

## Is Indonesia Ready for a Sustainable Procurement Revolution in Goods and Services?

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### Abstract

In the globalisation era, issues pertaining to sustainable development have assumed a position of paramount importance in the realm of international development. This phenomenon is further accentuated by the United Nations' establishment of the Sustainable Development Goals, which mandate that the developmental trajectories of nations worldwide must be aligned with the tenets of the SDGs. The ramifications of this directive extend to all facets of society, including the acquisition of goods and services. The present article thus seeks to undertake a comprehensive analysis of the procurement of goods and services based on sustainable principles within the Indonesian context. The present study adopts a dual approach, encompassing both a legal research methodology and a conceptual and statute approach. Sustainable procurement is the process of acquiring goods and services that take into account environmental, social, and governance factors. Its goal is to provide a positive impact on the environment, society, and economy. The benefits of sustainable procurement include enhancing reputation, cost savings, improving efficiency, reducing risks, increasing resilience, promoting innovation, and fostering growth. To implement sustainable procurement, organizations can use ISO 20400, an international standard that provides guidelines for developing a sustainable purchasing approach. Procurement of goods/services is essential for government activities, both at the central and regional levels, according to Presidential Regulation Number 16 of 2018 regarding Procurement of Goods/Services for the public. The internalization process of sustainable procurement aspects includes implementing environmentally friendly procurement at every stage of procuring goods/services. Support for the sustainability of public procurement requires a rational and instrumental approach towards the community.

## 1. Introduction

Public Procurement is the purchase of products and services necessary for public institutions to achieve both their functional and policy goals.<sup>1</sup> Public Procurement can affect socio-economic circumstances through employment creation and economic growth. Therefore can address wider sustainability concerns, including climate change and green activities.<sup>2</sup> Green Public Procurement is known as Environmentally Friendly Public Procurement, not a new thing, especially in the structure of the state civil apparatus. Carbon reduction, environmental protection, and better management of natural resources can be done by the state administration. The participation of individuals, organizations, and the business world

<sup>1</sup> Christine Harland et al., "Implementing Government Policy in Supply Chains: An International Coproduction Study of Public Procurement," *Journal of Supply Chain Management* 55, no. 2 (April 10, 2019): 6–25, <https://doi.org/10.1111/jscm.12197>.

<sup>2</sup> Josette Caruana and Kelly Vassallo, "Green Public Procurement in Public Administration: Perceptions and Challenges in Practice," *International Journal of Public Administration*, July 30, 2024, 1–14, <https://doi.org/10.1080/01900692.2024.2381773>.

is very influential in the decisive action of public administration. In the sustainable development goals, one of the government's long-term goals is development that maintains the quality of the environment and development that ensures justice and the implementation of governance that is able to maintain the improvement of the quality of life from one generation to the next, this indicates that the quality of public services that are based on environmentally friendly services is part of the goal.

The procurement of environmentally friendly goods/services or public procurement refers to the process in which public authorities, such as government departments or local authorities, purchase goods, services, or works from companies. According to research, environmentally friendly public procurement is the process in which public and semi-public entities make purchases of goods, services, works, and utilities by selecting solutions that have minimal environmental impact.<sup>3</sup>

The sustainable procurement of goods/services is a follow-up to the global agreement on sustainable development goals. The government subsequently issued Presidential Regulation No. 16/2018 regarding Government Procurement of Goods/Services, which accommodates provisions related to sustainable public procurement. The implementation of SPP is believed to have positive impacts on the economy, society, and the environment. According to Article 68 paragraph (2) of Presidential Regulation 16/2018, sustainable procurement encompasses three aspects: economic, social, and environmental. Sustainable procurement also requires clear indicators to monitor implementation progress and evaluation. Several control instruments for sustainable procurement can be utilized, such as due diligence, statements, integrity facts, certification, and independent audits. In its implementation, sustainable procurement also necessitates awareness and commitment from both government and private sector stakeholders to participate and contribute to sustainable procurement. Sustainable procurement also requires a clear strategic framework, such as ISO 20400-2017, which provides a strategic framework for assessment and enables companies to establish baseline criteria and determine next steps for sustainable procurement. In its implementation, sustainable procurement also necessitates attention to ESG (Environmental, Social, and Governance) initiatives and a well-defined procurement infrastructure. Sustainable procurement also requires attention to reasonable social and cultural needs, as well as ensuring that everyone is capable of aspiring to it. In its implementation, attention must be given to the sustainability of defense and security, as well as political sustainability. Sustainable procurement necessitates consideration of ecological, economic, social-cultural, and political sustainability.<sup>4</sup> The term ESG (environmental, social, and governance) has been widely discussed worldwide as one of the ongoing developments in environmental and social issues, capturing the attention of economists, investors, and environmental activists. This is now commonly referred to as environmental, social, and governance, or more commonly

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<sup>3</sup> Sugeng Chairuddin and Dian Irma Aprianti, "Green Public Procurement Sebagai Salah Satu Implementasi SDGS Sektor Publik Kota Samarinda" 2, no. 2 (2024): 137-44, <https://doi.org/https://doi.org/10.70260/nij.v2i2.33>.

<sup>4</sup> A Ary Firman Buhori et al., "Pengadaan Berkelanjutan Dalam Kebijakan Pengadaan Kendaraan Listrik Pemerintah," *Wijaya Putra Law Review* 3, no. 2 (October 7, 2024): 184-200, <https://doi.org/10.38156/wplr.v3i2.196>.

known as ESG, which represents a company's standard when implementing its investments, incorporating the three concepts of environmental, social, and governance.

Environmental, social, and governance have a standardized concept and criteria that are now widely used by regional and global investors to achieve national targets in introducing sustainable finance to the banking industry.<sup>5</sup> In 2015, the launch of the sustainable development program or sustainable development goals was agreed upon by 193 countries, including Indonesia. As one of the countries that participated in this program, Indonesia is committed to implementing it by incorporating the development targets indicators outlined by the sustainable development goals into our national medium-term plan as a form of implementing sustainable development goals in Indonesia. The connection between the national medium-term development plan and the Sustainable Development Goals can be summarized as having the same main vision and mission to improve the welfare of the entire population through Indonesia's participation in implementing SDGs, which is considered crucial for development in Indonesia. The implementation of sustainable development goals in Indonesia greatly requires synergy with Non-Governmental Organizations or other NGOs. In this matter, the Indonesian government strives to build sustainable procurement policy principles in accordance with international standard ISO 20400. The principles outlined in ISO 20400 sustainable procurement include accountability, transparency, ethics, stakeholder interests, adherence to legal regulations and international norms, innovative and transformative solutions, focus on needs, integrity, and global cost.<sup>6</sup>

