence-based decisions to improve procurement strategies and achieve sustainability goals.

M&E SPP System Scope

The scope of the Monitoring and Evaluation System in SPP generally covers the following aspects:

1. **Procurement Process:** The system assesses the entire procurement process, from the initial planning stage specification to contract award, implementation, and contract management. The system will review how sustainability criteria and considerations are incorporated into each phase of the procurement cycle.

2. **Economic, Social, and Environmental Criteria**: The system evaluates the integration and application of economic, social, and environmental criteria in procurement. This includes assessing the extent to which products and services meet certain economic, social, and environmental aspects, such as product life cycle, SME empowerment, labor rights, SME empowerment/local enterprises, equality, diversity, energy efficiency, resource conservation, waste reduction, and greenhouse gas emissions.

3. **Performance Indicators:** The system defines and tracks relevant performance indicators that measure the effectiveness of SPP practices. These indicators can be grouped into 3 measurement categories as follows:

   a. **Effectiveness,** e.g., GHG emission reduction and cost saving achieved through SPP.

   b. **Volume,** e.g., the percentage of environmentally friendly products procured by the institution or total values of SPP procurements.

   c. **Institutionalization,** e.g., several ministries or sub-national entities are practicing SPP.

4. **Data Collection and Analysis:** The system establishes data collection and analysis mechanisms for implementing SPP. The data collection involves collecting information on procurement transactions, supplier performance, environmental impact assessments, and other relevant data sources. The system also should have a transparent methodology about where, what, and how standardized and verified data is collected. Data analysis can help identify trends, measure progress, and provide data for decision-making for specific targets, i.e., analysis of SPP implementation data to calculate SPP impacts regarding GHG emission reduction.

5. **Compliance and Reporting:** The system ensures compliance with SPP and regulations/policies. This includes mechanisms for monitoring compliance with ongoing procurement requirements and reporting SPP performance to internal and external stakeholders. Compliance assessment involves reporting, auditing, reviewing, and verifying processes.

6. **Stakeholder Involvement:** The SPP M&E involves many stakeholders and relies on contributions from various government ministries, organizations, and the private sector.

They could also provide input and suggestions to improve SPP practices. The SPP M&E System necessitates the utilization of engagement mechanisms like the SPP steering committee (SC). The SC plays a crucial role in endorsing key performance indicators (KPIs) and providing ongoing guidance for enhancing SPP continuously.

7. **Continuous Improvement:** The system supports continuous improvement efforts by identifying areas for improvement, recommending best practices, and guiding the implementation of corrective actions. This facilitates learning from successful initiatives and shares learnings across organizations or jurisdictions.

The scope of an SPP Monitoring and Evaluation System may vary depending on the specific objectives, priorities, and context of the organization or jurisdiction implementing it.

Existing M&E System in Indonesia in Procurement of Government Goods/Services

The legal basis for monitoring and evaluating Government Procurement of Goods/Services in Indonesia is as follows:

a. Presidential Regulation Number 16 of 2018 concerning Procurement of Government Goods and Services and its amendments.
b. BPKP Regulation No.3 of 2019 concerning Guidelines for Internal Supervision of Government Procurement of Goods/Services.

Agencies that carry out M&E Procurement of Government Goods/Services based on Presidential Regulation Number 16 of 2018 Chapter 76 require agency leaders to supervise the Procurement of Goods/Services through the Government Internal Supervision Apparatus (APIP). APIP comprises officials who manage through auditing, reviewing, monitoring, evaluation, and internal supervision activities within the central and/or local governments. APIP consists of the Development and Finance Supervisory Agency of BPKP; the Internal Control Unit at the level of the Inspectorate General/Ministry; the Main Inspectorate/internal supervision unit of non-ministerial institutions; the Secretariat of high state institutions/state institutions; provincial/district/city inspectorates; Internal control units in other government agencies.

In 2022, the President of the Republic of Indonesia issued Presidential Instruction Number 2 of 2022 concerning the Acceleration of Increasing the Use of Domestic Products and Products of Micro, Small, and Cooperative Enterprises to succeed the National Movement of Pride in Made in Indonesia in 2022. Implementation of Government Procurement of Goods/Services. This regulation further strengthens the M&E system in the Procurement of Goods and Services. The need for data on the planning and utilization of domestic products in government procurement has accelerated the progress of the P&E system.

