

**SPEECH BY HON. ANIL KUMARSINGH GAYAN, SC, MINISTER OF
TOURISM ON THE OCCASION OF THE TRAINING WORKSHOP ON
SUSTAINABLE PROCUREMENT FOR THE “SUSTAINABLE TOURISM
VALUE CHAIN PROJECT”**

Mr Jean Michel Pitot, Chairman of ARHIM

The Senior Staff of my Ministry

Chairman and Director of MTPA

Chairman and Director of TA

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Distinguished Guests,

Ladies and Gentlemen,

All protocols observed

Good morning,

It is with great pleasure that I am here this morning to address you today on the occasion of the two-day training workshop on “Sustainable Procurement”. This is in fact, the 3rd Workshop being organised under

the project “Transforming tourism value chains in developing countries and Small Islands Developing States”.

You would recall that I launched the “Sustainable Tourism Value Chain Project” initiated by the UN Environment in collaboration with my Ministry in October 2017. The main objective of this project is to reduce greenhouse gas emissions and increase resource efficiency in the Accommodation and Food & Beverages sectors. The “Sustainable Tourism Value Chain Project” is being implemented in Mauritius, the Philippines, Dominican Republic and six member states of the Organisation of the Eastern Caribbean States. I am informed that Mauritius is doing fairly well comparatively in terms of project implementation and progress.

Ladies and Gentlemen

Following the launching of the project, a survey exercise in the Accommodation sector in Mauritius was carried out with a view to identifying the hotspots to be considered under the project. However, it is a matter of regret that there has been a lack of collaboration from the sector, with a mere 23 establishments out of 113 submitting valuable inputs through the survey forms. In this respect, the sample size does not

give a whole picture of the current practices in the accommodation sector to enable the finalisation of a comprehensive report and National Action Plan under the Project.

I am also informed that for the purpose of the Training Workshop, a market readiness analysis was carried out with a view to assessing the existing productive capacities for sustainable products and services in Mauritius and the potential responsiveness of the market and national business sector to potential Sustainable Procurement tenders. Three products were prioritized namely air conditioning equipment, fresh produce and alternatives to single use plastics. I am a bit surprised by the choice of the subjects to be analysed under the project. The findings of the analysis have been used for the preparation of the training programme.

Ladies and Gentlemen

The Tourism Industry is a guest driven industry. Today, with technological advancements, the guest is a more informed and demanding because he has access to information. Therefore, in order to be able to meet the expectations of guests, tourist operators have to deliver the right product or service and more importantly be consistent

in doing so. Procurement of such products is therefore central in the operations of these establishments.

In Mauritius there are Hotel Chains and also SMEs or standalone ones as well. Although being part of a chain of hotels provides its members the benefit of economies of scale in their purchasing and in service delivery through partnerships with suppliers or through intercorporate dealings, still we cannot overlook the fact that such a situation gives rise or can give rise to a dominant position for the group.

Sustainable Procurement

Ladies and Gentlemen

This is why It is important to highlight that the target of Sustainable Development Goal 12: “Ensure sustainable consumption and production patterns” is to promote public procurement practices that are sustainable in accordance with national policies and priorities. This principle must apply also to the private sector as the latter runs the tourism industry.

Tourism depends on the existence of hotels. It is evident, for example, that the construction of a hotel is just the beginning of a whole process of procurement. From the architect, the engineer, the contractor, the

sub-contractor, the electrical engineers, utilities, furniture, furnishings, heavy equipment, air conditioners, desalination plants, kitchen equipment, landscaping, plates, cutlery etc, bed sheets, pillows, beds, decorations, whose paintings will be purchased for the purpose of decoration, who will get to run the shops in hotels to the selection of the security provider, one can see the range of areas where the procurement process intervenes. What I have said about the initial construction phase and the commissioning of a hotel applies to renovation of hotels. At times renovations can cost more than the cost of construction.

In view of what I have just said,

Ladies and Gentlemen

We must ask ourselves these questions: How is all this done? Are there codes of practice which are applied in this process? How is the procurement head appointed? Is he/ she related to the hotel promoter? Are there sister companies which are afforded preferential access to these suppliers? Are there situations where some people get to know in advance the requirements so that they plan accordingly? Does the practice of seeking 3 quotations for each procurement exercise stand the test of a level playing field? Is this transparent in the absence of an independent body to assess the quotations?