This article is new writing and contains novelty, since the other articles, which are: *first* "Indikator Pengadaan Barang/Jasa Berkelanjutan Pada Pembangunan Bendungan"<sup>7</sup>, that article focused on the article more specifically discusses sustainable procurement in the dam construction process. While this article is more towards the prescription of sustainable procurement rules. Another article is "Komparasi Information Technology Procurement Policy di Pemerintahan". Both articles discuss the development of the current procurement process. The different between this article with the articles above is that specifically looks the procurement in relation to environmental and social aspects, meanwhile that article is focused at using technology on procurement process. One of the articles related to comparisons in other countries is an article entitled "Barriers to The Involvement in Green Public Procurement Among Small and Medium Enterprises (SMEs) Government Suppliers"<sup>8</sup>, this article extends empirical evidence on barriers or challenges that may hinder the involvement in government

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<sup>5</sup> Camelia Annisya Marelza, Denadine Angeli, and Muhammad Ridwan, "Environmental Sustainability: Implikasi Hukum Penyederhanaan Izin Usaha Dalam UU Cipta Kerja Terhadap Lingkungan Hidup," *Lakidende Law Review* 1, no. 3 (December 18, 2022): 251-60, <https://doi.org/10.47353/delarev.v1i3.32>.

<sup>6</sup> Fahmy Asa, "Komparasi Information Technology Procurement Policy Di Pemerintahan," *Informatika Mulawarman: Jurnal Ilmiah Ilmu Komputer* 12, no. 1 (2017): 38, <https://doi.org/http://dx.doi.org/10.30872/jim.v12i1.221>.

<sup>7</sup> Agus Pudjijono and Dharma Nursani, "Indikator Pengadaan Barang / Jasa Berkelanjutan Pada Pembangunan Bendungan," *Jurnal Pengadaan Barang/Jasa* 1, no. 1 (April 30, 2022): 73-85, <https://doi.org/10.55961/jpbj.v1i1.17>.

<sup>8</sup> Nurin Athilah Masron, Suhaiza Ismail, and Zaini Zainol, "Barriers to the Involvement in Green Public Procurement among Small and Medium Enterprises (SMEs) Government Suppliers," *Journal of Public Procurement* 24, no. 2 (2024), <https://doi.org/10.1108/JOPP-03-2023-0016>.

green procurement, with a specific focus on SME government suppliers. The article supports the review of the discussion on sustainability-based procurement under Indonesian law.

## 2. Methods

This research method uses the normative juridical approach, which examines the internal aspects of positive law. This method is carried out by collecting journal articles and reference books, as well as analyzing relevant legal regulations related to the researched issue. Some descriptions of the normative juridical research method include literature review, examining internal legal aspects based on legal regulations, assessing norm systems, and using secondary data. In my opinion, normative juridical research is important because it helps in understanding, solving problems, or handling cases based on positive legal decisions. Normative research also involves studying theories, concepts, legal principles, and legal regulations.<sup>9</sup> This research approach utilizes a conceptual approach, which means approaching from the perspectives and doctrines that have developed within the field of law. By studying these legal viewpoints, the researcher also discovers ideas that give rise to the understanding of law, legal concepts, and principles relevant to the issues at hand.<sup>10</sup> The main legal sources in this research consist of Presidential Regulation 59/2017 Regarding the Implementation of Sustainable Development Goals, Presidential Regulation 16/2018 which was replaced by Presidential Regulation 12/2021 Regarding Sustainable Procurement of Government Goods/Services, books, journals, and all forms of scientific writing.

## 3. Results and Discussion

### 3.1. Definition of Sustainable Development Procurement

The term "sustainable procurement development" is often used interchangeably; both terms describe the danger of overexploiting natural resources. However, there is a nuance that distinguishes these two terms: sustainability is a broad concept that encompasses resource management without depleting those resources for future generations. This concept goes beyond environmental preservation, encompassing the earth's natural resources and incorporating economic and social sustainability, ensuring current livelihoods without sacrificing future generations. On the other hand, "sustainable development" describes processes to enhance long-term economic well-being and quality of life without compromising the ability of future generations to meet their needs.

Sustainability has become an important issue in world economic development, because the world community has realized that the exploitation of natural resources can lead to resource scarcity, environmental degradation, and decreased environmental quality. Therefore, economic development must lead to environmentally sound development or sustainable development.<sup>11</sup>

The Sustainable Development Goals (SDGs) were launched in 2015 by the United Nations as a global initiative aimed at eradicating poverty, safeguarding the environment, and

<sup>9</sup> Theresia Anita Christiani, "Normative and Empirical Research Methods: Their Usefulness and Relevance in the Study of Law as an Object," *Procedia - Social and Behavioral Sciences* 219 (May 2016): 201–7, <https://doi.org/10.1016/j.sbspro.2016.05.006>.

<sup>10</sup> Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana Prenadamedia Group, 2016).

<sup>11</sup> Armansyah and Adfiyanti Fadjar, "Regulation of Corporate Social Responsibility through Environmental Development Program: A Review from a CSR Perspective," *Jurnal Hukum Bisnis Bonum Commune* 7, no. 2 (2024): 86–102, <https://doi.org/https://doi.org/10.30996/jhbhc.v7i2.10724>.



promoting peace and prosperity for all by 2030, as outlined in the United Nations 2030 agenda.<sup>12</sup> The Sustainable Development Goals (SDGs) is the 2030 agenda that aims to promote sustainable development based on human rights and equality, in order to drive social, economic, and environmental progress. The SDGs are guided by principles of universality, integration, and inclusivity, ensuring that no one is left behind.<sup>13</sup> One of the SDGs related to economic growth is the goal of decent work and economic growth. This goal is particularly important due to the impact of the Covid-19 pandemic on Indonesia's economy, necessitating efforts to recover and rebuild. Furthermore, decent employment is necessary to escape poverty and enhance inclusive economic growth. Sustainable development is development that meets the needs of the present without compromising the ability of future generations. Sustainable development as defined by the World Commission on Environment and Development (WCED) can be lowered into the four elements, namely the principle of integration, sustainable use, intra-generation equity, and inter generations equity.<sup>14</sup>