LKPP has developed a Regional Monitoring and Evaluation Application (AMEL). AMEL is a web-based application for monitoring procurement budget expenditures. AMEL is managed independently by Ministries/Agencies/Local Governments, ensuring more accurate and *real-time* data from planning to handover and payment. The leading information in the AMEL application contains data on procuring goods/services for each agency and can be accessed by anyone. The data displayed in AMEL results from integrating various information systems owned by LKPP. AMEL also includes tags for procurement packages that meet the criteria of PDN (Domestic Products) and MSEs (Micro Small Enterprises). An example of an AMEL *screenshot* is as follows:
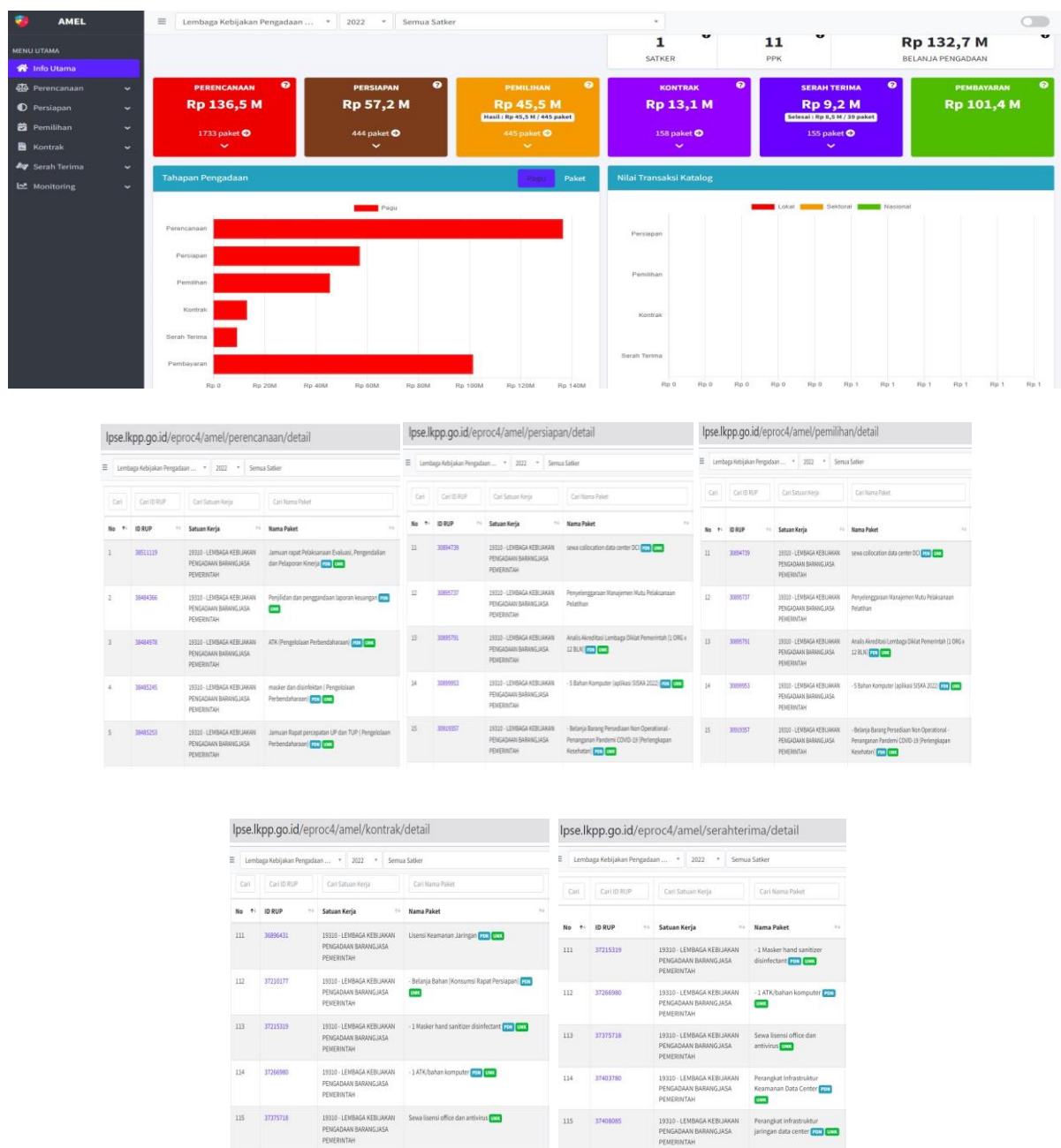

Figure 1. An Example of an AMEL Screenshot

The AMEL application currently does not have a function to mark procurements that meet the Sustainable Procurement / SPP criteria. However, AMEL can be developed with the addition of tagging for SPP. The addition of SPP tagging in AMEL will be beneficial in monitoring and evaluating Sustainable Procurement because the M&E system will be electronic-based.

The SPP tagging is only available in the SiRUP (General Procurement Planning Information System) application, as shown in the figure below. Tagging is carried out on every aspect of Sustainable Procurement of Goods/Services, namely Economic, Social, and Environmental. However, the SPP tagging application has not been optimal because a clear SPP criteria guidelines reference is lacking for procurement actors to add the SPP tagging on the procurement packages. In addition, the capacity of procurement actors to understand aspects of sustainable procurement is still relatively low.

Figure 2. An Example of a SiRUP Screenshot

Like AMEL, eco-friendly product tagging is also available in the e-catalog system. Especially for wood-based products, there is a tagging for the SVLK certification status of the product. Enhancement of the e-catalog by adding SPP tagging is possible. Including this tagging will facilitate the monitoring

and evaluation of Sustainable Public Procurement (SPP) practices, especially in collecting and calculating procurement data that meets SPP criteria.