What are the terms of granting credit facilities? At times hotels insist on a 90-day window before they effect payment for supplies and small suppliers are unable to agree to granting such credit facilities. Can this be a disguised form of awarding contracts to those companies/ suppliers that have deep pockets or are somehow linked through a system of holdings and other related companies? If we honestly believe that tourism can be the trigger and agent for a new way of opening up opportunities for all, then I do hope that this workshop will and must address the reality of the situation and seek from hotels reliable information on the way procurement operates at every level.

Ladies and Gentlemen

The tourism industry must have procurement procedures that are equitable, fair and transparent. Tourism is an activity which is consumed locally and it is only fair that the local communities be involved in the procurement of goods, agricultural products and services that they can provide.

For this to happen, local communities must know what are the items, goods, services, transportation etc that the hotels in the locality require. I say this and I said this before , The local communities will defend and protect the tourism industry if they also are made to own it. The linkages

between tourism demand for food, fish product, entertainment, transportation, laundry services are self-evident. For example providing to the local communities all laundry services will not only improve their way of life but also result in savings in terms of limiting carbon footprint because we are committed to a full range of green procurement.

For example hotels can work closely with farmers and fishers in their region to procure vegetables and fish products. The farmers need to know well in advance what are the requirements hotel and I am sure that the farmers would be happy to be engaged with tourism. While I can unfortunately understand that hotels tend to deal with a major group or supplier in order to avoid dealing with many persons and while this may be convenient, such an attitude can also be potentially provocative vis a vis the local communities. In fact we are witnessing that situation in some hotels with taxis based at the hotels complaining about other transportation service providers.

So we have to be concerned about all this.

Ladies and Gentlemen

Tourism is about inclusiveness, sharing and openness. Tourism is the one industry that can expand the area of involvement of all those interested in it. Spends a lot of money to promote the destination agent to improve

the life of all Mauritian. A deep process of consultation with all existing and prospective stakeholders for the purpose of including all of them is the road map to follow.

Government does recognize that procurement decisions by public bodies have inherent social, public health, environmental and economic impacts both locally and globally. All procurement within the public sector is regulated under the Public Procurement Act 2006 and this done to ensure fairness and transparency in bidding exercises.

Procurement can be used strategically if supported by a strong and enabling regulatory framework. The National policies and regulatory framework for procurement need to allow for the inclusion of sustainability issues in procurement. In this respect, the Public Procurement Office is currently working on the implementation of Sustainable Procurement for the Public Sector based on the recommendations of the National Action Plan on Sustainable Public Procurement for Mauritius (2011-2015).

The Marrakech Task Force on Sustainable Public Procurement defines SPP and I quote, "Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in

a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”

This quotation is very apt and sums up what sustainability is all about.

Challenges

Ladies and Gentlemen

Inevitably there will be challenges and will be your role and mine to address them in a manner which is reasonable, equitable, fair but also ethical. I do hope that this workshop will come up with concrete suggestions in this regard.

Sustainable Procurement will become a reality when those involved in procurement coordinate their action also to promote green procurement in light of transparency principles.

The Hospitality industry is a major importer of a wide variety of goods from distant countries. By making decisions about what they purchase, and where they purchase hotels can help to influence their suppliers and their customers and find ways of increasing procurement at a local level while at the same time limiting carbon footprint.

But what must be avoided is a vertically integrated procurement process. Both the public and private sectors have a common interest in sustainable procurement. Government is playing its part and expects a similar commitment from the private sector. In this regard capacity building and regular training will help everyone achieve the SDGs.

Let me in conclusion Ladies & Gentlemen I would like to thank the Attitude Group and the Civil Service College of Mauritius for their support in the organisation of this two day workshop.

Day 2 of the Training Workshop which will be held at the Civil Service College of Mauritius tomorrow and I am informed that there has been a very positive response from the various Ministries and Parastatal bodies that have been invited and interactive will be very fruitful.

It is with great pleasure that I now declare open the Training Workshop on Sustainable Procurement and I wish all participants a successful Workshop.

I thank you for your attention.