Integration elements can be concluded from the recognition of the need for development, but on the other hand is also acknowledged that fulfilling the needs of this development should not interfere with the ability of future generations to fulfil their needs. Elements of the sustainable use can be seen from the recognition to the impact of technology and social organization on the environment's ability to fulfil the needs of current and future generations, as well as the recognition that the development in process still considers the interests of future generations. Intra-generation equity element can be seen from the word definition of needs which gives priority to fulfil the needs of poor communities. While the element of inter generations equity can be inferred from the recognition of the balance between the needs of the present generation with the needs of future generations.<sup>15</sup>

According to UNESCO, the concept of sustainable development is sometimes equated with sustainability and is often referred to as a long-term goal.<sup>16</sup> Sustainable development refers to several processes and roadmaps to achieve sustainability (for example, sustainable agriculture is the process or roadmap to achieve sustainable farming, sustainable production is the process to achieve sustainable production, and so on). As previously explained, there are three core pillars of sustainability: first, the economic pillar (profit), which emphasizes that efficient and responsible resource use leads to long-term profitability. Secondly, the social

<sup>12</sup> Shahryar Sorooshian, "The Sustainable Development Goals of the United Nations: A Comparative Midterm Research Review," *Journal of Cleaner Production* 453 (May 2024): 142272, <https://doi.org/10.1016/j.jclepro.2024.142272>.

<sup>13</sup> Justice Mensah, Amos Mensah, and Aba Nyameyie Mensah, "Understanding and Promoting the 'Leaving No One Behind' Ambition Regarding the Sustainable Development Agenda: A Review," *Visegrad Journal on Bioeconomy and Sustainable Development* 11, no. 1 (June 1, 2022): 6-15, <https://doi.org/10.2478/vjbsd-2022-0002>.

<sup>14</sup> Andri G. Wibisana, "The Elements of Sustainable Development: Principles of In-Tegration and Sustainable Utilization," *Mimbar Hukum - Fakultas Hukum Universitas Gadjah Mada* 26, no. 1 (June 25, 2014): 102, <https://doi.org/10.22146/jmh.16057>.

<sup>15</sup> Philippe Sands et al., *Principles of International Environmental Law* (Cambridge: Cambridge University Press, 2012), <https://doi.org/10.1017/CBO9781139019842>.

<sup>16</sup> Lisa-Maria Glass and Jens Newig, "Governance for Achieving the Sustainable Development Goals: How Important Are Participation, Policy Coherence, Reflexivity, Adaptation and Democratic Institutions?," *Earth System Governance* 2 (April 2019): 100031, <https://doi.org/10.1016/j.esg.2019.100031>.

pillar (community welfare) supports the creation of a healthy and happy community that can meet their own needs; thirdly, the earth pillar (environment) in business practice means reducing carbon footprint, waste, and water usage while maximizing energy efficiency.

The procurement of goods/services is essential for government activities, both at the central and regional levels. The government utilizes these goods/services for development projects. While some are provided directly by the government, others may come from private sources. Government procurement can be carried out by either the central or regional authorities. All government procurement activities, especially those involving state funds from either the regional or national budget, must be conducted diligently and with utmost caution. The principle of caution in the procurement process is crucial, considering that it involves public finances.<sup>17</sup>

The SDGs were designed to serve as a guide for all UN member states, including Indonesia, in their efforts to achieve sustainable development. These goals were formulated since July 19, 2014, and were presented to the United Nations General Assembly by the Open Working Group on Sustainable Development Goals. These goals were jointly planned by intergovernmental countries and were declared on September 25, 2030. Among the 17 goals are: (1) no poverty, (2) zero hunger, (3) quality education, (4) gender equality, and (5) clean water and sanitation, (6) clean and affordable energy, (7) decent work and economic growth, (8) innovative industry and infrastructure, (9) reduced inequalities, (10) sustainable cities and communities, (11) responsible consumption and production, (12) climate action, (13) marine ecosystems, (14) terrestrial ecosystems, (15) peace and justice, (16) strong institutions, and (17) partnerships to achieve goals.<sup>18</sup>

One of the visions of the SDGs is to address local food security in tackling hunger, as we can see in Indonesia there are still many cases like this, based on data from the Central Statistics Agency, the Global Hunger Index from 2015-2020 is 22.9%. Therefore, the SDGs program, based on 5 fundamental principles of balancing social, economic, and environmental dimensions, consists of people, planet, prosperity, peace, and partnership. These 5 principles aim to eradicate poverty for all Indonesian citizens by 2030.<sup>19</sup>

This achievement effort is a long-term and sustainable process. Certainly, it is not an easy matter, especially when Indonesia is still facing a monetary crisis. Towards a more democratic government and implementing reforms in almost all aspects of life, cooperation is needed from all segments of society, starting from the government, the people, business world, politics, and academic institutions. This is what needs to be further examined in terms of what the Indonesian government should implement in order to carry out community development programs and achieve sustainable development goals. The SDGs are an important program that will serve as a reference in the framework of development and international negotiations

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<sup>17</sup> Vivi Marietha Ponto, "Peningkatan Produktivitas Dalam Rangka Mewujudkan Pekerjaan Layak Dan Pertumbuhan Ekonomi (Tujuan Ke-8 Sustainable Development Goals)," *Cendekia Niaga Journal of Trade Development and Studies* 7, no. 1 (2023): 85-96, <https://doi.org/https://doi.org/10.52391/jcn.v7i1.792>.

<sup>18</sup> Nur Maria Setyorini and Alrista Qhori Asmonah, "Pendidikan Sebagai Langkah Awal Mencapai Sustainable Development Goals (SDGs) Di Indonesia," *Annual International Conference on Islamic and Science Integration (AICCI)* 1, no. 1 (2023).

<sup>19</sup> Azizatul Ula, "Visi Sustainable Development Goals (SDGs) Terhadap Kebijakan Diversifikasi Pangan Lokal Dalam Mengatasi Kelaparan," *Jurnal Sains Edukatika Indonesia (JSEI)* 3, no. 2 (2021).

among countries worldwide. Essentially, both SDGs and the previously concluded MDGs (Millennium Development Goals) share the same goal of addressing hunger and poverty globally.<sup>20</sup>

The principles of procurement can be structured within legal frameworks to ensure the incorporation of concepts such as "sustainable use" and "intergenerational equity." Sustainable procurement involves the integration of environmental, social, and economic considerations into purchasing decisions, with a long-term vision to minimize negative impacts on the environment and society. Intergenerational equity, on the other hand, emphasizes the responsibility of current generations to meet their needs without compromising the ability of future generations to meet theirs.<sup>21</sup>

To achieve this, legal frameworks can require procurement processes to prioritize products and services that are environmentally sustainable, ethically sourced, and socially responsible. Laws may mandate the assessment of environmental impact through lifecycle analysis (LCA) and encourage the adoption of green technologies or renewable resources. For instance, regulations can require public agencies to buy energy-efficient products or services that reduce carbon footprints over time. Such measures align with the principle of sustainable use by ensuring that resources are managed in a way that conserves them for future use. Additionally, laws can foster intergenerational equity by embedding transparency and fairness in procurement practices, ensuring that the needs of both present and future populations are taken into account. Public procurement policies can stipulate that contracts not only meet immediate societal needs but also consider the long-term consequences for future generations, particularly in terms of resource depletion and environmental degradation.