PaperOne KERTAS HVS A4 80 GSM PAPERONE	Box File Bantex	PANASONIC Pendingin Udara Panasonic 1 PK
CV. ADD KOMPUTER	Videa Stationary	CV. AGUNG SUKSES BERSAMA
TKDN(%) : 79.56	TKDN(%) : 99.64	TKDN(%) : 80.77
BMP : n/a	BMP : n/a	BMP : 10.2
TKDN + BMP : 79.56	TKDN + BMP : 99.64	TKDN + BMP : 90.97

Nama Produk	Meja Sekolah
Masa Berlaku Produk	2024-07-28
Merek	Tanpa Merek
No. Produk Penyedia	B02
Unit Pengukuran	cm
Jenis Produk	PDN
Kode KBKI	3811201999
Nilai TKDN(%)	95.68
Nilai BMP	-
Nilai TKDN + Nilai BMP	95.68
Nama Pemilik Sertifikat TKDN	CV Blotan Asian Art
Jenis Produk TKDN	Meja Sekolah
No. SNI	Tidak Ada
Negara Asal Produk	Indonesia
Garansi Produk	1 tahun
SNI	Bersertifikat SVLK
Keterangan Lainnya	Meja sekolah kayu jati - 120x50x75 cm - dengan 2 laci dan pijakan kaki
Uji Fungsi	Ada
Memiliki SVLK (Label Ramah Lingkungan Untuk Kayu)	Memiliki SVLK

Figure 3. An Example of an e-Catalogue Screenshot

Table 1. Gap Analysis Against Existing M&E Systems

Parameter	Identified Gaps	Recommendation	Follow-up
Scope of Monitoring and Evaluation	The Procurement of Goods/Services M&E System does not provide information on the implementation of SPP (fulfillment of sustainability aspects and the use of environmentally friendly products) and does not have scope of SPP M&E	The Procurement of Goods/Services M&E System provides information regarding: • Track and Measure the overall progress of SPP implementation • Identify the strengths and weaknesses of the SPP System, its governance mechanisms, etc. • Compliance with SPP regulations/KPIs and Accountability • Decision Making and Improvement • Reporting and Transparency	Determine the scope of implementation of SPP M&E.

Output Targets and Results of SPP Implementation	Output targets and results of SPP implementation are not yet available	Set targets for each of the following objectives:
		• Track and Measure the overall progress of SPP implementation, for example
		  o number of ministries/agencies
		  o Procurement volume
		  o # products etc
		• Identify the strengths and weaknesses of the overall SPP System, its governance mechanisms, etc., e.g.
		  o # Improvements that strengthen the SPP System
		  o # feedback on the SPP system.
			Determine output targets (KPI) and results of SPP implementation.

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		▪ Compliance with SPP regulations/KPIs and Accountability, for example o SPP Volume vs. there are no tuition fees o SPP mandatory institutional report o Impact of KPI fulfilment	
Guidelines/References for SPP Criteria for Procurement Actors	There are no guidelines/references for the SPP criteria that procurement actors can use to determine whether the procurement package meets the SPP criteria or does not meet the SPP criteria.	Develop guidelines/references per product that determine the level of compliance with SPP. This guidance should reference conformity evaluation tools that are easy to apply, such as an eco-label that qualifies as proof of conformity.	Determination of SPP guidelines/reference criteria
Guidelines/References for environmentally friendly products that will be used in SPP	The list of environmentally friendly products available on the market (for example, in Sibarjasramling) is not yet connected to the e-procurement system.	1. The list of green-labeled products available at Sibarjasramling is linked to the e-catalog at SiRUP. 2. The e-catalog system has a special section for eco-friendly or environmentally labeled products.	1. Integration of Sibarjasramling with e-catalog/procurement. 2. Establish a distinct section within the e-catalog system for showcasing eco-friendly or environmentally labeled products.
Data Collection and Monitoring Instruments	SPP tagging is not yet available in AMEL and other procurement applications (e-catalog, Procurement Defense), so Procurement data that meets the SPP criteria is not yet available	AMEL, SiRUP, e-Catalog, and Bela Procurement have SPP tags for each procurement package. This marking is based on eco-label benchmarks, identifying eligible/credible eco-labels.	Modifying AMEL, SiRUP, e-catalog, and electronic procurement systems by adding SPP marking.

	For procurement that is still package-based (not product-based), the composition of environmentally friendly product use in the procurement package cannot yet be calculated.	Modify various procurement applications by adding environmentally friendly product composition data to package-based procurement.	Modifying the implementation of SiRUP and SPSE by adding the percentage composition of environmentally friendly product use to the procurement package
	LKPP has another periodic procurement data reporting, namely the procurement profile book (buku profil pengadaan). This document is issued based on monthly and annual periods. However, there is no information about SPP implementation in this recent document.	The periodic Procurement Profile Book (Buku Profil Pengadaan) should include the SPP implementation report.	Develop guidelines/templates for the Periodic Procurement Profile Book (Buku Profil Pengadaan) to add information about SPP implementation.
Methods for Measuring the Results of Implementing Sustainable Procurement	There is no available method to measure the results of SPP implementation	SPP's environmental, social, and economic impacts are calculated automatically using internationally used methodologies.	Determine the method for measuring the effects of SPP implementation. Determine the objectives and scope of impact measurement.

