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Exchange workshop on Experiences in Reforming Public Procurement:

Presentation of the OECD Recommendations on Public Procurement

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General context

- Public procurement: a horizontal function across the public sector
- Public procurement has high implications for public service delivery
- Well-governed public procurement contributes directly to greater public trust, enhanced well-being and more prosperous and inclusive societies





OECD Recommendation on Public Procurement

- adopted in 2015, by the OECD Council
- the overarching OECD guiding principle on public procurement
- promotes the strategic and holistic use of public procurement
- a reference for modernising procurement systems





OECD Recommendation on Public Procurement

- can be applied across all levels of government (and state owned enterprises)
- addresses the entire procurement cycle
- integrates public procurement with other elements of public governance such as budgeting, financial management and additional forms of services delivery
- *also available in Arabic, French...*





The [2015 OECD Recommendation on public procurement](#): 12 integrated principles



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Checklist for Supporting the Implementation of the 2015 OECD Recommendation

- guide and support public procurement stakeholders/practitioners in reviewing, developing and updating their procurement framework, according to the 12 principles of the Recommendation
- encourage self-assessment + provide a starting-point for implementing the Recommendation
- does not provide a compulsory list of elements countries have to comply with, but rather more detailed information and guidance for each of the 12 principles as well as actions that can be taken to improve the strategic and holistic use of public procurement





12 integrated principles

1. transparency
2. integrity
3. access
4. balance
5. stakeholder participation
6. efficiency
7. e-procurement
8. capacity
9. evaluation
10. risk management
11. accountability
12. integration





1. Ensuring an adequate degree of **TRANSPARENCY**

- helps to promote fair and equal treatment for potential suppliers + competition
- in the entire procurement cycle + in the subcontracting relationships
- taking into account the legitimate needs for protection of business/trade/state secrets and other privacy concerns
- free access for all stakeholders to public procurement information
- visibility of the flow of public funds





2. Preserving the **INTEGRITY** of the system

- High standards of integrity for all stakeholders in the procurement cycle
- Public sector integrity tools tailored to the specific risks of the procurement cycle
- Integrity programmes for the procurement workforce
- Requirements for internal controls, compliance measures and anti-corruption programmes for suppliers





3. Facilitating **ACCESS** for suppliers of all sizes and characteristics to procurement opportunities

Access : non-discrimination and equal access

- Coherent and stable institutional, regulatory frameworks to increase participation in doing business with the public sector
- Clear and integrated tender documentation, standardised where possible and proportionate to the need
- Competitive tendering and limit the use of exceptions and single source procurement





4. **BALANCING** the use of PP to pursue secondary policy objectives

- public procurement is recognised as a strategic instrument for achieving innovative, social and environmental policy objectives (e.g. promote green growth, developing SMEs, innovation, standards for responsible business conduct)
- But these policy goals should be balanced against the primary objective (traditional goal): to achieve value for money.





5. Fostering transparent and effective stakeholder **PARTICIPATION**

- dialogue between relevant stakeholders in public procurement
- standard processes when formulating changes to the public procurement system
- transparent and regular dialogues with suppliers and business associations to present public procurement objectives and to assure a correct understanding of markets





6. Driving **EFFICIENCY** throughout the PP cycle

- Streamline public procurement system and institutional frameworks: evaluate existing processes and institutions to identify functional overlap, inefficient silos and other causes of waste – to reduce administrative red tape and costs
- Sound technical processes to satisfy customer needs efficiently (e.g. by developing appropriate technical specifications, identifying appropriate award criteria)
- use tools to improve procurement procedures, and achieve greater value for money (centralized purchasing, framework agreements, e-catalogues, dynamic purchasing, e-auctions, joint procurements....)





7. Harnessing the use of digital technologies – **E-PROCUREMENT**

- Employ recent digital technology developments that allow integrated e-procurement solutions covering the public procurement cycle





8. Develop a procurement workforce with the **CAPACITY** to deliver the value of money efficiently and effectively

Ensure that procurement officers meet high professional standards by providing a dedicated and regularly updated set of tools, e.g.

- sufficient staff in terms of numbers and skills
- recognition of public procurement as a specific profession
- certification and regular trainings
- the existence of a unit/team analysing public procurement information and monitoring the performance of the public procurement system





9. Drive improvements through **EVALUATION** of the effectiveness of the system

- Periodic and consistent assessment of the results of the (individual) procurement process / system as a whole
- Collect consistent, up-to-date and reliable information and use data for guiding future procurement decisions
- Develop indicators to measure performance, effectiveness and savings of the public procurement system





10. Integrating

RISK MANAGEMENT strategies

- Develop risk assessment tools to identify and address threats to the proper function of the public procurement system.
- Promote risk management strategies (e.g. systems of red flags or whistleblower programmes)





11. Increasing **ACCOUNTABILITY** throughout the PP cycle

- Apply oversight and control mechanisms to support accountability throughout the procurement cycle, including appropriate complaint and sanctions processes.
- Establish clear lines for oversight of the public procurement cycle
- Develop a system of effective, enforceable sanctions
- Handle complaints in a fair, timely, transparent way
- Ensure that internal control/audit and external controls/audits are co-ordinated, sufficiently resourced and integrated





12. Support **INTEGRATION** of public procurement into overall public finance management

- harmonise public procurement principles across the spectrum of public services delivery, as appropriate, including for public works, public-private partnerships and concessions





The way forward

- OECD Questionnaire for reporting back on the progress made in implementing the Recommendation
- Responses received from 27 OECD countries and 3 non-OECD countries
- Monitoring report to be finalized in 2019 Q1.





Thank you very much for your attention.

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