Ultimately, the inclusion of sustainable procurement and intergenerational equity principles in legal structures ensures a balanced approach to development, where economic growth does not come at the expense of environmental and social well-being, thereby achieving equity across generations.

Indonesia has ratified numerous international conventions that support the global agenda for sustainable development and environmental protection, including agreements related to climate action, biodiversity conservation, pollution reduction, and sustainable resource management, such as Paris Agreement related to SDG 13 (Climate Action). These conventions play a key role in shaping the country's policies and actions toward meeting the SDGs, especially those relating to environmental sustainability.

In terms of legal implications, the achievement of the Sustainable Development Goals (SDGs) in Indonesia has both domestic and international dimensions, but it's important to note that there are no formal legal penalties or sanctions specifically tied to the failure to meet the SDG targets. However, there are indirect legal and policy consequences that could arise if the SDG targets are not met. Here's an overview of both the national and international contexts regarding the implications of not achieving SDG targets in Indonesia, for example is loss of

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<sup>20</sup> Wahyuningsih, "Millenium Developpment Goals (MDGs) dan Sustainable Development Goals (SDGs) Dalam Kesejahteraan Sosial," *Bisma: Jurnal Bisnis Dan Manajemen* 11, no. 3 (2017): 390-99, <https://doi.org/https://doi.org/10.19184/bisma.v11i3.6479>.

<sup>21</sup> John Rawls, *A Theory of Justice* (Harvard: Harvard University Press, 1971).

Access to International Funding. Indonesia could face challenges accessing international funding from organizations like the World Bank, the Asian Development Bank (ADB), or the Global Environment Facility (GEF) if it fails to meet SDG targets, especially those related to climate change, poverty reduction, and environmental protection. Many of these financial institutions provide support in the form of loans or grants contingent on progress toward the SDGs.

In accordance with Article 68 of the Presidential Regulation of the Republic of Indonesia Number 16 of 2018, as amended by Presidential Regulation Number 12 of 2021 concerning Government Procurement of Goods/Services, the Government of Indonesia is obligated to incorporate sustainability criteria in its public procurement processes. This directive enables the government to implement procurement practices that are aligned with the Sustainable Development Goals (SDGs) targets. The principles of sustainability in public procurement encompass the following aspects:

- a. Economic aspects encompass the cost of production of goods/services throughout the life of the goods/services;
- b. Social aspects include the empowerment of small businesses, the guarantee of fair working conditions, the empowerment of local communities/businesses, equality, and diversity; and
- c. Environmental aspects include the reduction of negative impacts on health, air quality, soil quality, water quality, and the use of natural resources under statutory provisions.<sup>22</sup>

This is also in line with the definition of Sustainable Public Procurement (SPP) from the United Nation Environment Programme (UNEP), which states that SPP is a process where the procurement of goods/services throughout the user cycle is not only beneficial for the government/public organisation, but also for society and the environment.

### 3.2. The legal provisions regarding Sustainable Procurement in Indonesia

In an era of inevitable industrial development and population growth, environmental impact is a major worldwide concern. In this context, procurement finally emerges as a strategy for procuring goods and services that focuses on environmental, social, and economic aspects.<sup>23</sup> The embodiment of government actions that have both public and private legal aspects is exemplified by the Implementation of Government Procurement of Goods/Services (PBJP). The legal basis for implementing PBJP is regulated in Presidential Regulation No. 16 of 2018 regarding Government Procurement of Goods/Services, as amended by Presidential Regulation No. 12 of 2021 regarding Government Procurement of Goods/Services. PBJP itself is the procurement of goods/services activity carried out by ministries/agencies/local government units funded by the State Budget (APBN) or Regional Budget (APBD), with processes ranging from needs identification to project handover. The purpose is none other

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<sup>22</sup> Helen Walker and Stephen Brammer, "The Relationship between Sustainable Procurement and E-Procurement in the Public Sector," *International Journal of Production Economics* 140, no. 1 (November 2012): 256–68, <https://doi.org/10.1016/j.ijpe.2012.01.008>.

<sup>23</sup> Saraswati Nirmala Suci, Muslim Cendekiawan, and Amrie Firmansyah, "Berhasilkah Implementasi Pengadaan Publik Berkelanjutan Di Indonesia?," *Jurnalku* 4, no. 1 (February 10, 2024): 36–49, <https://doi.org/10.54957/jurnalku.v4i1.644>.



than to fulfill the needs of goods and services in order to support government administration and provide services to the public in development activities funded by state finances.<sup>24</sup>

Government procurement of goods and services is a crucial mechanism for utilizing state budget. Procurement involves a significant amount of money annually, approximately 40% of the national and regional budgets according to the National Public Procurement Agency (LKPP). There are several legal aspects related to government procurement of goods and services: The legal aspects related to the procurement auction mechanism, civil law aspects related to the implementation of procurement of goods/services, and criminal law aspects, specifically in cases where corruption offenses occur during the procurement of goods/services, whether committed by state officials or by business actors seeking personal gain or enrichment.<sup>25</sup> According to Presidential Regulation 106/2007, it is known that the actor responsible for monitoring and evaluating the implementation of Sustainable Public Procurement Policies (PBJP Berkelanjutan) is the LKPP (Government Procurement Policy Agency). However, when considering the three aspects of Sustainable PBJP, information related to policy implementation and evaluation of Sustainable PBJP achievements could also fall under the mandate of government agencies or actors responsible for economic, social, and environmental aspects. In other words, it is not solely the responsibility of LKPP; leading sectors within the central government, which include at least eight ministries, also play a role:

- a. Continuous Product Life Cycle in the economic aspect pertains to the sub-aspect of production costs for goods/services throughout their lifespan. The actors in Sustainable Public Procurement (PBJP Berkelanjutan) fall under the central government ministries of Industry, Trade, and Public Works and Housing;
- b. The Sustainable PBJP focuses on social aspects, including sub-aspects such as empowering small businesses, ensuring fair working conditions, empowering local communities/businesses, and promoting equality and diversity. The actors in the Sustainable PBJP policy at the central government level consist of the Ministry of Cooperatives and SMEs, the Ministry of Labor, and the Ministry of Social Affairs;
- c. Sustainable PBJP encompasses environmental aspects related to Health, air quality, soil quality, and water quality, utilizing natural resources in accordance with legal regulations. The actors of Sustainable PBJP at the central government level consist of the Ministry of Health, the Ministry of Environment and Forestry, and the Ministry of Energy and Mineral Resources.