INDONESIA SUSTAINABLE PUBLIC PROCUREMENT (SPP) MONITORING & EVALUATION SYSTEM DESIGN

The design of the M&E SPP System Framework is described as follows:

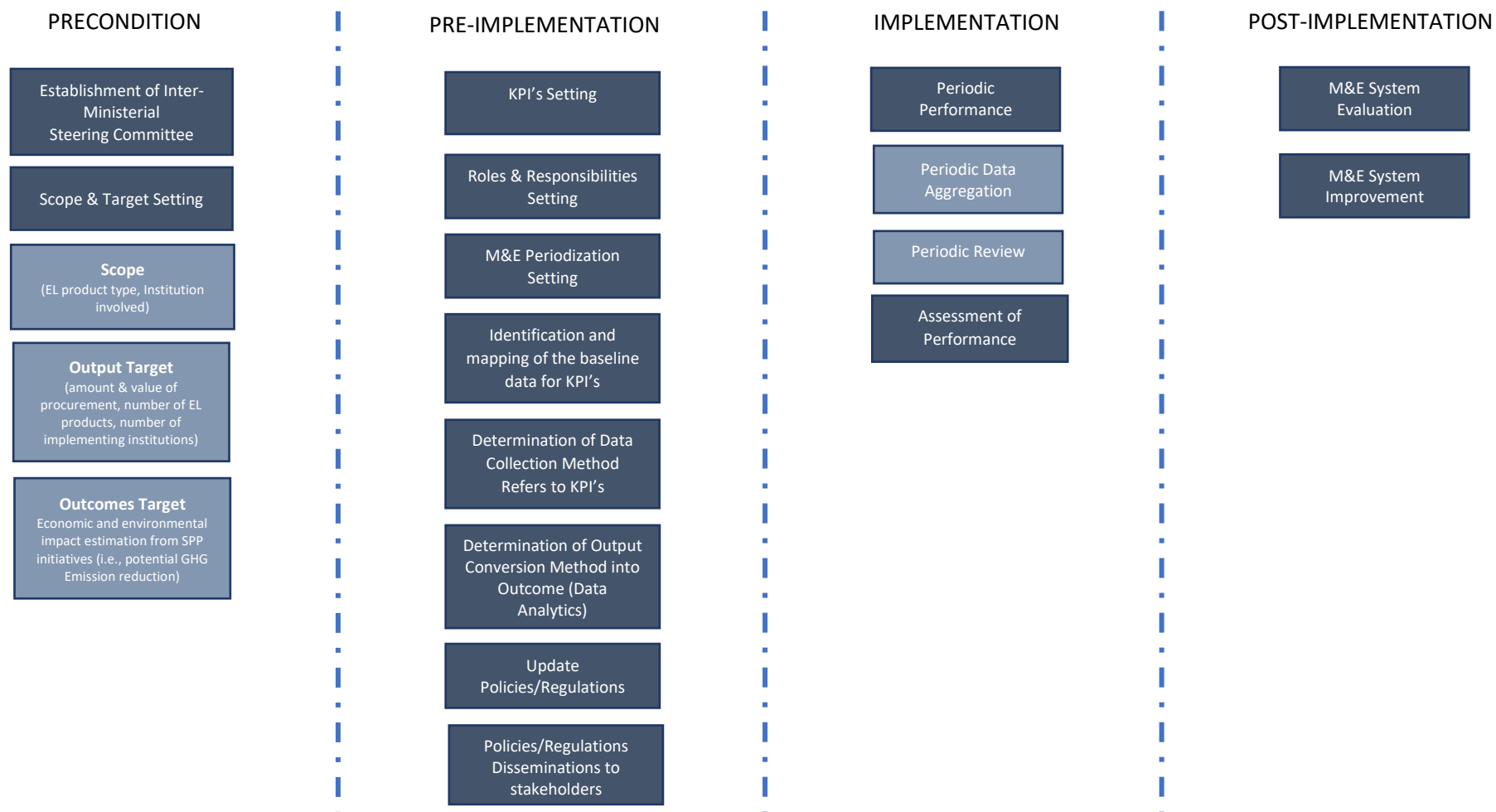| PRECONDITION	PRE-IMPLEMENTATION	IMPLEMENTATION	POST-IMPLEMENTATION
Establishment of Inter-Ministerial Steering Committee	KPI's Setting	Periodic Performance	M&E System Evaluation
Scope & Target Setting	Roles & Responsibilities Setting	Periodic Data Aggregation	M&E System Improvement
Scope (EL product type, Institution involved)	M&E Periodization Setting	Periodic Review	
Output Target (amount & value of procurement, number of EL products, number of implementing institutions)	Identification and mapping of the baseline data for KPI's	Assessment of Performance	
Outcomes Target Economic and environmental impact estimation from SPP initiatives (i.e., potential GHG Emission reduction)	Determination of Data Collection Method Refers to KPI's		
	Determination of Output Conversion Method into Outcome (Data Analytics)		
	Update Policies/Regulations		
	Policies/Regulations Disseminations to stakeholders		

Table 2. Design of the M&E SPP System Framework

The detailed explanation of each stage is as follows:

A. PRECONDITIONS

The precondition stage is essential for the next SPP Monitoring and evaluation (M&E) implementation.