As an example, the leading sector to implement sustainable PBJP policies in the social aspect, with the sub-aspect of empowering small businesses, is regulated by Presidential Regulation 62/2015. This regulation states that the Ministry of Cooperatives and Small and Medium Enterprises performs two functions: policy formulation and determination in the field of cooperative institutions, as well as coordination and synchronization of policy implementation in the field of cooperative institutions.

<sup>24</sup> Aprilia Gayatri, Muhammad Hasbi, and Yuslim, "Akibat Hukum Kesalahan Prosedur Pemilihan Penyedia Dalam Pengadaan Barang/Jasa Pemerintah Terhadap Kontrak Kerja Konstruksi," *Unes Journal of Swara Justisia* 7, no. 2 (2023): 668-79, <https://doi.org/https://doi.org/10.31933/ujs.v7i2.360>.

<sup>25</sup> Musa Darwin Pane, "Aspek Hukum Pengadaan Barang dan Jasa Pemerintah, Suatu Tinjauan Yuridis Peraturan Pengadaan Barang dan Jasa Pemerintah," *Jurnal Media Hukum* 24, no. 2 (2017), <https://doi.org/10.18196/jmh.2017.0090.147-155>.

Specifically, Presidential Regulation 16/2018 reveals the parties mandated for the continuous government procurement of goods/services. The actors in this procurement process are the budget users (PA), budget authority users (KPA), commitment makers (PPK), working groups (Pokja), procurement officer selection, and internal government oversight apparatus (APIP).<sup>26</sup> PA/KPA receive the mandate for continuous procurement during the planning and budgeting stages, while PPK's mandate lies in the preparation of technical specifications/KAK and procurement contract planning for goods/services.

In accordance with Presidential Regulation No. 16/2018 concerning Public Procurement of Goods/Services to the Public, Article 1 stipulates that sustainable procurement signifies a procurement that confers a favourable value not solely to the government but also to the community and the environment throughout its utilisation cycle. This definition is consistent with the understanding of sustainable public procurement (SPP) as articulated by the United Nations Environment Programme (UNEP), which characterises SPP as a process where the procurement of goods and services throughout the entire user cycle is not only beneficial for the government or public organisation, but also for society and the environment. To ensure the realisation and ongoing development of sustainable procurement aspects within government circles, it is essential to internalise existing regulations through capacity building of public procurement actors.

The mandate for the procurement committee/officials during the document preparation phase of procurement (Article 68 paragraph 3 of Presidential Regulation 16/2018) is as follows: Meanwhile, APIP (Internal Control Apparatus for Procurement) receives a mandate for continuous procurement as part of the scope of PBJP (Procurement Supervision) activities (Articles 68 and 76) related to all PBJP activities. This can be explained through the following process flow: the general procurement process includes planning, procurement preparation, procurement, contract implementation, and handover of goods/services. PBP planning includes identifying needs, determining goods/services, procurement methods, procurement budgets, and general procurement plans. Government procurement of goods/services is carried out through two methods: self-managed goods/services are done by ministries/agencies/local government units, while the selection of goods/services providers is provided by business entities.<sup>27</sup>

Based on Presidential Regulation No. 16 of 2018 regarding Public Procurement of Goods/Services, Article 1 states that sustainable procurement implies that the procurement in question has value not only for the government but also for the community and the environment throughout its usage cycle. This is also in line with the definition of Sustainable Public Procurement (SPP) by the United Nations Environment Programme (UNEP), which states that SPP is a process where the procurement of goods/services throughout its usage cycle is beneficial not only for the government/public organization but also for the community

<sup>26</sup> Galih Gumelar et al., "Perlindungan Hukum Terhadap Tugas, Fungsi Dan Kewenangan PA, KPA, PPK, Pejabat Pengadaan, POKJA, PPTK, Pengawas Pada Dinas Tata Ruang Dan Bangunan Kabupaten Tangerang," *Jurnal Pemandhu* 2, no. 2 (2021): 244-53, <https://doi.org/https://doi.org/10.33592/jp.v2i2.1478>.

<sup>27</sup> Mustofa Kamal, "Analisis Kebijakan Pengadaan Barang dan Jasa Pemerintah Berkelanjutan," *Jurnal Transformasi Administrasi* 10, no. 02 (2020): 131-42, <https://doi.org/https://doi.org/10.56196/jta.v10i02.162>.

and the environment. If sustainable procurement aspects can be realized and continue to develop within the government, then existing regulations need to be continuously internalized through capacity building for procurement actors.

The internalization process of sustainable procurement aspects includes implementing environmentally friendly procurement at every stage of goods/services procurement. Therefore, it is crucial to demonstrate the fundamental substance and philosophical basis for the application of environmental-friendly aspects in accordance with the stages outlined in Presidential Regulation No. 16 of 2018 regarding Government Goods/Services Procurement and all its derivatives. The need for sustainable procurement in Indonesia is essential as it can help the government reduce the negative impact of development on the environment, influence the desired market, create job opportunities, and prioritize the well-being of all individuals within the supply chain.<sup>28</sup>

Government goods/services procurement activities are regulated in Presidential Decree No. 16/2018. The Presidential Decree establishes the following principles: Efficiency, Effectiveness, Transparency, Openness, Competitiveness, Fairness, and Accountability. These principles are intended so that at every stage of the contract, the government and the provider involved in a procurement contract must be guided by the principles in question.<sup>29</sup> The implementation of sustainable procurement in the public sector in Indonesia, also known as sustainable public procurement, has been outlined in Presidential Regulation No. 16 of 2018 regarding Government Procurement of Goods/Services. The concept of SPP in this regulation is defined as the procurement of goods/services aimed at achieving beneficial economic value not only for ministries/agencies/local government units as users, but also for the community, while significantly reducing negative environmental impacts throughout its entire lifecycle.