1. **Establishment of Inter-ministerial *Steering Committee***

The Steering Board comprises various Ministries and Institutions, including the Coordinating Ministry for Maritime Affairs and Investment, LKPP, Ministry of Environment and Forestry, Ministry of Home Affairs, Bappenas, and Ministry of Finance. The division of roles of each ministerial is as follows:

- **Coordinating Ministry for Maritime Affairs and Investment**; one of the missions carried out by this ministry is to realize a sustainable environment. This mission is in line with one of the objectives to be achieved by implementing SPP, which is to increase the contribution of government procurement of goods/services to reduce greenhouse gas emissions. Experience in the application of expanding the use of domestic products in the procurement of government goods/services by the Coordinating Ministry for Maritime Affairs and Investment is also needed to strengthen the mainstreaming of sustainable procurement/SPP at all levels of government. Based on experience from implementing the program to increase the use of domestic products (P3DN) in government procurement in recent years, this ministry has played a perfect role as coordinator for implementing the program. In the context of SPP implementation, this ministry is also expected to become a cross-ministerial coordinator.
- **LKPP**: plays a role in preparing and formulating monitoring and evaluation policies and evaluating the implementation of government procurement of goods/services. In addition, in collaboration with the Ministry of Environment and Forestry, LKPP will link Sibarjasramling's list of environmentally friendly products with the existing e-purchasing system in LKPP (*e-catalog* and Bela Pengadaan).
- **Ministry of Environment and Forestry**: There are 2 roles for MoEF in the SPP M&E Framework. Instrument Standardization Agency of Environment and Forestry (Badan Standardisasi Instrumen Lingkungan Hidup dan Kehutanan) has a role as an Ecolabeling type 1 provider, Ecolabeling benchmarking institution and a potential provider of a green product e-catalogue/registry. Directorate General of Climate Change Control (Ditjen PPI) is a National Focal Point in controlling climate change as mandated through Ministerial Regulation P.18/MENLHK-II/2015.
- **Ministry of Home Affairs:** provide technical direction to local governments to manage a transparent and integrated SPP monitoring and evaluation system with precise target sizes; socialize regulations at the national level.

- **Bappenas:** formulate policies and action plans for SPP monitoring and evaluation systems; identify problems that arise and provide recommendations for improvement.
- **Ministry of Finance:** provides the necessary budget for the SPP program; supervises and evaluates the use of the funding provided for SPP; updates the Standard Price of Goods and Services (SHBJ).
- **Ministry of Cooperatives and SME:** provides technical support regarding the SME needs to fulfil and implement the SPP aspect in SMEs and develop SPP best practices criteria for SMEs.

Before the Inter-ministerial Steering Committee establishment, the development of a Technical Working Group consisting of MoEF and LKPP can be a consideration. The formation of the TWG is the basis for forming a Steering Committee with a more strategic role in implementing SPP. TWG can play a role in preparing data, information, and technical support as material for determining SPP output and outcome targets as well as the product scope and agency scope of SPP implementation by the Steering Committee.

2. **Target and Scope Setting of Monitoring & Evaluation**

   The scope of M&E and time-based targets need to be established as a reference for the gradual implementation of the M&E System. Targets must be prepared. KPIs related to these targets should also be developed based on SMART (Specific, Measurable, Achievable, Relevant, and Time-Related) principles. Examples of M&E targets and scopes are as follows:

   a. **Target** (optional example):

   - Increase the market penetration of eco-label certified paper products for all paper products by 2025.
   - Increase market penetration of SVLK-certified wood products, furniture, and building materials by 2025.
   - Increase the number of medium and large industries certified by the Green Industry Standard (SIH) to a significant portion of the total industry by 2026.
   - Expand the selection of eco-friendly products registered and included in government procurement of goods and services by 2027.
   - Enhance the understanding of sustainable procurement among procurement actors (PA/KPA, PPK, Selection Working Group) in 2024.
   - Increase the number of Ministerial/Government Institutions implementing SPP by 2025.
   - SPP implementation contributes 4% to the Indonesian National Determined Contribution (NDC) target for GHG reduction.

The SPP target needs to be developed into SPP KPI. To ensure the effectiveness and practicality of KPI, it is necessary to take KPI development steps as follows:

1. **Engage Relevant Stakeholders:** Initiate the process of KPI determination by involving key stakeholders, which include procurement professionals, sustainability experts, and policymakers. This collaborative effort ensures that KPIs align with the overarching goals and objectives of SPP programs and other policies while considering practical limitations and available resources.
2. **Evaluate KPI Relevance**: Examine the proposed KPIs to assess their significance and alignment with SPP programs and higher-level policies. Each indicator should contribute to the measurement of environmental impact and sustainability performance in procurement activities (impact level), procurement quantity or volume (yield level), or institutional penetration (scope at an organizational level). Prioritize indicators that have a substantial impact and promote positive changes in sustainable procurement practices
3. **Conduct Feasibility Assessment:** After establishing KPIs, perform a feasibility assessment. This involves evaluating the availability and reliability of data sources required for KPI measurement. Verify whether the necessary data can be collected through existing systems (preferred) or by implementing new data collection mechanisms. This assessment should also consider the technical and financial feasibility of measuring KPIs, including the necessary resources such as personnel, technology, and budget. Ensure adequate resources are available or can be allocated to prevent unrealistic or overly burdensome monitoring requirements.
4. **Implement a Pilot Phase:** Before full-scale implementation, consider conducting a pilot phase (which can be executed under Scaling SCP Output II) to validate the feasibility of the selected KPIs. This phase allows for adjustments and refinements based on practical challenges and insights gained during testing.

By systematically verifying the feasibility of KPIs, the SPP monitoring system can ensure that the indicators are S-M-A-R-T and aligned with sustainable procurement goals. This verification process increases the credibility and effectiveness of monitoring systems, enables organizations to track progress, make informed decisions, and drive meaningful sustainability improvements in their procurement processes.

b. Scope and phasing:

Defining the scope of and carefully phasing the development of the SPP M&E System is paramount. It serves as the guideline for a successful and effective implementation process. A well-defined scope establishes clear boundaries and objectives, ensuring that the system aligns with the SPP's specific goals and needs and with the SPP system's current

development. Phasing the product allows for a structured and manageable approach, mitigating the risk of overwhelming stakeholders and resources. It enables prioritizing critical components, testing feasibility, and making necessary adjustments before scaling up.

Based on the gap analysis, the following parameters have been identified to inform the scope definition and phasing of the SPP M&E System development:

1. **Establish Sustainability Objectives and legal compliance:** Formulate goals that align with existing policies, focusing on economic, social, or environmental objectives.
2. **Legal Compliance:** Ensure alignment with Presidential Regulation Number 16 of 2018, Presidential Regulation Number 12 of 2021, and BPKP Regulation No.3 of 2019, which govern government procurement in Indonesia.
3. **Presidential Directive Integration:** Integrate the focus on domestic product usage, as emphasized in Presidential Instruction Number 2 of 2022, into the M&E system.
4. **Collaboration with APIP:** Coordinate closely with the Government Internal Supervision Apparatus (APIP) to enhance procurement oversight.
5. **Enhancement of AMEL:** Improve the existing AMEL application by incorporating Sustainable Procurement / SPP tagging for electronic-based monitoring.
6. **SiRUP Enhancement:** Recognize the need for enhancing Sustainable Procurement / SPP marking in SiRUP, addressing criteria clarity and capacity building.
7. **e-Catalog Integration:** Explore the possibility of adding SPP tagging to the e-Catalog, particularly for wood-based products, to streamline the monitoring and evaluating of Sustainable Procurement Practices (SPP).
8. **Capacity Building for Actors:** Enhance the capacities of various actors, including BSILHK, for PCD and EL benchmarking and procuring entities to use instruments like EL for verification.
9. **Guidelines/References Development:** Create guidelines/references for SPP criteria to assist procurement actors in assessing compliance with SPP criteria in procurement packages.
10. **Environmentally Friendly Product Integration:** Integrate the list of environmentally friendly products available in the market (e.g., Sibarjasramling) with the e-procurement system to facilitate their inclusion in SPP.
11. **Data Accessibility and Usability:** Implement SPP tagging in critical procurement applications like AMEL and e-catalog to ensure the availability of procurement data meeting SPP criteria. Develop a method for calculating the use of environmentally friendly products in package-based procurement.

Further considerations are:

1. **Define Relevant Focus Areas:** Identify specific areas within the procurement process, such as supplier selection, product design, packaging, transportation, or waste management, where selected ecolabel products can have the most significant sustainability impact.
2. **Account for Stakeholder Expectations:** Take into account the expectations and priorities of key stakeholders, including not only government perspectives but also external stakeholders like the ecolabel products industry.
3. **Balance Practicality and Comprehensive Coverage:** Strive for a balanced approach to the number and complexity of Key Performance Indicators (KPIs) scopes. Avoid overwhelming the monitoring system with too many KPIs, yet ensure that the chosen set comprehensively reflects key sustainability aspects.
4. **Incorporate Flexibility and Adaptability:** Recognize that the scope may require expansion as organizational sustainability goals and priorities evolve. Periodic reviews and enhancements of the area are essential to maintain relevance and alignment with emerging sustainability trends, industry advancements, and stakeholder expectations.
5. **Method for Measuring SPP Results:** Establish a method for measuring the outcomes of SPP implementation, enabling the evaluation of its effectiveness.
6. **Formulate capacity gaps of institutions involved:** The results of identifying gaps for all institutions that will be involved in implementing SPP are needed to determine each institution's readiness level and as material for further improvements.

B. PRE-M&E

The Pre-M&E stage includes several initial activities in preparation for M&E implementation:

1. **Setting KPI for the M&E**

The main targets set at the precondition stage are further detailed as achievement indicators by the predetermined monitoring and evaluation period and considering the outlined parameters for the scope.

Examples of scoped and phased KPIs are:

2024 KPI:

Objective: Achieve Sustainable Procurement Program (SPP) implementation.

Target: Procure two environmentally friendly products, specifically ecolabel copy paper and SVLK-certified wooden furniture.

Scope: Ministry of Forestry (KLHK) and LKPP.

2025 KPI:

Objective: Advance SPP implementation.

Target: Procure environmentally friendly products encompassing five categories: copy paper, wooden furniture, building materials, air conditioners, and energy-saving lamps.
Scope: Ministry of Forestry (KLHK) and LKPP.

2030 KPI:

Objective: Expand SPP implementation.

Target: Procure environmentally friendly products across five categories: copy paper, wooden furniture, building materials, air conditioning tools, and energy-saving lamps.
Scope: Five ministries and four provincial governments.