The global guidelines for sustainable procurement are outlined in ISO 20400 (an International Standard focused on Sustainable Purchasing Management). These guidelines aim to provide direction and assist organizations in meeting their responsibilities in sustainability and environmental aspects. ISO 20400 also aims to provide practical guidance on effective procurement practices and policies. The ISO 20400 standard includes several principles that uphold accountability in procurement of goods and services, namely accountability, Transparency, ethics, stakeholder interests, legal compliance, international norms, innovative and transformative solutions, focus on needs, integration, comprehensive cost analysis, and continuous improvement. Various procurement processes and outlining the necessary steps to integrate social responsibility into the function of procuring goods or services.<sup>30</sup>

Sustainable procurement itself is not just about being green; this concept delves deeper into the purchasing process that fulfills social and ethical responsibilities, purchasing procedures that protect environmental balance, and implementing noble and non-harmful

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<sup>28</sup> Hafizianor, "Penerapan Aspek Berkelanjutan Pada Pengadaan Barang/Jasa Pemerintah," *Jurnal Pengadaan Indonesia* 1, no. 1 (2022): 17–25, <https://doi.org/https://doi.org/10.59034/jpi.v1i1.3>.

<sup>29</sup> Orpa Juliana Nubatonis, "Good Faith Governance: Risk Management in Government Procurement Contracts," *Jurnal Hukum Bisnis Bonum Commune*, December 18, 2023, 10–20, <https://doi.org/10.30996/jhbhc.v7i1.9474>.

<sup>30</sup> Anne Staal, Gert Walhof, and Jan Roelof Dries, "Measure and Improve Sustainable Procurement with ISO 20400" (Groningen, 2018), <https://doi.org/10.13140/RG.2.2.32301.92646>.

business practices. Sustainable procurement refers to the process of acquiring goods and services in a way that ensures a balance between economic, social, and environmental factors.<sup>31</sup> Under the decision-making umbrella, sustainable procurement aims to maintain a balanced environment, society, and economy to ensure long-term success. The sustainable procurement task force established by the UK government identifies SP as a process where organizations meet their needs for goods, services, work, and utilities by achieving the desired monetary value.<sup>32</sup> On the other hand, this can also generate benefits not only for the organization itself but also for society and the overall economy, while minimizing environmental damage since 2006, which has emerged as an approach through more sustainable consumption and production stimulation. Each organization and industry in various countries has a different approach to Sustainable Procurement (SP), and SP implementation can include reducing packaging and selecting environmentally performance-based vendors, safety records, labor rights, the ability to develop environmentally friendly products, and reducing carbon emissions associated with transportation. Sustainable Public Procurement (SPP) in Indonesia has been gaining traction as the government aims to incorporate environmental, social, and economic considerations into its purchasing decisions. In the construction sector, Indonesia has made strides in implementing sustainable practices through its green building initiatives. One notable example is the Green Building Council Indonesia (GBCI), which promotes green building certification through standards such as Green Building Standard Indonesia (GBI). Public Procurement of Green Buildings: The Indonesian government, through various ministries and regional governments, has increasingly prioritized sustainable building practices in public infrastructure projects. For example, when the government builds public schools, hospitals, or government offices, procurement specifications often require the use of energy-efficient materials, renewable energy systems (like solar panels), and sustainable waste management practices.

The case's study on that is Jakarta's Government Office Building: Jakarta's government has incorporated sustainability principles into its office building projects. For example, the Thamrin Nine Tower (a mixed-use building) implemented energy-saving technologies and sustainable design. While not exclusively driven by public procurement, these types of projects are often government-influenced and encourage similar practices in public sector procurement. Indonesia has also been advancing in the procurement of green technologies to meet climate goals and promote a greener economy. Renewable Energy Projects: The Indonesian government, through agencies like the Ministry of Energy and Mineral Resources (ESDM) and the National Energy Board, has been implementing SPP in the procurement of renewable energy technologies. The procurement of solar panels, wind turbines, and bioenergy solutions is becoming more integrated into public sector projects. In 2020, for example, Indonesia's State-Owned Electricity Company (PLN) issued tenders for solar panel installations in remote areas as part of their effort to increase renewable energy penetration.

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<sup>31</sup> Donatus Ebere Okonta, "The Scientometric Analysis and Visualization of Sustainable Procurement," *Heliyon* 9, no. 10 (October 2023): e20985, <https://doi.org/10.1016/j.heliyon.2023.e20985>.

<sup>32</sup> Stephen Brammer and Helen Walker, "Sustainable Procurement in the Public Sector: An International Comparative Study," *International Journal of Operations & Production Management* 31, no. 4 (March 22, 2011): 452-76, <https://doi.org/10.1108/01443571111119551>.



Presidential Regulation No. 16 of 2018 Aligns with ISO 20400. ISO 20400 emphasizes transparent communication regarding sustainable procurement criteria, objectives, and decisions. While Presidential Regulation No. 16 of 2018 has strong provisions for transparency in the procurement process, such as publication requirements and public access to procurement information, sustainability-specific information may not always be sufficiently highlighted or required in tender documents. The regulation focuses more on the procedural aspect of procurement rather than specifying environmental or social sustainability criteria. ISO 20400 stresses the importance of accountability for procurement decisions, ensuring that organizations are responsible for their environmental and social impacts. Presidential Regulation No. 16 of 2018 supports accountability through its regulatory and oversight mechanisms, though it lacks specific provisions for monitoring sustainable procurement outcomes (e.g., measuring environmental or social impacts of procured goods and services post-contract).

### 3.3. Sustainable Procurement Implementation Provides Facilities for Green Procurement

Green procurement is a process of fulfilling the needs of goods/services for ministries/agencies/local government units/institutions in an environmentally friendly manner. The entire procurement process should not only benefit the ministries/agencies/local government units/institutions, but also the community and the economy by minimizing environmental damage. The concept of environmentally friendly procurement can be translated into specific document requirements that promote wise utilization of natural resources and support environmental conservation. The friendly approach or just an introduction, but in its development, regulations related to the term "environmentally friendly" have been increasingly emphasized. The latest regulations governing the Environment and environmentally friendly include Law No. 32 of 2009 concerning Environmental Protection and Management, or those related to construction services, one of which is regulated in Minister of Environment Regulation No. 8 of 2010 concerning Criteria and Certification for Environmentally Friendly Buildings. Green procurement principles involve the acquisition of goods/services that consider environmental sustainability in order to minimize the negative impact caused by environmental damage resulting from construction and procurement activities. It is essential to adhere to environmentally friendly concepts by ensuring that the specified requirements for goods or services are met while minimizing their impact on the environment. Specific conditions should be added during the procurement process, and cost optimization should be prioritized to meet planned needs with minimal expenses.<sup>33</sup>

The term "green procurement" or environmentally friendly procurement is an important step that can be taken to reduce negative impacts on the environment.<sup>34</sup> Contributing to environmental protection can be done not only by choosing eco-friendly products, but also by selecting products or services provided by parties who care about environmental

<sup>33</sup> Yunita A. Messah, Sudiyo Utomo, and Angelica S.C. Ballo, "Kajian Penerapan Green Procurement Pada Proyek Infrastruktur Jalan di Provinsi Nusa Tenggara Timur," *Jurnal Teknik Sipil* 5, no. 2 (2016): 127–38, <https://doi.org/https://doi.org/10.35508/jts.5.2.127-138>.