2. **M&E roles and responsibilities**

This stage is vital to detail the roles and responsibilities of each party in the implementation of M&E. Examples of the division of parts of the parties are as follows:

Table 3. M&E Roles

MINISTRIES/AGENCIES	ROLE IN M&E
Steering Committee	• Develop monitoring and evaluation policies • Determine the scope of monitoring and evaluation • Set M&E targets • Establish monitoring and evaluation indicators/KPIs • Approve methodology for measuring SPP KPIs • Provide guidance and support, such as training and guidance for all stakeholders involved.
Ministries/Institutions/Local Governments as objects of SPP implementation (offices and procurement officials)	• Develop an institution-specific tuition plan • Implement sustainable procurement practices • Collect and report data • Identify and implement best practices in sustainable procurement.
Ministry of Environment and Forestry - PUSDARLING	• Develop sustainability criteria (while social and economic criteria need to be developed by LKPP or other parties) • Conduct impact assessments based on the life cycle of the product/service (e.g., carbon emission benefits, waste generation) • Measure the environmental impact of SPP, such as GHG and HFC reductions
Ministry of Environment and Forestry – PUSFASTER	• Develop SPP practices by assisting in identifying sustainable products based on Ecolabels and related processes

LKPP– Monitoring and Evaluation Team	• Design and manage M&E systems (develop data collection tools and oversee the entire M&E process) • Provide detailed procurement data as required for M&E • Analyze data, generate M&E reports, identify insights, and develop recommendations for decision-making by the Steering Committee.
LKPP, Ministry of Finance	• Measuring the financial impact of SPP Procurement (cost and life cycle savings)

3. Period of M&E Implementation determination (Periodization)

SPP monitoring and evaluation must be carried out periodically and integrated from all stages of procurement. The frequency and time interval of monitoring and assessment can follow the current M&E BJP periodization.

4. Identification and mapping of the baseline for indicators

Baseline data are required as the beginning for the initial measurement of each specified KPI to inform the KPI and its scope for improvement. Some examples of initial data that need to be identified include the following:

a. Total value and package of procurement/purchase of photocopy paper
b. Total value and package of furniture product procurement/shopping
c. The level of understanding of procurement actors towards sustainable procurement.
d. Number of sustainable procurement trainings ever held.
e. The number of environmentally friendly products registered and included in the procurement of government goods and services

Baseline data should be identified and mapped for each KPI to be monitored and evaluated.

5. Determination of Data Collection Method Refers to Indicators

Data collection methods for monitoring and evaluation need to be determined to be standardized when implemented by the parties. The technique is drawn up referring to predetermined achievement indicators. Some data collection methods that can be applied include:

a. Data Aggregation from AMEL

Procurement data in the form of electronic data from AMEL covers all stages of the procurement process, starting from planning, preparation, selection, contract, and handover, and can be collected according to data needs per achievement indicator.

b. Standard Questionnaire

Questionnaires can be made in online questionnaires so that data and information processing can be done quickly. This tool captures non-quantitative data and information about challenges and improvements needed from the procurement actors involved in the M&E process.

6. Determination of Output Conversion Method into Outcome (Data Analytics)

How to convert outputs into SPP implementation results needs to be determined so that *SPP implementation outcomes* can be measured clearly. The conversion method can adopt the existing way and has been recognized by the parties. Examples of outputs and outcomes from SPP implementation are as follows:

Table 4. Raw Data and Result of SPP Implementation

Raw data	RESULT
• Total procurement covering sustainability criteria • Total contract value covering sustainability criteria • Total number of sustainable products purchased (units)	**Environmental** • Achieving GHG emission reduction through increased use of environmentally friendly products • Achievements in air pollution reduction, waste reduction, energy, and material savings as a result of increased use of environmentally friendly products **Economics:** • cost savings as a result of increased use of eco-friendly products

7. Update Policies/Rules

Policies or rules as a basis for implementing SPP must be available before SPP is implemented, monitored, and evaluated. The existence of clear rules is the basis for procurement actors to implement SPP in their procurement cycle. Policy/regulation can be circulars, instructions, or other legal products. Example: Circular related to the use of LED lighting products.

8. Policies/Regulations Disseminations to stakeholders

After establishing regulations regarding SPP implementation and monitoring and implementation mechanisms, it is necessary to disseminate information related to this matter to all related parties. All relevant parties must understand well what and how the SPP will be implemented and the monitoring and evaluation mechanisms so that all stages of the implementation process can run as expected.

C. M&E IMPLEMENTATION

The stages of implementation of Monitoring and Evaluation are broadly divided into 2 stages, namely achievement assessment and performance achievement evaluation.

1. **Performance evaluation**

Analyzing procurement data regularly while adhering to set deadlines and objectives is part of performance evaluation. Periodic reviews conducted by the Steering Committee, a group designed to supervise and plan the achievement of complex achievement indicators, are undertaken in addition to these evaluations. These reviews have the two functions of monitoring performance development and assisting in developing plans to achieve the related targets. Additionally, they serve as a way to early identify problems or changes in the Sustainable Procurement Program's execution.

2. **Assessment of Performance Outcomes**

The performance outcomes are assessed at the end of the monitoring and evaluation period. All achievement indicators are considered in this evaluation, along with potential improvement areas for the methods, technology, or procedures used to monitor and evaluate.

D. POST MONITORING AND EVALUATION

The final stage in a monitoring and evaluation cycle is to evaluate the M&E system and compile recommendations for improving the M&E system on the evaluation results. Things that need to be implemented at this stage are as follows:

1. **M&E System Evaluation**
   a. Evaluate whether the monitoring and evaluation system has been effectively implemented.
   b. Identify the monitoring and evaluation system's strengths, weaknesses, opportunities, and challenges.
   c. Evaluation of the effectiveness of technology use, which includes the ability of technology to support decision-making and produce accurate data

2. **M&E System Improvement according to Evaluation Results**

   a. Review existing policies (review objectives, targets, scope, and indicators used in M&E)
   b. Update performance indicators (effective performance indicators must be measured clearly and objectively from procurement performance in meeting the set goals and objectives)
   c. Update the M&E system by the evaluation results.
   d. Designing follow-up plans and socializing new policies so all parties understand their roles and responsibilities in implementing SPP.

SPP MONITORING & EVALUATION SHORT-TERM ACTION PLAN

The *short-term action plan* document for monitoring and evaluating SPP is prepared based on the gap analysis results between ideal monitoring and evaluation conditions and current conditions. The action plan lasts 1 year and involves several related parties in each activity, both as responsible parties/supervisors and as supporting parties for these activities.

Following up on the results of identifying gaps between existing conditions and the ideal target of monitoring and evaluation of Sustainable BJP, 5 strategic programs were proposed to be carried out as an effort to fulfil the gaps that had been identified. The 5 strategy programs are as follows:

1. Determination of the Steering Committee
2. Target setting, M&E scope
3. Development of M&E indicators and methods of measuring outputs and outcomes
4. Capacity building
5. Reporting Design

Based on the 5 strategic programs, several activity programs are determined, which are presented in the table below:

Table 5. 5 Strategic Programs

No	Strategic Programs	Activity Program	Target Time	Implementers and Partners
1	Establishment of the *Steering Committee* and its Institutional Structure	1. A technical Working Group (TWG) comprising representatives from the MoEF and LKPP is established before setting up the Steering Committee. This TWG shall gather data information and provide technical support to define objectives and outcomes, as well as specify the scope of the eco-label product and the implementing agency responsible for SPP. 2. Forming a Steering Committee and work team as well as the distribution of duties and responsibilities. 3. Stakeholder mapping and defining the roles and responsibilities of the stakeholders involved 4. Analysis of stakeholder engagement using influence and importance matrix analysis, 5. Develop guidelines for the institutional framework of monitoring and evaluation, which include: a. Institution-specific SPP plan with commitments, objectives, KPIs, and organizational action plans b. SPP focal person and its guidelines c. SoP for SPP implementation and monitoring.	4 Months	**Executive:** ▪ BAPPENAS ▪ Ministry of Environment and Forestry ▪ LKPP ▪ Ministry of Finance ▪ Ministry of Internal Affairs ▪ Coordinating Ministry for Maritime Affairs and Investment **Additional:** ▪ Coordinating Ministry for Economic Affairs ▪ Ministry of Industry ▪ Ministry of Cooperatives and SMEs ▪ Ministry of Communication and Information Technology ▪ Ministry of Public Works and Public Housing ▪ Ministry of Agriculture ▪ Ministry of Energy and Mineral Resources ▪ Ministry of Trade

2	Target Setting and M&E Scope	1. Set SPP targets 2. Determine the scope of M&E SPP (the scope of objects and the scope of environmentally friendly products to be implemented)	2 Months	**Executive:** ▪ Steering Committee
3	Development of Indicators and methods of measuring Output and Outcomes	1. Set performance indicators. 2. Establish methods for measuring outputs and outcomes 3. Develop measurement instruments in accordance with performance indicators. 4. Establish a guidance document for the M&E mechanism 5. Identify reporting needs in the development of M&E SPP 6. Develop SOPs and report templates and ensure they are easy to compile and analyze according to needs and objectives	6 months	**Executive:** ▪ Steering Committee **Additional:** ▪ LKPP ▪ Ministry of Environment and Forestry ▪ Academics (University) ▪ Procurement Practitioner ▪ Ministerial/Bodies/Regional Government (K/L/PD) implementation of Objects According to Scope
4	Capacity Building	Building institutional capacity to create awareness and individual capacity, for example: 1. Dissemination of SPP Monitoring and Evaluation Achievement Indicators 2. Technical training on methods of measuring performance indicators and their reporting	2 Months	**Executive:** ▪ LKPP **Friend:** ▪ Ministerial/Bodies/Regional Government (K/L/PD) Implementation of Objects According to Scope

| 5 | Reporting Design | Prepare report designs on measuring outputs and outcomes in a clear, structured, and easy-to-understand manner. | 1 month | **Executive:**

▪ Steering Committee

Friend:

▪ Coordinating Ministry for Economic Affairs
▪ Ministry of Industry
▪ Ministry of Cooperatives and SMEs
▪ Ministry of Communication and Information Technology
▪ Ministry of Public Works and Public Housing
▪ Ministry of Agriculture
▪ Ministry of Energy and Mineral Resources
▪ Ministry of Trade
▪ Ministerial/Bodies/Regional Government (K/L/PD) Implementation of Objects According to Scope |