<sup>34</sup> Muhammad Waris Ali Khan, Mehfooz Ullah, and Chia Kuang, "Sustainability Through Green Procurement: Interplay Between Leadership and Institutional Pressures," in *International Conference on Business Sustainability and Innovation*, 2019, 196–205, <https://doi.org/10.15405/epsbs.2019.08.20>.

sustainability. In Indonesia, there are regulations governing environmentally friendly procurement of goods or services. These rules are stipulated in Presidential Regulation No. 12 of 2021 Regarding Government Procurement of Goods/Services, in Article 19 paragraph 4 of the same regulation, it can be said that environmentally friendly products are those labeled as environmentally friendly products or services. This demonstrates the government's commitment to promoting the use of more sustainable products and supporting environmental conservation efforts.

One of the labels or certificates that can be obtained by procurement parties in environmental management systems is ISO 14001. ISO 14001 itself is an internationally recognized standard for environmental management systems and can be used by various types of organizations or companies. The supporters of the Green Procurement movement are as follows:

a. Clear environmental policy determination

ISO 14001 encourages organizations to establish clear and detailed environmental policies. This policy aims to guide the organization in managing environmental aspects systematically and sustainably. Within the framework of ISO 14001, environmental policies often include a commitment to green purchasing practices. By setting firm policies, organizations can demonstrate their responsibility in green procurement efforts and contribute to sustainable development goals. Clear environmental policies also guide all members of the organization in carrying out their daily tasks. This includes selecting suppliers that meet environmental standards, using environmentally friendly raw materials, as well as implementing recycling practices and effective waste management. With structured and comprehensive policies, organizations can reduce their ecological footprint and optimize their use of resources.

b. Identify and evaluate environmental aspects

ISO 14001 guides organizations in identifying and evaluating environmental aspects of their products, services, and processes. This process involves a thorough assessment of the environmental impact resulting from various organizational activities. With a comprehensive understanding of the environment, organizations can take proactive steps to reduce their negative impact. Accurate identification also enables organizations to prioritize and focus on areas that require environmental improvement. With the information obtained from this evaluation, organizations can select suppliers that offer environmentally-friendly products and services, helping to reduce the negative impact on the organizational environment. Additionally, this encourages suppliers to improve their environmentally-friendly practices. Thus, green procurement becomes a key strategy in achieving the sustainability goals expected by ISO 14001. Not only beneficial for the environment, but it can also enhance operational efficiency and the organization's reputation in the eyes of stakeholders.

c. Development of green purchasing criteria

Organizations implementing ISO 14001 can develop specific and measurable criteria for green procurement. These criteria encompass various environmental requirements that suppliers must meet, such as the use of recycled materials, energy efficiency, and emissions reduction. By setting high standards, organizations can ensure that the

products and services they purchase not only meet operational needs but also support environmental sustainability goals. These criteria serve as an effective tool to encourage suppliers to improve their environmental practices. In the context of green procurement, green purchasing criteria play a crucial role in determining supplier choices. Suppliers who meet the established environmental criteria will be prioritized in the procurement process. This not only helps organizations achieve their environmental targets but also provides incentives for suppliers to continuously enhance their practices for sustainability. Thus, the development of green purchasing criteria becomes a key strategy in the effective and sustainable implementation of ISO 14001.

d. Increase in awareness and training

ISO 14001 encourages increased environmental awareness throughout the organization. One effective way to achieve this is through proper training and education for employees. By understanding the importance of green procurement, employees can make wiser decisions in the purchasing process. This training also includes an understanding of the environmental impact of various products and services, as well as ways to minimize those negative effects. As a result, every individual within the organization can actively contribute to environmental conservation efforts. Through this ongoing training program, the organization can create a work culture that is more environmentally oriented. Employees who are aware of the importance of environmentally friendly practices tend to be more responsible in every aspect of their work. Furthermore, this increased awareness can also motivate employees to continuously seek new and innovative ways to support the organization's sustainability goals. By fostering a strong culture and commitment to the environment, the organization can achieve compliance with ISO 14001 effectively.

e. Monitoring and measurement of environmental performance

ISO 14001 requires organizations to periodically monitor and measure their environmental performance. This monitoring encompasses various aspects, from resource usage to emissions and waste generated. With accurate and detailed data, organizations can assess the effectiveness of their green purchasing programs. This information is crucial for identifying areas in need of improvement and ensuring environmental goals are met. Systematic monitoring also allows organizations to make necessary adjustments to remain aligned with ISO 14001. Based on the collected data, organizations can set more ambitious environmental targets for the future. Environmental performance analysis provides insights into trends and patterns, allowing green procurement strategies to be continuously enhanced and adjusted by ensuring that green purchasing practices are not only maintained but also improved over time. Thus, organizations can contribute more significantly to environmental sustainability, demonstrating their commitment to ongoing improvement in green procurement practices<sup>35</sup>.

The development of environmentally friendly procurement policies for goods and services (green procurement) in Indonesia is strategically important in promoting the implementation of sustainable consumption and production patterns by advocating

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<sup>35</sup> Mitra berdaya optima, "Strategi Efektif : Green Procurement Dengan Standar ISO 14001," 29-11-2024, 2024.

environmentally friendly procurement practices. The target within the government sector is 12.7%. The goal of the GPP policy is to provide a list of environmentally friendly products and services that can be used in achieving environmentally friendly procurement with efficient utilization of natural resources and preservation of environmental functions, ensuring the realization of sustainable development. The GPP policy is strategic, cross-sectoral, and involves various stakeholders; The government procurement agency/LKPP, ministries/agencies, provincial governments, and city/district governments in Indonesia. The Green Public Procurement (GPP) policy in Indonesia from 2015-2020 has shown encouraging progress. A significant milestone in this policy development was marked by the issuance of Minister of Environment Regulation No. 5 of 2019 regarding the Implementation of Environmentally Friendly Labels for goods/services. This regulation has been followed up by LKPP through operational guidelines for procurement of goods and services, as outlined in Circular Letter No. 16 of 2020 from the Head of LKPP, concerning Green Products/Industry Green Products for use in the procurement of the three products specified in Minister of Environment Regulation No. 5 of 2019.<sup>36</sup>

Promoting sustainable development goals in Indonesia, with the aspiration of becoming an advanced, prosperous, and prosperous nation, is one way to achieve these objectives by developing, enhancing, and utilizing natural and human resources. An important role in this regard is played by taxation as state revenue to support and finance public development and government tasks to achieve the goal of sustainable development. The definition of sustainable development is an effort to meet current needs without compromising the ability of future generations to do the same. As one of the strategies used to support the achievement of targets for new energy contributions, the government has provided several solutions that can be utilized. These solutions include a fiscal incentive scheme by reducing levies, such as lowering taxes by up to 100% for a certain period, as well as import facilities that have not been fully utilized by renewable energy developers.<sup>37</sup>

In Indonesia, however, there is no specific overarching legal obligation requiring government agencies or business entities to conduct environmental training. However, several laws, regulations, and policies indirectly encourage or mandate environmental awareness and capacity-building activities, especially for sectors with a direct environmental impact. These laws emphasize environmental management and sustainable development practices, but they don't explicitly mandate environmental training across all industries or public institutions. For example in Minister of Environment and Forestry Regulation No. P.26/MENLHK/SETJEN/KUM.1/5/2019. This regulation focuses on the management of waste and promotes the circular economy in Indonesia. In line with this, there are some obligations for industries handling hazardous and non-hazardous waste to conduct training and awareness campaigns for their staff to handle waste sustainably. While the regulation

<sup>36</sup> Pusat Fasilitas Penerapan Standar Instrumen Lingkungan Hidup dan Kehutanan, "GREEN PUBLIC PROCUREMENT," 29-11-2024, 2024, <https://pusfaster.bsilhk.menlhk.go.id/index.php/tentang-kami/>.

<sup>37</sup> Audita Setiawan, "Upaya Mewujudkan Sustainable Development Goals ( SDGs ) Di Indonesia Melalui Optimalisasi Manajemen Celah Pajak Pada Perusahaan Energi," *Fair Value: Jurnal Ilmiah Akuntansi Dan Keuangan* 6, no. 1 (2023): 76-84, <https://doi.org/https://doi.org/10.32670/fairvalue.v6i1>.



doesn't prescribe mandatory environmental training in general, waste management companies or any entities involved in hazardous waste handling are likely required to provide specific training to ensure compliance with the standards.

The National Medium-Term Development Plan (RPJMN) and National Action Plan for Green Procurement highlight green procurement and sustainable business practices as key priorities. Although these do not explicitly mandate training, they encourage businesses and public institutions to integrate environmental considerations into their operations, which often requires training personnel to understand sustainable practices, compliance, and the procurement of eco-friendly goods and services. Institutions implementing Sustainable Public Procurement (SPP) policies often build internal capacity through training programs aimed at ensuring that staff are capable of managing environmental considerations in procurement processes. Although there is no legal obligation to provide training in Indonesia, there are both sanctions and incentives associated with the implementation (or lack thereof) of green procurement principles. These sanctions and incentives are primarily embedded in national laws and regulations related to sustainable procurement, environmental management, and business practices. While there isn't a single, unified framework explicitly dealing only with green procurement sanctions and incentives, various legal instruments touch on these concepts.

The Procurement of Goods and Services Law outlines the general framework for public procurement in Indonesia. Though it does not provide explicit sanctions for not incorporating green procurement practices, it can enforce penalties for violations of procurement regulations. Sanctions for Non-Compliance, if a public agency or a business fails to meet procurement requirements (including those related to environmental standards), penalties may include disqualification from future procurement contracts or the imposition of fines. This applies when the procurement process or the products being procured do not meet the specifications for sustainability or green standards as required by the government.

This legal challenge is intended to ensure that future procurement processes explicitly mention the obligation to conduct training on environmental-based procurement, as well as any sanctions and incentives for those who succeed in conducting sustainable procurement. Indonesia could adopt similar legislation with European Union to mandate the inclusion of environmental criteria in public procurement. The EU has developed comprehensive frameworks for green public procurement (GPP), encouraging member states to adopt sustainable procurement practices across various sectors. The EU Green Public Procurement policy is designed to integrate environmental criteria into public procurement, influencing the demand for eco-friendly products and services. Directive 2014/24/EU on public procurement provides a legal framework for EU member states to integrate environmental sustainability into procurement procedures.<sup>38</sup> The directive allows for the inclusion of environmental criteria in technical specifications, contract award criteria, and contract performance clauses. This ensures that sustainability considerations are embedded at each stage of the procurement process. The EU GPP Criteria guide contracting authorities on how to implement green

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<sup>38</sup> Rizky Amalia et al., "Enhancing The Legal Framework For Sustainable Public Procurement: A Comprehensive Sustainable Development Plan For Indonesia," *UUM Journal of Legal Studies* 15, no. 2 (July 30, 2024): 505-27, <https://doi.org/10.32890/uumjls2024.15.2.5>.

procurement by providing detailed environmental criteria for various product categories (energy-efficient buildings, low-emission vehicles, eco-friendly office supplies). By using EU GPP criteria as a model, Indonesia could identify key sectors where green procurement would be most impactful (for example infrastructure projects, energy efficiency in government buildings, public transportation).

#### 4. Conclusions

The extent to which the market is ready to support sustainability, availability, capacity, and estimated costs need to be considered in the procurement of goods or services. The information generated from this communication is used to assist in budget allocation during the initial procurement process. The purpose of studying market readiness in procurement implementation is to measure the existing productive capacity for domestically sustainable goods/services, analyze the potential response level from the market and national business sector in sustainable procurement, determine the capacity to meet public procurement requirements, identify certifications, and support planning activities for further sustainable procurement introduction. Market readiness must be supported based on legal regulations, especially when the legal aspects within the prioritized group have been analyzed. This analysis will assist in the development of definitive maintenance for goods/services procurement. As a key input, sustainable procurement policies should align with plans and actions, as this will aid in identifying areas where short-term, medium-term, or long-term actions are necessary. Emphasizing crucial aspects to improve the market situation is essential. Support for the sustainability of public procurement requires a rational and instrumental approach towards the community. Therefore, PBJP practitioners need to develop a measurement model for success in implementing sustainable procurement indicators in each construction project among various institutions.

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